

**TWENTYFIRST CENTURY SHARES  
AND SECURITIES LIMITED**

**SEVENTY FIFTH (75)  
ANNUAL REPORT - 2016 - 2017**

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**TCSS Limited - SEVENTY FIFTH (75) ANNUAL REPORT - 2016 - 2017****CORPORATE INFORMATION****Board of Directors**

Mr. Sundar Iyer	- Director & CEO
Mr. Krishnan Muthukumar	- Non-Executive Director
Mr. A.V.M.Sundaram	- Director (Resigned on 17th May 2017)
Mr. Iyer Vishwanath	- Independent Director
Ms. Sita Sunil	- Independent Director (Resigned on 9th January 2017)
Ms. Dipti Dinesh Sakpal	- Independent Director (Appointed on 18th April 2017)

**KEY MANAGEMENT PERSONNEL:**

Chief Executive Officer - Mr. Sundar Iyer  
Chief Financial Officer - Mr. Bhaskar Shetty  
Company Secretary - Mr. A.V.M.Sundaram (Appointed on 17th May 2017)

**BOARD COMMITTEES:****Audit Committee**

Mr. Iyer Vishwanath (Chairman of the committee)  
Ms. Sita Sunil  
Mr. Sundar Iyer

**Reconstituted due to the appointment of Independent Director  
Ms. Dipti Dinesh Sakpal on 18th April 2017**

Mr. Iyer Vishwanath (Chairman of the committee)  
Ms. Dipti Dinesh Sakpal  
Mr. Sundar Iyer

**Nomination and Remuneration Committee**

Mr. Iyer Vishwanath (Chairman of the committee)  
Ms. Sita Sunil  
Mr. Sundar Iyer

**Reconstituted due to the appointment of Independent Director  
Ms. Dipti Dinesh Sakpal on 18th April 2017**

Mr. Iyer Vishwanath (Chairman of the committee)  
Ms. Dipti Dinesh Sakpal  
Mr. Sundar Iyer

**Statutory Auditors**

M/s SHETH DOSHI & ASSOCIATES  
Chartered Accountants  
529, Sixth Floor, Ecstasy Business Park  
City of Joy Commercial Complex  
J.S.D.Marg, Near East West Flyover  
Mulund (West), Mumbai 400 080  
Email ID: sheth\_doshi@yahoo.co.in

**Secretarial Auditors**

M/s Lakshmmi Subramanian & Associates  
Company Secretaries  
Murugesanaicker Complex,  
No.81, Greams Road,  
Chennai-600006

**Principal Bankers**

ICICI BANK LIMITED  
HDFC BANK LIMITED

**Registered Office**

1st Floor, Grease House,  
Zakaria Bundar Road, Sewree West,  
**Mumbai 400 015**  
Tel.: 91 22 24191106 / 24156538  
Fax: 91 22 24115260

**Corporate Identity Number**

**U51900MH1942PLC003546**

**TWENTYFIRST CENTURY SHARES AND SECURITIES LIMITED**  
**Regd. Office: 1B, GREASE HOUSE, ZAKARIA BUNDER ROAD, SEWREE (WEST),**  
**MUMBAI - 400015**  
**TELEPHONE +91 22 24191106, FAX +91 2224115260**  
**CIN: U51900MH1942PLC003546**

## **NOTICE FOR THE ANNUAL GENERAL MEETING**

Notice is hereby given that the 75th Annual General Meeting of the Company will be held on Monday, 25th September 2017 at 4.00 P.M., at 1B, GREASE HOUSE, ZAKARIA BUNDER ROAD, SEWREE (WEST) MUMBAI - 400015 to transact the following business.

### **ORDINARY BUSINESS**

#### **Item No.1 Adoption of financial statements**

To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March 2017 along with the reports of the Board of Directors (the Board) and Auditors thereon and if deemed fit to pass the following resolution with or without modification as **Ordinary Resolution**:

**“RESOLVED THAT** the Audited Financial Statements of the Company for the financial year ended 31st March 2017, the Report of the Auditors thereon and the Board of Directors for the financial year ended 31st March 2017, placed before the members at the 75th Annual General Meeting be and hereby received and adopted.”

#### **Item No.2 Appointment of Director Mr. Krishnan Muthukumar as Non-Executive Director, liable to retire by rotation**

To appoint Mr. Krishnan Muthukumar, who retired at the ensuing Annual General Meeting (DIN 00463579) being eligible, offers himself for reappointment and in this connection to consider and if deemed fit to pass the following resolution as **Ordinary Resolution**:

**“RESOLVED THAT** Mr. Krishnan Muthukumar having DIN 00463579 be and is hereby reappointed as Director of the Company, liable to retire by rotation.”

#### **Item No.3 Ratification of the Appointment of Auditors**

To ratify the appointment of the auditors of the Company and to fix their remuneration and to pass, with or without modification, the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to Section 139, 141, 142 and other applicable provisions of the Companies Act 2013 and the Companies (Audit & Auditors) Rules, 2014, including any amendment, modification, variation or re-enactment thereof made thereunder and pursuant to the recommendations of the audit committee of the Board of Directors and pursuant to the resolution passed by the members at the AGM held on 10th July 2015 the appointment of **M/s SHETH DOSHI & ASSOCIATES**, Mumbai, Chartered Accountants, (Registration Number **110052W**) as the Statutory Auditors of the Company made for the period of 5 years, be and is hereby ratified and that the said firm of Auditors shall hold the office from the conclusion of this meeting until the conclusion of 76th Annual General Meeting to audit the Financial Statements of the Company for the Financial year ending 31.03.2018 on a remuneration as may be determined by the audit committee in consultation with the auditors and that such remuneration be paid on a progressive billing basis as may be agreed upon between the Statutory Auditors and the Board of Directors of the company.”

## **SPECIAL BUSINESS**

### **Item No.4 - Appointment of Secretarial Auditors**

To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:

**RESOLVED THAT** pursuant to the provisions of section 204 and all other applicable provisions, if any, of the Companies Act, 2013, M/s Lakshmmi Subramanian & Associates, Practising Company Secretaries, having office at “Murugesu Naicker Complex, No.81, Greams Road, Chennai-600006 be and is hereby appointed as Secretarial Auditors of the company in order to furnish Secretarial Audit Report for the financial year ending 31.03.2018 as required under the provisions of said section on a remuneration as may be determined by the audit committee in consultation with the auditors and that such remuneration be paid as may be agreed upon between the Secretarial Auditors and the Board of Directors of the company”

### **Item No. 5 - Appointment of Ms. Dipti Dinesh Sakpal (DIN 07305797) as Non-Executive Independent Woman Director**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the

Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Ms.Dipti Dinesh Sakpal, (DIN 07305797) who was appointed as Additional Director of the Company with effect from 18th April 2017 and who holds office till the date of AGM and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act,2013, proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company and to hold office for a term of 5 years up to 17th April 2022, not liable to retire by rotation”.

### **Item No. 6 Approval of Related Party Transactions**

To approve related party transaction and in this regard to consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**RESOLVED THAT** pursuant to provisions of SEBI (LODR) REGULATIONS, 2015 (including any amendment, modification or re-enactment thereof), consent of the members of the Company be and is hereby accorded for transacting through **M/s. SI BROKING AND INVESTMENTS LIMITED** (Trading Member of National Stock Exchange of India Limited and BSE Limited, Mumbai) (Associate of the

company) as a business client for executing trades in CAPITAL MARKET SEGMENT AND DERIVATIVES TRADING IN SHARES (F&O) through NSEIL and BSE Limited, MUMBAI and which falls under the definition of material related party transaction during the financial year 2017-18, on the terms as briefly mentioned in the explanatory statement to this resolution.

RESOLVED FURTHER THAT consent of the members of the Company be and is hereby accorded to all acts, deeds and things which was done and documents executed in connection with such material related party transaction.”

By Order of the Board  
Sundar Iyer

Place: Mumbai                      Director & CEO  
Date: 28th August 2017

**NOTES:**

- a) The relative Explanatory Statement, pursuant to Section 102(2) of the Companies Act, 2013 setting out material facts in respect of the special business under Item No. 4,5 & 6 of the Notice is annexed hereto. The relevant details as required under Regulation 36(3) of SEBI (LODR) REGULATIONS, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, of the person seeking appointment / re-appointment as Director under Item No.2 & 6 of the Notice, is given below.
- b) **A MEMBER ENTITLED TO ATTEND AND VOTE, AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- c) The instrument appointing proxy (duly completed, stamped and signed) in order to be effective must be deposited at the registered office of the company not less than 48 hours before the commencement of the 75th Annual General Meeting of the company. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, member would be entitled to inspect the proxies lodged, at any time during the business hours of the company, provided not less than 3 days written notice is given to the company.
- d) Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a duly certified copy of Board Resolution on the letterhead of the Company, signed by one of the Directors or Company Secretary or any other authorized signatory and / or duly notarized Power of Attorney, authorizing their representatives to attend and vote on their behalf at the Meeting.

**INFORMATION AS REQUIRED UNDER REGULATION 36 (3) SEBI (LODR) REGULATIONS, 2015 IN RESPECT OF DIRECTORS BEING REAPPOINTED / APPOINTED**

<b>Particulars of Directors</b>	<b>Mr. Krishnan Muthukumar</b>	<b>Ms. Dipti Dinesh Sakpal</b>
Date of Birth	15 <sup>th</sup> October 1975	4 <sup>th</sup> March 1984
Date of Appointment	14 <sup>th</sup> March 2013	18 <sup>th</sup> April 2017
Qualifications	MBA	B.Sc, MMS
Expertise in specific functional areas	Industrialist with expertise in construction and real estate business	Experienced in Marketing and Administration
Chairmanships / Directorships in Other companies (Excluding Foreign Companies and Section 8 Companies)	Tridhaatu Realty and Infra Private Limited Tridhaatu Consturctions Private Limited Tridhaatu Homes Developers India Private Limited Tridhaatu Mumbai Structures Private Limited Twentyfirst Century Management Services Limited KooH Sports Private Limited Indian Gymkhana (Matunga) Limited	Twentyfirst Century Management Services Limited
Chairmanships / Memberships of Committees of other Public Companies 1. Audit Committee 2. Stakeholders Relationship Committee	NIL	Member of Stakeholders Relationship Committee of Twentyfirst Century Management Services Limited
Number of Shares held in the Company	One Share as a Beneficial Holder for Holding Company Twentyfirst Century Management Services Limited	NIL



## **EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **Item No. 4**

In terms of Section 204 of the Companies Act, 2013 all the limited companies are mandated to appoint a Company Secretary in Whole Time Practice for the purpose of obtaining Secretarial Audit Report for the financial year ending 31.03.2018. Hence the resolution for appointing M/s. Lakshmmi Subramanian & Associates, Practicing Company Secretaries, Chennai is being placed before the Shareholders for approval.

None of the Promoters, Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

### **Item No. 5**

Ms. Dipti Dinesh Sakpal is a Non-Executive Independent Director of the holding company TWENTYFIRST CENTURY MANAGEMENT SERVICES LIMITED. She has been appointed as a Non-Executive Independent Director in the Board Meeting of the Holding Company held on 18th April 2017 for a period of 5 years.

Ms. Dipti Dinesh Sakpal joined the Board of Directors of this company on 18th April 2017. She is not a Director in any other company other than TWENTYFIRST

CENTURY MANAGEMENT SERVICES LIMITED. She does not hold by herself or for any other person on a beneficial basis, any shares in the Company.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Ms. Dipti Dinesh Sakpal being eligible and offering herself for appointment, is proposed to be appointed as an Independent Director for a term of 5 years up to 17th April 2022. A notice of candidature has been received from a member proposing Ms. Dipti Dinesh Sakpal as a candidate for the office of Director of the Company along with the Refundable Deposit of Rs.1,00,000/-.

Based on the declaration received from the appointee director and in the opinion of the Board, Ms. Dipti Dinesh Sakpal fulfils the conditions specified in the Companies Act, 2013 and rules made there under for her appointment as an Independent Director of the Company. The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Ms. Dipti Dinesh Sakpal as an Independent Director.

Copy of the draft letter for appointment of Ms. Dipti Dinesh Sakpal as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any day.

Except Ms. Dipti Dinesh Sakpal, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No.4. This Explanatory Statement may also be regarded as a disclosure under the provisions of SEBI (LODR) Regulations, 2015.

#### **Item No. 6**

The major activity of the company is INVESTMENT IN SHARES AND TRADING IN SHARES AND DERIVATIVES. This requires purchase and sale of shares through NSEIL and BSE Limited, MUMBAI. The expected annual brokerage payable to M/s. SI BROKING AND INVESTMENTS LIMITED (Trading Member of National Stock Exchange of India Limited and Stock Exchange, Mumbai) (Associate of the company) will be to the extent of Rs.100 lacs (based on the previous year's turnover and business transacted). The company will be charged brokerage @0.01% for derivative transactions and @0.05% for cash market transactions along with other statutory charges like STT, Stamp Duty, etc as is applicable to similar business clients of M/s. SI BROKING AND INVESTMENTS LIMITED (Trading Member of National Stock Exchange of India Limited and BSE Limited, Mumbai).

Even though the provisions of Companies Act, 2013 regarding related party transactions are not attracted to such transaction, the company is seeking the approval of the members for the sake of

good corporate governance. The transaction executed with M/s. SI BROKING AND INVESTMENTS LIMITED (Trading Member of National Stock Exchange of India Limited and BSE Limited, Mumbai) (Associate of the company) as a business client for executing trades in CAPITAL MARKET SEGMENT AND DERIVATIVES TRADING IN SHARES (F&O) through NSEIL and BSE LIMITED, MUMBAI, is in the ordinary course of business and at arm's length basis.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Shri Sundar Iyer Director & CEO of our company, who is a shareholder of M/s. SI BROKING AND INVESTMENTS LIMITED is concerned or interested, financially or otherwise, in these Resolutions. The Board recommends this Resolution for your Approval.

## DIRECTORS' REPORT

Your Directors have pleasure in presenting the 75th Annual Report of your company together with the Auditor's Report for the year ended 31st March 2017.

## FINANCIAL HIGHLIGHTS

The Financial Results for the year ended 31st March 2017.

Particulars	31/3/2017	31/3/2016
Profit/(Loss) before depreciation & tax	747.50	(664.29)
Depreciation	0.00	10.07
Profit/(Loss) before tax	747.50	(674.36)
Provision for tax / Short Provision	145.00	31.13
Deferred Tax	0.00	17.75
Profit/(Loss) after tax	602.50	(723.24)

## BUSINESS & PERFORMANCE

The company was a Trading Member of National Stock Exchange of India Limited (NSEIL) and was engaged in broking business for Retail and Institutional Clients. The company had surrendered its Trading Membership of National Stock Exchange of India Limited during December 2014. The company commenced investment activity during this financial year (2016-17) and the company has made a profit of Rs. 602.50 Lac.

The Company had discovered certain instances of misrepresentation of accounts, misappropriation of assets and diversion of funds by an erstwhile Director of the Company in earlier years during the period 2009-10 to 2012-13. Based on the legal counsel's advice, the Company filed a

complaint on 30th October 2014 with the local police to investigate the matter in detail, and to initiate action against the persons involved in such misappropriation of assets of the Company and diversion of funds.

The Complaint filed with the Sr. Inspector of Police, R.A.Kidwai Marg Police Station, Mumbai on 30th October 2014 was later shifted to Economic Offences Wing, Mumbai, Maharashtra Police in March 2016. The investigations were carried out by the Police officials at EOW, Mumbai and the Police authorities have filed a Charge Sheet with the Additional Chief Metropolitan Magistrate, 47th Court, Esplanade, Mumbai in March 2017 against the accused persons. The erstwhile Director and other persons involved in the offences have been arrested. The matter is presently sub judice.

Reference to Point No. 25 of Notes to Financial Accounts for the financial year ended 31st March 2017 is requested for further details.

## STATE OF COMPANY'S AFFAIRS

The company's performance has improved during the year ended 31st March 2017 due to the investment and trading in equity shares and derivatives. The company is concentrating in consolidation and recovery work.

## DIVIDEND

Your company has not declared any dividend due to inadequacy of profits for

Your company has not declared any dividend during the last financial year 2015-16 also.

Your company has not provided for any dividend on 12% Cumulative Redeemable Non-convertible Preference Shares during this year also as a prudent measure.

## **RESERVES**

During the financial year 2016-17, the Board has not proposed transfer of any amount to any reserves.

## **DEPOSITS**

Your Company has neither invited nor accepted deposits from the public and hence provisions of the Companies Act, 2013 are not applicable.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

a. That in the preparation of the annual financial statements for the year ended March 31, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b. That such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profit of the Company for the year ended on that date;

c. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. That the annual financial statements have been prepared on a going concern basis;

e. That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.

f. That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## **INDEPENDENT DIRECTORS' DECLARATION**

Mr. Iyer Vishwanath and Ms. Dipti Dinesh Sakpal, who are Independent Directors, have submitted a declaration that each of them meets the criteria of independence as

provided in Sub-Section (6) of Section 149 of the Act and pursuant to provisions of SEBI (LODR) REGULATIONS, 2015 (including any amendment, modification or re-enactment thereof). Further, there has been no change in the circumstances which may affect their status as independent director during the year.

### **POLICY OF DIRECTORS' APPOINTMENT AND REMUNERATION**

Company's policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under section 178(3) of the Act are covered in Corporate Governance Report which forms part of this Report. Further, information about elements of remuneration package of individual directors is provided in the extract of Annual Return as provided under Section 92(3) of the Act, is enclosed at Annexure-I in the prescribed form MGT-9 and forms part of this Report.

### **CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT**

The Directors and members of Senior Management have affirmed compliance with the Code of Conduct for Directors and Senior Management of the Company. A declaration to this effect has been signed by Mr. Sundar Iyer, Director & Chief Executive Officer and forms part of the Annual Report.

### **RELATIONSHIP BETWEEN DIRECTORS INTER-SE**

Mr. Krishnan Muthukumar, Non-Executive Director is related to Mr. Sundar Iyer, Director and Chief Executive Officer of the company. None of the other Directors are related to each other within the meaning of the term "relative" as per Section 2(77) of the Act and pursuant to provisions of SEBI (LODR) REGULATIONS, 2015 (including any amendment, modification or re-enactment thereof).

### **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

There have been no loans, guarantees and investments under Section 186 of the Act during the financial year 2016-17.

### **TRANSACTIONS WITH RELATED PARTIES**

The Company has entered into contract / arrangements with the related parties in the ordinary course of business and on arm's length basis. Thus provisions of Section 188(1) of the Act are not applicable. However the details are given in AOC 2 below, for the sake of good corporate governance.

**AOC 2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

**1. Details of contracts or arrangements or transactions not at arm's length basis**

(a) Name(s) of the related party and nature of relationship	(b) Nature of contracts/arrangements/transactions	(c) Duration of the contracts / arrangements/transactions	(d) Salient terms of the contracts or arrangements or transactions including the value, if any	(e) Justification for entering into such contracts or arrangements or transactions	(f) date(s) of approval by the Board	(g) Amount paid as advances, if any:	(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188
<b>NIL</b>							

**2. Details of material contracts or arrangement or transactions at arm's length basis**

(a) Name(s) of the related party and nature of relationship	(b) Nature of contracts/arrangements/transactions	(c) Duration of the contracts / arrangements/transactions	(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	(e) Date(s) of approval by the Board, if any:	(f) Amount paid as advances, if any (in Rs.)
SI INVESTMENTS AND BROKING PVT LTD	For execution of Trades through NSE & BSE as a Trading Client	One Year	The company will put through all transactions relating to purchase and sale of shares and in Derivatives Segment of both the exchanges NSE & BSE	BM 17 <sup>th</sup> May 2016  Approved at the AGM held on 26.09.2016	Brokerage as per rates applicable to clients. Margin money as required for derivatives segment will be paid. Brokerage paid during the year 2016-17 is Rs.18.72 lacs

**TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

Since there was no Dividend declared and paid in the past years, the provisions of Section 125 of the Companies Act, 2013 do not apply.

**MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and on the date of this report

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO****Conservation of energy-**

The Company had taken steps to conserve energy in its office/Factory use, consequent to which energy consumption has been minimized and consequently the cost of production was also reduced to some extent. No additional Proposals/Investments were made to conserve energy. The company is in the process of utilising alternate sources of energy for its production activity. Further no capital investment has been made during the year on energy conservation equipment.

**Technology absorption-**

The company has not adopted / intends to adopt any technology for its business and hence no reporting is required to be furnished under this heading.

**Foreign exchange earnings and Outgo-**

There was no foreign exchange inflow or Outflow during the year under review.

**STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY**

The company is operating as an Investment Company and is engaged mainly in Trading and Investment in Capital Market and Derivatives Segment of NSE & BSE. The Investment operations are mainly done with the supervision of the Investment Committee and the Director & CEO of the company. The CEO with his rich and varied experience analyses the risk involved in such investments and takes appropriate decisions.

The company has a risk management policy in place.

**DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/ COURTS/ TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:**

During the year, there were no such instances of significant and material orders passed by the regulators, courts or tribunals.

**INTERNAL CONTROL AND ITS ADEQUACY**

The Company has an adequate Internal Control system, commensurate with the size, scale and complexity of its operations. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Your Company has always believed in providing a safe and harassment free workplace for every individual working in the Company through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Board of Directors are responsible for redressal of complaints related to sexual harassment during the year ended 31 March 2017, the Board did not receive any complaints pertaining to sexual harassment.

Further the company has zero tolerance for sexual harassment at workplace.

During the financial year 2016-2017, the Company has not received any sexual harassment complaints.

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company does not have any Subsidiary, Joint venture or Associate Company.

**CONSOLIDATED FINANCIAL STATEMENT**

As the company doesn't have any Subsidiaries / Associate Companies the question of submitting Consolidated Financial Statements does not arise.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Mr.Iyer Vishwanath who was appointed as Additional Director on 17th March 2016 and approved in the AGM held on 26th September 2016 and holds the said office till 16th March 2021.

Ms. Sita Sunil Independent Woman Director of the company resigned from the board on 9th January 2017, which was formally accepted by the Board of Directors of the company in its meeting held on 13th February 2017.



Ms. Dipti Dinesh Sakpal was appointed as Independent Woman Director of the company by the Board of Directors of the company in its meeting held on 18th April 2017 for a period of five years subject to the approval of the shareholders in the ensuing AGM to be held on 25th September 2017.

Mr.A.V.M.Sundaram resigned on 17th May 2017 to comply with the Corporate Governance and the Provisions of the SEBI (LODR) Regulations, 2015.

Mr. Krishnan Muthukumar retires at this Annual General Meeting and being eligible offer himself for re-election.

## KEY MANAGEMENT PERSONNEL

1. Mr. Sundar Iyer  
Chief Executive Officer
2. Mr. Bhaskar Shetty  
Chief Financial Officer
3. Mr. A.V.M.Sundaram  
Company Secretary  
(Appointed on 17th May 2017)

## PARTICULARS REGARDING BOARD OF DIRECTORS AND COMMITTEES AND THE MEETINGS HELD DURING THE YEAR 2015-16

### 1. Board of Directors

#### Composition and category of Board of Directors.

The Board of Directors of the company comprises of Executive Director, Two (2) Non-executive Directors and Two (2) Independent (Non Executive) Directors,

including a WOMAN DIRECTOR.

### Attendance at the Board Meetings and Annual General Meeting are as under:

#### Dates of Board Meeting

During the financial year 2016-2017, Five (5) meetings were held on the following dates:

17th May 2016, 10th August 2016, 11th November 2016, 13th February 2017 and 27th March 2017.

The Board comprises of two independent directors out of present strength of four directors. Composition, attendance of each director at the Board Meetings as at the financial year ended 31st March 2017 and at the last AGM and the number of other directorship, committee memberships are set out below:

Name	Category	No. of Board Meetings attended	Attendance at the last AGM	Directorship in other Companies	Other Companies/ Committee Chairmanships	Other Companies Committee Memberships
Mr. Sundar Iyer	Chairman- Executive Director	5	Yes	4	Nil	3
Mr. A.V.M.Sundaram	Non- Executive Director	5	Yes	Nil	Nil	Nil
Mr. Krishnan Muthukumar	Non Executive Non Independent Director	5	Yes	7	Nil	Nil
Mr. Iyer Vishwanath	Independent Non -Executive Director	1	Yes	2	Nil	Nil
Mrs. Sita Sunil	Independent Non -Executive Woman Director	1	Yes	3	Nil	1

### 2. Board Committees:

#### A. Audit Committee

The Audit Committee was formed on 17th March 2016.

## Charter

The primary object of Audit Committee of the company is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting.

## Composition

The company derived immense benefit from the deliberation of audit committee comprising of the following directors of the company:

Name	Category of membership
Mr. Iyer Vishwanath	Chairman
Mrs. Sita Sunil	Member
Mr. Sundar Iyer	Member

**Chairman of the Committee is a Non-Executive Independent Director.**

## Meeting and Attendance of the Committee

During the financial year 2016-2017, Four (4) Committee Meetings were held on the following dates: 17th May 2016, 10th August 2016, 11th November 2016 and 13th February 2017.

The attendance of directors at the Audit Committee meetings held during the year 2016-2017 is given below:

Name	Category of membership	Meetings held	Meetings attended
Mr. Iyer Vishwanath	Chairman	4	4
Mrs. Sita Sunil	Member	4	1
Mr. Sundar Iyer	Member	4	4

## B. Nomination and Remuneration Committee

The Nomination and Remuneration Committee was formed on 17th March 2016 with the following members:

1. Mr. Iyer Vishwanath,  
Chairman of the Committee.
2. Mrs. Sita Sunil, Member
3. Mr. Sundar Iyer, Member

**Chairman of the Committee is a Non-Executive Independent Director.**

## Meeting and Attendance of the Committee

During the financial year one Nomination and Remuneration Committee meeting was held on 17th May 2016. The terms of reference of the Nomination and Remuneration Committee are as per the Charter as mentioned in the policy approved by the board.

**The last Annual General Meeting was held on 26th September 2016.**

**Extra Ordinary General Meeting was held on 18th April 2017.**

## **C O R P O R A T E   S O C I A L R E S P O N S I B I L I T Y**

Your company is not meeting the threshold as prescribed under Companies Act, 2013, i.e., Net Profit greater than Rs.5 Crores or Turnover greater than Rs.1000 Crores or Net worth greater than Rs. 500 Crores in the preceding 3 Financial Years and therefore the provisions relating to CSR in accordance with the provisions of section 135 of the Act does not arise.

## **VIGIL MECHANISM**

The Company has established a vigil mechanism for Directors and Employees to report their genuine concerns.

## **AUDITORS & AUDIT REPORT**

M/s SHETH DOSHI & ASSOCIATES, Chartered Accountants, Statutory Auditors of the company are appointed for a period of five years at the AGM held on 10th July 2015. Their appointment is ratified by the AGM for this financial year 2017-18 also.

Auditors of the company in their report made an observation that:

The company has not made provision for Doubtful Debts amounting to Rs.3270.91 lacs and that had the observation been considered then the loss for the year would have been Rs.2668.41 lacs (as against reported profit figures of Rs.602.50 lacs) and the accumulated losses would have been Rs.2771.44 lacs (as against reported figure of accumulated loss of

Rs.499.47 lacs) and the balance of trade receivables would have been Rs. NIL (as against the reported figure of Rs.3270.91 lacs)

Board of Directors is of the opinion that due to inadequacy of profits the company could not make any provision for the doubtful debts.

## **Emphasis of Matter:**

Without qualifying our opinion, we draw attention to note no 25 of the Notes to Accounts to the financial statements on the matter of police complaint lodged by the Company with regard to misappropriation of assets of the Company, and possible diversion of funds by an erstwhile director of the company in earlier years. The matter was investigated and charge sheet has been filed during the financial year 2016-17. The matter is presently sub judice.

The Management has noted the above remarks by the Statutory Auditors, which is a matter of reporting by them.

## **SECRETARIAL AUDIT AND AUDITOR'S REPORT**

M/s. Lakshmmi Subramanian & Associates, Practicing Company Secretaries, Chennai was appointed as Secretarial Auditors for carrying out Secretarial Audit of the Company for the financial year 2016-17 and their report is annexed with this report as ANNEXURE II.

**Secretarial Auditors of the company in their report made the following observations:**

We further report that the company has no material event during the year except the following:

1. The company has shown profit of Rs.602.50 lacs without considering/ providing doubtful debts/ loans and advances and accumulated losses for the year under review, and the consequential effect since not provided, the company has reported loss of Rs.2771.44 lacs (as detailed in the auditor's report)

Board of Directors is of the opinion that due to inadequacy of profits the company could not make any provision for the doubtful debts.

2. That FIR has been filed against the Mr. Chandramouli, Ex- Director of the company (Ex - MD of the Holding company) for the fraud in the share transactions and the charge sheet has been filed against him.

Please refer to note no 25 of the Notes to Accounts to the financial statements on the matter of police complaint lodged by the Company with regard to misappropriation of assets of the Company, and possible diversion of funds by an erstwhile director of the company in earlier years. The matter was investigated and charge sheet has been filed during the financial year 2016-17. The matter is presently sub judice.

3. The Company was registered as a stock broking company and presently engaged in investment activities. Hence the SEBI Regulations and Non- banking financial - (NBFC) Regulations are applicable. However the registration as a Trading Member of NSE for Broking business was SURRENDERED in the year 2014 and for investment activity the Company is yet to take steps to amend the main objects to categorize themselves other than NBFC.

4. The company is engaged with investment and trading activity with their own surplus funds. However, the registration for broking business was suspended and hence without any registration/license required under SEBI Regulations/ RBI (NBFC rules and regulations) the trading activities continued, and receivables shown which attracts the provisions of Section 186 of the Companies Act 2013.

Regarding Observation No. 3, Board of Directors is of the opinion that the registration as NBFC is not applicable to the company as per point no.16 of the "ANNEXURE A" TO INDEPENDENT AUDITOR'S REPORT of the company which reads as under:

"16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934."

In respect of Observation No.4, we have taken note of the same and obtained the necessary approval from the shareholders as per the provisions of Section 186 of the Companies Act, 2013 during the financial year 2017-2018

### **SHARE CAPITAL**

During the year there were no share allotments.

### **EXTRACT OF THE ANNUAL RETURN**

Extract of the annual return in Form No. MGT- 9 **ANNEXURE I** shall form part of this Board's Report.

### **PARTICULARS OF REMUNERATION**

The information required pursuant to Section 197(12) read with Rule, 5 (1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is not applicable to the company as none of the directors / KMPs are drawing any remuneration from the Company.

The information required pursuant to Section 197(12) read with Rule, 5 (2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of remuneration drawn by top ten employees is not applicable since the company does not have any employees other than Key Management Personnel.

### **PECUNIARY RELATIONSHIP OR TRANSACTIONS OF NON-EXECUTIVE DIRECTORS**

During the year, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company.

**For and on behalf of the Board**  
**Sundar Iyer**  
**Director & CEO**

Place: Mumbai  
Date: 28th August 2017

**ANNEXURE I FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN  
As on financial year ended on 31.03.2017**

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the  
Company (Management & Administration) Rules, 2014.**

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	U51900MH1942PLC003546
2.	Registration Date	10 <sup>TH</sup> FEBRUARY 1942
3.	Name of the Company	TWENTYFIRST CENTURY SHARES AND SECURITIES LIMITED
4.	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES INDIAN NON-GOVERNEMENT COMPANY
5.	Address of the Registered office & contact details	1B, GREASE HOUSE, ZAKARIA BUNDER ROAD, SEWREE WEST, MUMBAI 400 015
6.	Whether listed company	NO
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NOT APPLICABLE

**I. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Investments in shares and trading in Shares & Derivatives	65993	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

S. No.	Name and address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held	Applicable Section
1	TWENTYFIRST CENTURY MANAGEMENT SERVICES LIMITED Regd. Office: NO.67, OLD NO.28-A, DOOR NO.G-3, ELDAMS ROAD, Alwarpet, Chennai - 600 018	CIN: L74210TN1986PLC012791	HOLDING	100%	Section 2(46)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**A) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2016]				No. of Shares held at the end of the year[As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
(1) <b>Indian</b>									
a) Individual/ HUF	0	6	6	0.00070734	0	6	6	0.00070734	0.00
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	0	5589494	5589494	99.99989266	0	5589494	5589494	99.99989266	0.00
e) Banks / FI									
f) Any other									
<b>Total shareholding of Promoter (A)</b>	0	5589500	5589500	100.00	0	5589500	5589500	100.00	0
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI		0	0	0	0	0	0	0	0
c) Central Govt		0	0	0	0	0	0	0	0
d) State Govt(s)		0	0	0	0	0	0	0	0
e) Venture Capital Funds		0	0	0	0	0	0	0	0
f) Insurance Companies		0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds		0	0	0	0	0	0	0	0
i) Others (specify)									
<b>Sub-total (B)(1):-</b>	0	0	0	0	0	0	0	0	0
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
Non Resident Indians	0	0	0	0	0	0	0	0	0
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
-	0	0	0	0	0	0	0	0	0
Foreign Company	0	0	0	0	0	0	0	0	0
HUF	0	0	0	0	0	0	0	0	0
Clearing Members	0	0	0	0	0	0	0	0	0
Market Maker	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):-</b>	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	0	0	0	0	0	0	0	0
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	0	5589500	5589500	100.00	0	5589500	5589500	100.00	0

**A) Shareholding of Promoter**

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	TWENTYFIRST CENTURY MANAGEMENT SERVICES LIMITED	5589500	100%	NIL	5589500	100%	NIL	0.00
	<b>TOTAL</b>	5589500	100%	NIL	5589500	100%	NIL	0.00

**C) Change in Promoters' Shareholding (please specify, if there is no change)**

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	5589500	100.00		
	During the year	0	0	0	0
	At the end of the year			5589500	100.00

**C) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):**

NOT APPLICABLE

**D) Shareholding of Directors and Key Managerial Personnel:**

SN	Mr. Sundar Iyer (Director and Chief Executive Officer)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1	0		
	During the year	0	0		
	At the end of the year			1	0



SN 2	Mr. Krishnan Muthukumar (Director)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1	0		
	During the year	0	0		
	At the end of the year			1	0

SN 3	Mr. Iyer Vishwanath (Independent Director)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	0	0		
	During the year	0	0		
	At the end of the year			0	0

SN 4	Ms. Dipti Dinesh Sakpal (Independent Woman Director)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	0	0		
	During the year	0	0		
	At the end of the year			0	0

SN 5	Mr. A.V.M.Sundaram (Company Secretary)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	0	0		
	During the year	0	0		
	At the end of the year			0	0

SN 6	Mr. Bhaskar Shetty (Chief Financial Officer)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	0	0		
	During the year	0	0		
	At the end of the year			0	0

**V) INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment. (Rupees in lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	Nil	2951.16	Nil	2951.16
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	Nil	2951.16	Nil	2951.16
<b>Change in Indebtedness during the financial year</b>				
* Addition	Nil	Nil	Nil	Nil
* Reduction	Nil	(495.97)	Nil	(495.97)
<b>Net Change</b>	Nil	(495.97)	Nil	(495.97)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	Nil	2455.19	Nil	2455.19
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	Nil	2455.19	Nil	2455.19

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1	Gross salary	Nil	Nil	Nil	Nil	Nil
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil	Nil	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil	Nil
4	Commission - as % of profit	Nil	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (A)	Nil	Nil	Nil	Nil	Nil
	Ceiling as per the Act					

**B. Remuneration to other directors**

SN.	Particulars of Remuneration	Name of Directors			Total Amt
		Sundar Iyer	Krishnan Muthukunar	A.V.M.Sundaram	
1	Independent Directors				
	Fee for attending board committee meetings	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil
	Total (1)	Nil	Nil	Nil	Nil
2	Other Non-Executive Directors				
	Fee for attending board committee meetings	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil
	Total (B)=(1+2)	Nil	Nil	Nil	Nil
	Total Managerial Remuneration	Nil	Nil	Nil	Nil
	Overall Ceiling as per the Act				

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD NO KEY MANAGERIAL PERSONNEL**

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil	Nil
	- as % of profit others, specify...	Nil	Nil	Nil	Nil
5	Others, please specify				
	Total	Nil	Nil	Nil	Nil

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. DIRECTORS</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

**ANNEXURE - ii****SECRETARIAL AUDIT REPORT FOR THE FINANCAL YEAR ENDED 31.03.2017  
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the  
Companies (Appointment and Remuneration Personnel) Rules, 2014]**

**To  
The Members  
Twentyfirst Century Shares and Securities Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Twentyfirst Century Shares and Securities Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Twenty First Century Shares and Securities Limited ("the Company") for the financial year ended on 31st March, 2017 according to the provisions as applicable to the Company during the period of audit:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 to the extent as subsidiary of listed holding company
- (iii) The following laws/ Regulations (as amended from time to time), which are specifically applicable to the Company based on their sector/industry:
  - i. Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
  - ii. Reserve bank of India Act, 1934

- iii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; (Since company is mainly engaged in the activity of secondary market trading in securities and derivatives)

We have also examined compliance with the applicable clauses of the following

- i. Secretarial Standards issued by The Institute of Company Secretaries of India

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc., mentioned above subject to the following observations:

1. The Company was registered as a stock broking company and presently engaged in investment activities. Hence the SEBI Regulations and Non-banking financial - (NBFC) Regulations are applicable. However the registration as a Trading Member of NSE for Broking business was SURRENDERED in the year 2014 and for investment activity the Company is yet to take steps to amend the main objects to categorize themselves other than NBFC.
2. The company is engaged with investment and trading activity with their own surplus funds. However, the registration for broking business was suspended and hence without any registration/license required under SEBI Regulations/ RBI (NBFC rules and regulations) the trading activities continued, and receivables shown which attracts the provisions of Section 186 of the Companies Act 2013.
3. The Secretarial Standards SS-1 and SS-2, certain areas in Registers need updation, especially register u/s 189 for the related party transactions and its consideration in the Audit Committee, and there were few instances of delay in filing the forms with Registrar of Companies.
4. The company is yet to comply with the requirement of maintaining redemption reserve account for the preference shares issued.

Further report that there were no actions/events occurred in the pursuance of

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client.
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- (e) The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014;
  - (f) The Securities Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008;
  - (g) The Securities Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ;
  - (h) The Securities Exchange Board of India (Buyback of Securities) Regulations, 1998
- requiring compliance thereof by the Company during the Financial Year under review.

We further report that, on examination of the relevant documents and records and based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, in our opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable other general laws including Human Resources and labour laws, however a few updations are required to the labour law compliances.

We further report, that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professionals.

We further report that

The Board of Directors of the Company is constituted with a balance of Executive Directors, Non-Executive Directors and Independent Directors, except the appointment of independent directors and reconstitution of committees required as per SEBI (LODR) being subsidiary of listed company.

Notice were given to all directors to schedule the Board Meetings, Committee Meetings, agenda and detailed notes on agenda were delivered and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that the company has no material event during the year except the following:

1. The company has shown profit of Rs.602.50 lacs without considering/ providing doubtful debts/ loans and advances and accumulated losses for the year under review, and the consequential effect since not provided, the company has reported loss of Rs.2771.44 lacs (detailed in the auditor's report)
2. That FIR has been filed against the Mr. Chandramouli Ex Director and shareholder of the company (MD of the Holding company) for the fraud in the share transactions and the charge sheet has been filed against him.

**For LAKSHMMI SUBRAMANIAN & ASSOCIATE**

**Lakshmmi Subramanian**

**Senior Partner**

**FCS No. 3534**

**C.P.NO.1087**

**Place: Chennai**

**Date: 22nd July 2017**



**“Annexure A”****(To the Secretarial Audit Report of M/s. Twenty First Century Management Services Limited for the financial year ended 31.03.2017)**

**To  
The Members  
Twenty First Century Shares & Securities Limited**

Our Secretarial Audit Report for the financial year ended 31.3.2017 is to be read along with this Annexure B.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basic to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basic for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Whereever required, we have obtained the Management representation about the compliance and law, rules and regulation and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basic.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the effectiveness with which the management has conducted the affairs of the Company.

**For LAKSHMMI SUBRAMANIAN & ASSOCIATES  
Lakshmmi Subramanian**

**Place: Chennai  
Date: 22 July 2017**

**Senior Partner  
FCS No. 3534  
C.P.NO. 1087**

**SHETH DOSHI & ASSOCIATES**

B.M.Doshi B.Com., F.C.A.

**CHARTERED ACCOUNTANTS**

Email Id: shethdoshi@gmail.com

529, 6th floor, Ecstasy Business Park,

City of Joy Commercial Complex

J. S. D. Marg, Near East West Flyover,

Mulund (West), Mumbai-400 080

Phone: 25919742 / 25929742

**INDEPENDENT AUDITORS' REPORT**

To,  
The Members,  
Twentyfirst Century Shares & Securities  
Limited,  
1st Floor, Grease House,  
ZakariaBundar Road,  
Sewri (W),  
Mumbai -400 015.

**1. Report on the Financial Statements**

We have audited the accompanying financial statements of TWENTYFIRST CENTURY SHARES & SECURITIES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2017 and the Statement of Profit and Loss, the cash flow statement for the year ended, and a summary of the significant accounting policies and other explanatory information.

**2. Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true

and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**3. Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### 4. Opinion

1. The aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2017; and
  - b. In the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date.
  - c. In the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
2. In our opinion and to the best of our information and according to the explanations given to us, the financial statements are subject to Non Provision of Doubtful Debts amounting to Rs. 3270.91 lacs.

We further report that, had the observation made by us in para above been considered, the loss for the year would have been Rs. 2668.41 lacs (as against the reported profit figure of Rs. 602.50 lacs) and accumulated loss would have been Rs. 2771.44 lacs (as against reported figure of accumulated loss of Rs.499.47 Lacs) and the balance of trade receivables would have been Rs. Nil (as against the reported figure of Rs. 3270.91 lacs).

### 3. **Emphasis of Matter:**

Without qualifying our opinion, we draw attention to note no 25 of the Notes to Accounts to the financial statements on the matter of police complaint lodged by the Company with regard to misappropriation of assets of the Company, and possible diversion of funds by an erstwhile director of the company in earlier years. The matter was investigated and charge sheet has been filed during the financial year 2016-17. The matter is presently sub judice.

### 5. **Report on Other Legal and Regulatory Requirements**

a.As required by the Companies (Auditors Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 & 4 of the Order.

b.As required by section 143(3) of the Act, we report that:

i.We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii.In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

iii.The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;

iv.In our opinion, aforesaid financial statements comply with the Accounting Standards referred to in section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.

v.On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of sub section (2) of section 164 of the Companies Act, 2013.

vi.With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

vii.With respect to the other matters included in the auditor's report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to best of our information and according to the explanation given to us.

- The company has disclosed the impact of pending litigation on its financial position in its financial statement.

- The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

- There were no amounts which required to be transferred to the Investor's Education and Protection fund.
- The company has provided requisite disclosures in the financial statements as to holding as well as dealing in specified bank notes during the period from 08th November 2016 to 31st December 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the company and as produced to us by the Management.

**For Sheth Doshi & Associates**  
**Chartered Accountants**  
**B M Doshi**  
**Proprietor**  
**Membership No. 017370**

**Place: Mumbai**  
**Date: 17-05-2017**

## **"ANNEXURE A" TO INDEPENDENT AUDITOR'S REPORT**

### **1. In respect of Fixed Asset**

a. The company has maintained proper records showing full particulars, including quantitative details and situations of fixed assets. As per information and explanation given to us, during the year, the company has disposed off all of its fixed assets and it has not affected the going concern status of the company.

b. The fixed assets of the company have been physically verified by the Management in a phased manner, designed to cover all the items over a period of 3 years, which in our opinion the verification is reasonable having regard to the size of the company and the nature of its business. Pursuant to the program, a portion of fixed asset has been physically verified by the management during the year and no material discrepancies between the book records and the physical assets have been noticed on such verification.

c. The title deeds of immovable properties are held in the name of the company.

### **2. In respect of its Inventory**

The company is a service company, primarily engaged in investing activities. Accordingly, it does not hold any physical inventories. Thus paragraph 3(ii) of the Order is not applicable to the company.

**3. In respect of repayment of the loans granted by the company**

The company has not given any loan. Thus paragraph 3(iii) of the Order is not applicable to the company.

**4. In respect of compliance of section 185 and 186 of the Companies Act, 2013**

The company has not given any loan to its directors. Thus paragraph 3(iv) of the Order is not applicable to the company and hence the question of compliance of section 185 and 186 of the Companies Act, 2013 does not arise.

5. The Company has not accepted any deposits, from the directives issued by the Reserve Bank of India and as per the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and Companies (Acceptance of Deposits) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

6. We have been informed that Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013, in respect of any activities carried on by the Company.

7. According to the information and explanations given to us, the company has been regular in depositing dues and has also been regular in depositing undisputed income tax and other applicable statutory dues with appropriate authorities.

8. In our opinion and according to the information and explanations given to us, the company has not defaulted in the repayment of dues to financial institutions and banks or debenture holders.

9. The company has not given any guarantees for loans taken by others from banks or financial institutions.

10. To the best of knowledge and belief and according to the information and explanations given to us no fraud on or by the company has been noticed or reported during the course of our audit.

11. To the best of knowledge and belief and according to the information and explanations given to us, no managerial remuneration has been paid. Hence, paragraph 3(xi) is not applicable to the company.

12. To the best of knowledge and belief and according to the information and explanations given to us, the company is not a Nidhi Company. Hence, paragraph 3(xii) is not applicable to the company.

13. In our opinion, all the transactions with related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial statements as required by the applicable accounting standards.

14. To the best of knowledge and belief and according to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence, paragraph 3(xiv) is not applicable to the company.
15. To the best of knowledge and belief and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with it. Hence, paragraph 3(xv) is not applicable to the company.
16. To the best of knowledge and belief and according to the information and explanations given to us, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Hence, paragraph 3(xvi) is not applicable to the company.

**For Sheth Doshi & Associates**  
**Chartered Accountants**  
**B M Doshi**  
**Proprietor**  
**Membership No. 017370**

**Place: Mumbai**

**Date: 17-05-2017**

## **"ANNEXURE B" TO INDEPENDENT AUDITOR'S REPORT**

Report on the Internal Financial Controls under clause (i) of the Sub-section 3 of Section 143 of the Companies Act, 2013 ("The Act")

We have audited the internal financial controls over financial reporting of TWENTYFIRST CENTURY SHARES & SECURITIES LIMITED ("the Company"), as of 31st March, 2017 in conjunction with our audit of the financial statements of the company for the year ended.

### **Management's Responsibility for Internal Financial Controls.**

The Company's management is responsible for establishing and maintaining internal controls based on the internal control over financial reporting criteria established by the company considering the essential components of the internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accounts of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material

misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Sheth Doshi & Associates**

**Chartered Accountants**

**B. M. Doshi**

**(Proprietor)**

**Membership No. 017370**

**Place: Mumbai**

**Date: 17-05-2017**

<b>TWENTYFIRST CENTURY SHARES &amp; SECURITIES LIMITED</b>			
<b>BALANCE SHEET AS ON 31ST MARCH 2017</b>			
	<b>Note No.</b>	<b>Rupees in lakhs</b>	
		31/03/2017	31/03/2016
<b>I Equity &amp; Liabilities</b>			
<b>Shareholders' Funds</b>			
a) Share capital	<b>3</b>	1308.95	1308.95
b) Reserves & surplus	<b>4</b>	(494.27)	(1096.77)
<b>Non-Current Liabilities</b>			
Long Term Borrowing	<b>5</b>	2272.22	2272.22
<b>Current Liabilities</b>			
a) Short-term borrowings	<b>6</b>	182.97	678.94
b) Trade payables	<b>7</b>	635.76	853.51
c) Other current liabilities	<b>8</b>	38.71	1.18
d) Short-term provisions	<b>9</b>	145.00	0.00
<b>Total</b>		<b>4089.34</b>	<b>4018.03</b>
<b>II Assets</b>			
<b>Non-Current Assets</b>			
<b>1) a) Fixed Assets</b>			
Tangible assets		0.00	0.00
b) Non-current investments		0.00	0.00
c) Deferred tax asset		0.00	0.00
d) Long-term loans & advances	<b>10</b>	426.37	238.60
<b>Current Assets</b>			
a) Current investments	<b>11</b>	0.00	47.15
b) Trade receivables	<b>12</b>	3270.91	3273.84
c) Cash and bank balances	<b>13</b>	214.59	180.11
d) Short-term loans and advances		0.00	0.00
e) Other current assets	<b>14</b>	177.47	278.33
<b>Total</b>		<b>4089.34</b>	<b>4018.03</b>

**See accompanying notes forming part of the financial statements**

**As Per our report attached**

For Lakhani & Lakhani  
Chartered Accountants  
Firm Registration No. 115728W

Suhas Shinde  
Partner  
M. No. 117107  
Place: Mumbai  
Date: 17-05-2017

**For and on behalf of the Board**

Sundar Iyer      Krishnan Muthukumar  
Director      Director  
DIN: 00481975      DIN: 00463579

<b>TWENTYFIRST CENTURY SHARES &amp; SECURITIES LIMITED</b>			
<b>PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2017</b>			
	<b>Note No.</b>	<b>Rupees in lakhs</b>	
		<b>31/03/2017</b>	<b>31/03/2016</b>
Revenue From Operations	<b>15</b>	725.98	(911.96)
Other income	<b>16</b>	41.75	13.76
<b>Total revenue</b>		<b>767.73</b>	<b>(898.20)</b>
<b>Expenses</b>			
Employee benefits expense		0.00	0.00
Finance costs		0.00	0.00
Depreciation and amortisation expenses		0.00	10.07
Other expenses	<b>17</b>	20.23	44.13
<b>Total expenses</b>		<b>20.23</b>	<b>54.20</b>
<b>Profit/(Loss) before exceptional and extraordinary items and tax</b>		<b>747.50</b>	<b>(952.40)</b>
<b>Exceptional items</b>			
Profit on sale of assets		0.00	278.04
<b>Profit /(Loss)before extraordinary items and tax</b>		<b>747.50</b>	<b>(674.36)</b>
<b>Extraordinary items</b>		0.00	0.00
<b>Profit/(Loss) before tax</b>		<b>747.50</b>	<b>(674.36)</b>
<b>Tax expense</b>			
Current tax		145.00	0.00
Short provision for earlier years		0.00	31.13
Deferred Tax		0.00	17.75
		<b>145.00</b>	<b>48.88</b>
<b>Profit/ (Loss) for the year</b>		<b>602.50</b>	<b>(723.24)</b>
Earnings per equity share of Rs. 10/- each (in Rs.)			
Basic and diluted		10.78	(12.94)
<b>See accompanying notes forming part of the financial statements</b>			
<b>As Per our report attached</b>		<b>For and on behalf of the Board</b>	
For Sheth Doshi & Associates		Sundar Iyer      Krishnan Muthukumar	
Chartered Accountants		Director              Director	
Firm Registration No. 110052W		DIN: 00481975      DIN: 00463579	
B M Doshi			
Proprietor			
M. No. 017370			
Place: Mumbai			
Date: 17-05-2017			

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017****1. General information**

The company was a trading member of National Stock Exchange of India Limited in cash, derivative and wholesale debt market segment. The Company has surrendered its membership card for all the segments with the NSE and same has been approved during the year by the Exchange. The Company is now engaged in trading activities in shares and derivatives through NSE and BSE.

**2. Significant Accounting Policies****a) BASIS OF ACCOUNTING**

The financial statements are prepared under the historical cost convention on an accrual basis and in accordance with the generally accepted accounting principles in India, the applicable Accounting Standards and the relevant provisions of the Companies Act 2013 of India.

**b) USE OF ESTIMATES**

The preparation of financial statements are in conformity with the Generally Accepted Accounting Principles, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ. Differences between the actual results and estimates are recognized in the period in which the results are known or materialized.

**c) REVENUE RECOGNITION**

Revenue Income and Expenditure are generally accounted on accrual or as they are earned or incurred except in case of significant uncertainty. Profit/Loss from trading activity is recognized on trade dates on first in first out basis. In respect of completed transactions pending settlement process, necessary treatment is given in the accounts for the Profits/Losses arising from these transactions. Dividend income is accounted for on receipt basis.

**d) FIXED ASSETS**

Fixed asset is stated at cost less depreciation and impairment losses.

#### e) DEPRECIATION

Assets are depreciated under the written down value method at the rates prescribed in Schedule II to the companies Act, 2013.

#### f) INVESTMENTS

Current and Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such decline is other than temporary.

#### g) CURRENT & DEFERRED TAX

Provision for current income tax is made in accordance with the Income Tax Act 1961. Deferred tax liabilities and assets are recognized at substantively enacted tax rates, subject to the consideration of prudence on timing difference, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

#### h) EMPLOYEE BENEFITS

Company has surrendered the NSE membership card, hence there were no employees during the year under review. All the dues of employees were settled on their resignation.

#### i) CONTINGENT LIABILITY

Provision is recognized when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Disclosure for contingent liability is made when there is a possible obligation or present obligation that may, but probably will not require an outflow of resources. No provision is recognized or disclosure for contingent liability is made when there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote.

#### j) IMPAIRMENT OF ASSETS

The carrying amount of assets is reviewed at each Balance Sheet date for indication of any impairment based on internal / external factors. An asset is treated as impaired when the carrying cost of an asset exceeds its recoverable value and impairment loss is charged to the Profit & Loss account. The impairment of loss recognized in the prior accounting period is reversed if there has been a change in estimates of recoverable amount.

**k) CURRENT ASSETS, LOANS & ADVANCES**

The current assets, Loans and Advances have a value on realization at least equal to the amount at which they are stated in the balance sheet.

**l) BORROWING COSTS**

Borrowing costs that are attributable to the acquisition of assets are capitalized as part of cost of the asset. All other borrowing costs are charged to statement of Profit and Loss.

**m) SEGMENT REPORTING**

The Company operates in only one segment i.e., Capital Market operations, hence segment reporting in accordance with Accounting Standard-17 is not applicable.

<b>NOTE-3</b>		
<b>SHARE CAPITAL</b>	Rupees in lakhs	
	31/03/2017	31/03/2016
<b>Authorised capital</b>		
60,00,000 equity shares of Rs.10/-each	600.00	600.00
9,00,000 12% Cumulative Redeemable Preference Shares of Rs.100/- each	900.00	900.00
	<b>1500.00</b>	<b>1500.00</b>
<b>Issued, subscribed and paid up</b>		
55,89,500 equity shares of Rs.10/-each fully paid up held by Twentyfirst Century Management Services Limited	558.95	558.95
7,50,000 12% Cumulative Redeemable Preference Shares of Rs. 100/- each redeemable by the end of 16-09-2018 held by Twentyfirst Century Management Services Limited	750.00	750.00
	<b>1308.95</b>	<b>1308.95</b>

**Disclosure:**

1. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.

<b>Equity shares</b>	31/03/2017		31/03/2016	
	Qty	Rs. In lacs	Qty	Rs. In lacs
At the beginning of the period	5589500	558.95	5589500	558.95
Issued during the period	Nil	Nil	Nil	Nil
Outstanding at the end of the period	5589500	558.95	5589500	558.95

<b>Redeemable Preference shares</b>	31/03/2017		31/03/2016	
	Qty	Rs. In lacs	Qty	Rs. In lacs
At the beginning of the period	750000	750.00	750000	750.00
Issued during the period	Nil	Nil	Nil	Nil
Outstanding at the end of the period	750000	750.00	750000	750.00

2. Rights, preferences and restrictions attached to shares:

**Equity shares:**

The company has one class of equity shares having face value of Rs.10 per share. Every shareholder is entitled to one vote for every one share held. In the event of liquidation, the equity shareholders shall be entitled to receive remaining assets of the company after distribution of all dues in proportion to their share holdings.

**Cumulative Redeemable Preference Share (CRPS):**

The company has issued 7,50,000 12% CRPS of Rs. 100 each. Each CRPS will be redeemable at par on 16th September 2018 together with arrears of dividend, if any

## 3. Details of shares held by Holding Company, the ultimate holding company, their subsidiaries and associates

Particulars	Equity Shares with voting rights	Redeemable Preference shares
As on 31st March 2017 Twentyfirst century Mgt Services Ltd- the holding Company	5589500	750000
As on 31st March 2016 Twentyfirst century Mgt Services Ltd- the holding Company	5589500	750000

## 4. Details of Shareholders holding more than 5% shares in the company.

Equity shares of Rs. 10/- each fully paid up				
Name	31/03/2017		31/03/2016	
	Qty	% of holding	Qty	% of holding
Twentyfirst century Mgt Services Ltd	5589500	100	5589500	100
Note: Out of above 6 shares were held by Directors and relatives as a nominees of holding company.				
Preference shares of Rs. 100/- each fully paid up				
Name	31/03/2017		31/03/2016	
	Qty	% of holding	Qty	% of holding
Twentyfirst century Mgt Services Ltd	750000	100	750000	100

NOTE-4		
RESERVES AND SURPLUS	Rupees in lakhs	
	31/03/2017	31/03/2016
<b>General reserve</b>		
Opening balance	5.20	1.00
Transferred from capital reserve	0.00	2.24
Transferred from revaluation reserve	0.00	1.96
	<b>5.20</b>	<b>5.20</b>
<b>Surplus/(Deficit)</b>		
Balance brought forward from previous year	(1101.97)	(378.73)
Profit/(Loss) for the period	602.50	(723.24)
<b>Balance carried forward to next year</b>	<b>(499.47)</b>	<b>(1,101.97)</b>
	<b>(494.27)</b>	<b>(1096.77)</b>

NOTE-5		
LONG TERM BORROWING	Rupees in lakhs	
	31/03/2017	31/03/2016
Due to Holding company	2272.22	2272.22
	<b>2272.22</b>	<b>2272.22</b>



<b>NOTE-6</b>		
<b>SHORT TERM BORROWING</b>	Rupees in lakhs	
	31/03/2017	31/03/2016
Due to Holding company	182.97	678.94
	<b>182.97</b>	<b>678.94</b>

<b>NOTE-7</b>		
<b>TRADE PAYABLES</b>	Rupees in lakhs	
	31/03/2017	31/03/2016
Due to directors	458.29	583.29
Due to companies in which directors are interested	177.47	270.22
	<b>635.76</b>	<b>853.51</b>

<b>NOTE-8</b>		
<b>OTHER CURRENT LIABILITIES</b>	Rupees in lakhs	
	31/03/2017	31/03/2016
MTM on unexpired future contracts	36.77	0.00
Statutory remittance	0.35	0.13
Outstanding expenses	1.59	1.05
	<b>38.71</b>	<b>1.18</b>

<b>NOTE-9</b>		
<b>SHORT TERM PROVISIONS</b>	Rupees in lakhs	
	31/03/2017	31/03/2016
Provision for tax	145.00	0.00
	<b>145.00</b>	<b>0.00</b>

<b>NOTE-10</b>		
<b>LONG TERM LOANS &amp; ADVANCES</b>	Rupees in lakhs	
	31/03/2017	31/03/2016
<b>Unsecured considered good</b>		
Security deposit with NSCCL	9.00	34.00
Advance payment of taxes	417.37	204.60
	<b>426.37</b>	<b>238.60</b>

<b>NOTE-11</b>		
<b>CURRENT INVESTMENTS</b>	Rupees in lakhs	
	31/03/2017	31/03/2016
<b>Investments in Equity Instruments of others (Quoted)</b>	0.00	47.15
	<b>0.00</b>	<b>47.15</b>

**Disclosure:**

Details of Investments (Quoted)	Rupees in lakhs			
	31/03/2017		31/03/2016	
Scip	Qty	Cost	Qty	Cost
Man Infra	0	0.00	100000	47.15
<b>Total</b>		<b>0.00</b>		<b>47.15</b>

NOTE-12		
TRADE RECEIVABLES	Rupees in lakhs	
	31/03/2017	31/03/2016
<b>Sundry debtors</b>		
Unsecured considered doubtful outstanding more than six months	3270.91	3273.84
	<b>3270.91</b>	<b>3273.84</b>

NOTE-13		
	Rupees in lakhs	
	31/03/2017	31/03/2016
<b>Cash and Cash Equivalents</b>		
Balance in current accounts with scheduled banks	41.24	19.14
Balance in fixed deposit accounts with scheduled banks	173.35	160.97
	<b>214.59</b>	<b>180.11</b>

**Disclosure:**

Fixed deposits mentioned above is created as per NSE guidelines in the name of NSEIL A/C-Twentyfirst Century Shares & Securities Ltd against release of Security Deposit on surrender of membership card, having maturity period of more than one year, to be matured on 06-12-2017.

NOTE-14		
OTHER CURRENT ASSETS	Rupees in lakhs	
	31/03/2017	31/03/2016
Margin for Derrivative segment	177.47	270.22
MTM on unexpired future contracts	0.00	8.11
	<b>177.47</b>	<b>278.33</b>

<b>NOTE-15</b>		
<b>REVENUE FROM OPERATIONS:</b>	Rupees in lakhs	
	31/03/2017	31/03/2016
<b>Income from capital market operations</b>		
Profit/(Loss) from cash segment	(145.54)	352.84
Profit/(Loss) from derivative segment	871.52	(1,264.80)
	<b>725.98</b>	<b>(911.96)</b>

<b>NOTE-16</b>		
<b>OTHER INCOME</b>	Rupees in lakhs	
	31/03/2017	31/03/2016
Interest on fixed deposits (Tax deducted at source Rs. 1.38 lacs, Previous year Rs. 1.27)	13.75	12.77
Dividend received	28.00	0.99
	<b>41.75</b>	<b>13.76</b>

<b>NOTE-17</b>		
<b>OTHER EXPENSES</b>	Rupees in lakhs	
	31/03/2017	31/03/2016
Audit fess	1.15	1.15
Communication expenses	2.26	10.45
Deposits written off	0.00	16.25
Legal fees	4.50	0.00
Other expenses	0.14	10.97
Printing & stationery	0.57	0.89
Professional fees	5.61	1.24
Repairs & maintenance	0.00	0.18
Service charges	6.00	3.00
	<b>20.23</b>	<b>44.13</b>

18. MAT provision of Rs. 145 Lacs has been made in the accounts for the year ended 31st March 2017. The company has been served with a demand of Rs. 365.62 lacs for the assessment year 2010-11. The company's appeal to the CIT(A) was decided against the company. The company is in further appeal before the ITAT which is pending disposal. In the interim, during the year under review, Department has recovered Rs. 211.40 lacs from the company's bank accounts. No provision has been made against the demand, pending disposal of appeal.
19. No deferred tax asset has been created on carried forward losses as per Income Tax Act, as there is no reasonable certainty of reversal of the same in one or more subsequent year.

**20. EARNING PER SHARE**

Particulars	31/03/2017	31/03/2016
Net profit/(Loss) After Tax (Rs. In Lacs)	602.50	(723.24)
Weighted average number of outstanding shares (In Lacs)	55.90	55.90
Basic/Diluted EPS (Face Value of Rs. 10 each)	10.78	(12.94)

**21. RELATED PARTY DICLOSURES**

Related party and their relationship

Related party	Relationship
Twentyfirst Century Management Services Ltd.	Holding Company
Sundar Iyer	Director
Vanaja Sundar Iyer	Relative of Director
Siddharth Sundar Iyer	Relative of Director
Shridhar Iyer	Relative of Director
SI Investments & Broking Pvt Ltd	Company in which Directors are interested
Palani Andavar Holdings Pvt Ltd	Company in which Directors are interested
Lubricants & Allied Products Mfg. Co. Pvt. Ltd	Company in which Directors are interested
AVM Sundaram	Director
Bhaskar Shetty	CFO
Krishnan Muthukumar	Director

Transactions with the related parties for trading activity

Name of the party	Nature of transaction	Rs. In lacs
Twentyfirst Century Management Services Ltd.	Long term loans(Cr.)	2277.22
Twentyfirst Century Management Services Ltd.	Short term loans(Cr.)	182.97
SI Investments & Broking Pvt Ltd	For trading activity(Cr.)	177.47
Sundar Iyer	For trading activity(Cr.)	458.29
SI Investments & Broking Pvt Ltd	Brokerage paid	18.42
Twentyfirst Century Management Services Ltd.	Service charges paid	6.00

**22. Auditotrs Remuneration**

Paticulars	Rs. in Lacs
Statutory audit	1.15
Tax audit	0.60
Appeal and other matters	4.55
Total	6.30

23. The company had no cash on hand as on 08-11-2016 and had neither deposited nor withdrawn any cash from bank in between 08-11-2016 and 31-12-2016. The company had no cash on hand as at 31-12-2016.
24. Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from October, 2 2006 certain disclosure are required to be made relating to Micro, Small & Medium Enterprises. There have been no reported cases of delays in payments to Micro and Small Enterprises or of interest payments due to delays in such payments.
25. The Company had identified certain instances of misrepresentation of accounts, misappropriation of assets and diversion of funds by the erstwhile Director of the company in earlier years during the period 2009-10 to 2012-13. The Company based on internal investigation and advice of legal counsel, had filed a police complaint with the R.A.Kidwai Marg Police Station, Mumbai to investigate the matter on 30th October 2014. The investigations were carried out by the Police officials at EOW, Mumbai and the Police authorities have filed a Charge Sheet with the Additional Chief Metropolitan Magistrate, 47th Court, Esplanade, Mumbai in March 2017 against the accused persons. The erstwhile Director and other persons involved in the offences have been arrested. The matter is under Court Proceedings. The amounts recoverable from the accused are included under doubtful debts. The loss on account of the misappropriation of shares has been considered in the books of the company and is recoverable from the accused.
26. Previous year figures have been regrouped or rearranged wherever necessary to facilitate comparison.

**As per our report of even date attached.**

**For Sheth Doshi & Associates  
Chartered Accountants**

**Firm Registration No. 110052W  
B M Doshi  
Proprietor (M. No. 017370)**

**On behalf of Board**

**Sundar Iyer  
Director  
Krishnan Muthukumar  
Director**

**Place: Mumbai  
Date: 17-05-2017**

<b>TWENTYFIRST CENTURY SHARES AND SECURITIES LIMITED</b>				
<b>CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017</b>				
<b>Rupees in lacs</b>				
	31/03/2017		31/03/2016	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit before tax		747.50		(674.36)
Add: Depreciation	0.00		10.07	
Profit on sale of office premises	0.00		(278.04)	
Interest Received	(13.75)	(13.75)	(12.77)	(280.74)
Operating profit before working capital changes		733.75		(955.10)
Trade and other receivables	103.79		(274.55)	
Trade payables and other liabilities	(180.22)		270.18	
Loans & advances	25.00	(51.43)	16.25	11.88
<b>Cash generated from operations</b>		682.32		(943.22)
Direct taxes paid		(212.77)		(45.25)
<b>Net cash flow from operating activities (A)</b>		<b>469.55</b>		<b>(988.47)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Bank deposits		(12.38)		(11.49)
Investments		47.15		(47.15)
Sale of office premises		0.00		350.00
Interest received		13.75		12.77
<b>Net cash flow from investing activities (B)</b>		<b>48.52</b>		<b>304.13</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Short term borrowings		(495.97)		678.94
<b>Net cash flow from financing activities (C)</b>		<b>(495.97)</b>		<b>678.94</b>
Net increase/ (decrease) in cash & cash equivalents (A+B+C)		22.10		(5.40)
Cash & cash equivalents opening balance		19.14		24.54
Cash & cash equivalents closing balance		<b>41.24</b>		<b>19.14</b>
Per our report attached		On behalf of Board		
For Sheth Doshi & Associates		Sundar Iyer		
Chartered Accountants		Director		
Firm Registrarion No. 110052W		DIN: 00481975		
B.M. Doshi		Krishnan Muthukumar		
Proprietor		Director		
M. No. 017370		DIN: 00463579		
Place: Mumbai				
Date: 17-05-2016				

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Registered Office:

1st Floor, Grease House, Zakaria Bundar Road, Sewree - West,

**Mumbai 400 015** Tel.: 91 22 24191106 / 24156538 Fax: 91 22 24115260