



**TWENTYFIRST CENTURY  
MANAGEMENT SERVICES LTD**

**30<sup>th</sup> ANNUAL REPORT  
2015-2016**



## THIRTIETH ANNUAL REPORT 2015 - 2016

# Inside

Corporate Information	-	4 & 5
Notice	-	6 - 16
Directors' Report	-	17 - 45
Management Discussion and Analysis	-	46 - 49
Corporate Governance Report	-	50 - 60
Certificate on Corporate Governance	-	60
Statement in Form AOC-1 related to Subsidiary Companies	-	61 & 62
CEO / CFO Certification	-	63
Secretarial Audit Report	-	64 - 69

**Standalone Financial Statements**

Independent Auditors' Report	-	70 - 77
Balance Sheet	-	78
Statement of Profit and Loss	-	79
Notes forming part of the Financial Statements	-	80 - 91
Cash Flow Statement	-	92

**Consolidated Financial Statements**

Independent Auditors' Report	-	93 - 102
Balance Sheet	-	103
Statement of Profit and Loss	-	104
Notes forming part of the Consolidated Financial Statements	-	105 - 115
Cash Flow Statement	-	116

Annual General Meeting will be held on Tuesday, 27<sup>th</sup> December 2016 at 3.30 p.m. at ASHA NIVAS, No.9, Rutland Gate 5th Street,, Chennai – 600 006.

As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting

THIRTIETH ANNUAL REPORT 2015 - 2016

**CORPORATE INFORMATION**

**Board of Directors**

Mr. Sundar Iyer -	Chairman
Mr. Krishnan Muthukumar -	Non-Executive Director
Mr. Iyer Vishwanath –	Independent Director
Mr. S.Hariharan –	Independent Director
Ms. Sita Sunil –	Independent Director (From 21 <sup>st</sup> April 2015)

**Company Secretary & Compliance Officer** – Mr.A.V.M.Sundaram

**Chief Financial Officer** – Mr.Bhaskar Shetty

**Board Committees:**

**Audit Committee**

Mr. Iyer Vishwanath – (Chairman of the committee)  
Mr. S.Hariharan - Member  
Mr. Sundar Iyer - Member

**Stakeholders Relationship Committee**

Mr. S.Hariharan– (Chairman of the committee)  
Ms. Sita Sunil - Member  
Mr. Sundar Iyer - Member

**Nomination and Remuneration Committee**

Mr. Iyer Vishwanath – (Chairman of the committee)  
Mr. S.Hariharan - Member  
Mr. Sundar Iyer - Member

**Corporate Social Responsibility Committee**

Mr. Sundar Iyer – (Chairman of the committee)  
Mr. Iyer Vishwanath - Member  
Mr. S.Hariharan - Member

**Statutory Auditors**

M/s Lakhani & Lakhani  
Chartered Accountants  
B-2, 3<sup>rd</sup> Floor, Ashar IT Park,  
**Road No.162, Wagle Estate,**  
**Ambika Nagar, Thane – West – 400604**  
**Email ID: info@lakhania.com**

**Secretarial Auditors**

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

**Internal Auditors**

M/s. Om Prakash S.Chaplot & Co  
Chartered Accountants

**Principal Bankers**

ICICI BANK LIMITED  
HDFC BANK LIMITED  
STATE BANK OF TRAVANCORE

**Registrars & Share Transfer Agents**

Link Intime India Pvt. Limited  
C-13, Pannalal Silk Mills Compound  
L.B.S. Marg, Bhandup (W), Mumbai-400 078  
Tel: 25963838, Fax: 25946969

**Stock Exchanges Where Company's Securities are listed**

BSE Limited - 526921  
National Stock Exchange of India Limited - (Trading in Scrip Suspended)

**Registered Office**

NO.67, OLD NO.28-A, DOOR NO.G-3., Eldams Road,  
Alwarpet, Chennai – 600 018  
*Tel: 24328452, Fax: 24328252*

**Corporate Office**

1<sup>st</sup> Floor, Grease House,  
Zakaria Bundar Road, SEWREE – WEST  
Mumbai – 400 015  
Tel.: 91 22 24191106/24156538  
Fax: 91 22 24115260

**Website**

[www.tcms.bz](http://www.tcms.bz)

**Investor Relations Email ID**

[investors@tcms.bz](mailto:investors@tcms.bz)

**Corporate Identity Number**

L74210TN1986PLC012791

**NOTICE OF THE ANNUAL GENERAL MEETING**

Notice is hereby given that the **30th Annual General Meeting** of the Company Twentyfirst Century Management Services Ltd will be held on Tuesday, 27<sup>th</sup> December, 2016 at 3.30 p. m. at ASHA NIVAS, No.9, Rutland Gate 5th Street,, Chennai – 600 006 to transact the following business.

**ORDINARY BUSINESS****1. Item No.1 – Adoption of financial statements**

To receive, consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the financial year ended 31st March 2016 and the reports of the Board of Directors (the Board) and Auditors thereon.

**2. Item No.2 – Appointment of Shri Krishnan Muthukumar as a director liable to retire by rotation**

To appoint a director in the place of Mr.Krishnan Muthukumar, (DIN 00463579) who retires at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

**3. Item No.3 - Ratification Appointment of Auditors**

To ratify the appointment of the auditors of the Company and to fix their remuneration. In this connection, to

consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

“Resolved that pursuant to the provision of Sections 139,141,142 and other applicable provisions, if any of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014, including any amendment, modification, variation or re-enactment thereof, the appointment of Messrs. Lakhani & Lakhani, Mumbai, Chartered Accountants, (Registration Number **115728W**) Chartered Accountant, Mumbai as the Statutory Auditor of the Company, made for the period of 5 years at the previous Annual General Meeting held on 17.07.2015 be and is hereby ratified by the members on a remuneration inclusive of service tax and such other tax(es) (as may be applicable) and reimbursement of all out of pocket expenses in connection with the audit of the accounts of the Company based on the recommendation of the company.

**SPECIAL BUSINESS****Item No.4 - Approval of Related Party Transactions**

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

RESOLVED THAT pursuant to Section 188 of the Companies Act 2013 and the provisions of Clause 23 of the SEBI

(Listing Obligations and Disclosure Requirements) Regulations 2015 (including any statutory modification thereof for the time being in force) approval of the Company be and is hereby accorded to the Board of Directors entering into contract / arrangements/ transactions with M/s. SI BROKING AND INVESTMENTS LIMITED (a Trading Member of National Stock Exchange of India, Mumbai) a related party as defined under section 2(76) of the Companies Act, 2013 for availing or rendering of any service, appointment of any agent for purchase or sale of goods, materials, services or property, such related party's appointment to any office or place of profit in the Company, its subsidiary Company or Associate Company and underwriting the subscription of any securities or derivatives thereof, of the Company or other obligation if any, on such terms and conditions as may be mutually agreed upon between the Company and M/s. SI BROKING AND INVESTMENTS LIMITED.

RESOLVED FURTHER THAT consent of the Company be and is hereby accorded for ratification of the aforesaid related party transaction already entered in to by the company exceeding the threshold limit as specified in Rule 15 (3) of the Companies (Meeting of the Board and its Power) Rule 2014, and which are material in nature in terms of the SEBI (Listing Obligations and Disclosure Requirements) 2015.

RESOLVED Also THAT the Board of Directors of the Company be and is hereby authorized to do or cause to be done all such acts, deeds and things , settle any queries, difficulties, doubts that may arise with regard to any transaction

with related party, finalize the terms and conditions as may be necessary, expedient of desirable and execute such agreements, documents and writings and make to filings as may be necessary, in order to give effect to this resolution in the best interest of the Company.

By Order of the Board

Place: Mumbai                      A. V. M. SUNDARAM  
Date: 2.12.2016                      Company Secretary

**NOTES:**

- a) **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.** A person can act as a proxy on behalf of not exceeding 50 members and holding in aggregate not more than 10% of the total share capital of the Company. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as Proxy and such person shall not act as a Proxy for any other person or shareholder.
- b) 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 30th annual general meeting of the company.

- c) During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a 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 in advance.
- 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 letter head 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.
- e) The Members / Proxies / Authorised Representatives are requested to bring the duly filled Attendance Slips and their copy of Annual Report enclosed herewith to attend the Meeting.
- f) Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer books of the Company will remain closed from Wednesday, 21<sup>st</sup> December 2016 to Tuesday, 27<sup>th</sup> December 2016 (both days inclusive) for the purpose of Annual General Meeting.
- g) The relative Explanatory Statement, pursuant to Section 102(2) of the Companies Act, 2013 in respect of the special business under Item No. 4 is annexed hereto.
- h) Electronic copy of the AGM notice of the company inter alia indicating the process and manner e-voting along with attendance slip and proxy form is being sent to all the members whose email ID s are registered with the Company / Depository Participant(s) for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the notice of the company inter alia indicating the process and manner of e-voting along with attendance slip and proxy form is being sent in the permitted mode.
- i) Members holding shares in physical form and in electronic mode are requested to immediately notify change in their address and updates of savings bank account details, if any, to their respective Depository Participant(s) and to the Registrar and Share Transfer Agents, Link Intime India Private Limited, C - 13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai – 400 078, quoting their Folio Number(s).
- j) Members desirous of obtaining any information concerning the accounts of the Company are requested to address their queries to the Company Secretary at least seven days in advance of the Meeting so that the information required can be readily made available at the Meeting.
- k) All documents referred to in the accompanying notice and the explanatory statement requiring the approval of the Members at the AGM and other statutory registers shall be available for inspection at the Registered Office of the Company during business hours on all working days from the date hereof up to the date of Annual General Meeting.



- l) Information as required under regulation 36 (3) SEBI ( LODR) regulations, 2015 in respect of directors being reappointed

<b>Particulars of Director</b>	
<b>Name</b>	<b>Mr. Krishnan Muthukumar</b>
<b>DIN. No</b>	<b>00463579</b>
<b>Date of Birth</b>	<b>15<sup>th</sup> October 1975</b>
<b>Date of Appointment</b>	<b>27.06.2014</b>
<b>Qualifications</b>	<b>MBA</b>
<b>Expertise in specific functional areas real</b>	<b>Industrialist with expertise in construction and estate business</b>
<b>Directorships of other Companies (excluding Foreign Companies and Section 8 Companies)</b>	TRIDHAATU REALTY AND INFRA PRIVATE LIMITED TRIDHAATU CONSTRUCTIONS PRIVATE LIMITED TRIDHAATU HOMES DEVELOPERS INDIA PRIVATE LIMITED  TRIDHAATU MUMBAI STRUCTURES PRIVATE LIMITED  TWENTYFIRST CENTURY SHARES AND SECURITIES LIMITED  KOOH SPORTS PRIVATE LIMITED  INDIAN GYMKHANA (MATUNGA) LIMITED
<b>Chairmanships /Memberships Of Committees of other Public Companies</b>	
<b>i. Audit Committee</b>	
<b>i. Stakeholders Relationship Committee</b>	
<b>iii. Nomination and Remuneration Committee</b>	<b>NIL</b>
<b>Number of shares held in the Company</b>	43700 (0.4162%)

- m) The Company does not have any unpaid dividends which are due for transfer to the Investor Education and Protection Fund on 31<sup>st</sup> March 2016.
- n) **Voting through Electronic Means**
- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 and pursuant to Regulation 44 of SEBI (LODR) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 30th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. Any members who has voted through e-voting facility provided by the company may also participate in the General Meeting in person, but such a member will not be able to exercise his vote again in the meeting, and the earlier vote casted through electronic means will be treated as final.
- IV. The option of voting by show of hands will not be available for members presenting the General Meeting in view of clear provision of section 107 of the Companies Act 2013, i.e voting by show of hands would not be allowable in cases where rule 20 of Companies (Management and Administration) Rules, 2014 is applicable.
- V. The remote e-voting period commences on 24<sup>th</sup> December 2016 (9:00 am) and ends on 26<sup>th</sup> December 2016 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20<sup>th</sup> December 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

**VI. The process and manner for remote e-voting are as under:****A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:**

- (i) Open email and open PDF file viz; "TCMS Limited remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
- (iii) Click on Shareholder - Login
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select "EVEN" of TCMS Limited".
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [tcmscrutinizer@gmail.com](mailto:tcmscrutinizer@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy]:**

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

EVEN (Remote e-voting Event Number)  
 USER ID  
 PASSWORD/PIN \_\_\_\_\_

- (ii) Please follow all steps from Sl. No. (i) to Sl. No. (xii) above, to cast vote.

VII. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.

VIII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

IX. You can also update your mobile number and e-mail id in the user profile details of the folio which

may be used for sending future communication(s).

X. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 26<sup>th</sup> December 2016.

XI. Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e., 26<sup>th</sup> December 2016 may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [RTA](#). However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-

voting as well as voting at the AGM through ballot paper.

XIII. Mrs.Lakshmmi Subramanian, Senior Partner, M/s. Lakshmmi Subramanian & Associates., Practicing Company Secretaries (C.P.No.3534, FCS 1087) has been appointed as the Scrutinizer to scrutinize the ballot voting and remote e-voting process in a fair and transparent manner.

XIV. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XVI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.tcms.bz](http://www.tcms.bz) and on

the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to BSE Limited, Mumbai and NSEIL, Mumbai.

**MEMBERS HOLDING EQUITY SHARES IN ELECTRONIC FORM AND PROXIES THEREOF ARE REQUESTED TO BRING THEIR DP ID AND CLIENT ID FOR IDENTIFICATION**

By Order of the Board

Place: Mumbai  
Date: 2.12.2016

A. V. M. SUNDARAM  
Company Secretary

**ANNEXURE TO THE NOTICE****EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE  
COMPANIES ACT, 2013**

## Item No. 4

The Company is inter alia engaged in the business of investment in shares and trading in shares and derivatives. The company is in the ordinary course of business purchase and sale of shares through M/S. SI Broking and Investments Limited ( a trading member of National Stock Exchange, Mumbai). The expected annual brokerage payable to M/s. SI Broking and Investments Limited (Associate of the company) will be to the extent of Rs.350 lacs (based on the previous year's turnover and business transacted). The company will be charged brokerage @0.02% for derivative transactions and @0.25% 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. M/s SI Broking and Investments Limited is a 'Related Party' within the meaning of Section 2(76) of the Companies Act/ 2013.

The transaction such investment and trading in shares through SI Broking and Investments Limited are deemed to be the nature of availing of services as mentioned in section 188 of the Companies Act 2013 would require the approval of members by way of special resolution.

The particulars of the contracts / arrangements / transactions are us under:

Name of the Related Party	SI Broking and Investments Limited
Name of the Directors or Key Managerial Person is related	Shri. Sundar Iyer
Nature of relationship	Promoter and Director
Material terms of the contracts / arrangements/ transactions	For executing trading orders for purchase and sale of shares and derivatives through NSEIL & BSE on behalf of our company as a trading client
Are the transactions are in the ordinary course of business	Yes
Are the transactions are on an arms length basis	Yes
Whether the transactions would meet the arm's length standard in the opinion of the Companie,s Transfer Prising Consultants	Yes
Whether the transactions have been approved by the Audit Committee and Board of Directors	Yes
Any other information relevant or important for members to make a decision on the proposed transactions	None

The annual value of transaction proposed is estimated on the basis of company current transactions and future business projections

The Board is of the opinion that the availing of above stated services from SI Broking and Investments Limited are in the best of interest of the company. The Board therefore recommends the special resolution set out in item no.4 of the notice for the approval of the members in terms of Section 188 of the Companies Act 2013

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Shri Sundarlyer – Promoter and Chairman of our company and the Promoter 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.

By Order of the Board

Place: Mumbai  
Date: 2.12.2016

A. V. M. SUNDARAM  
Company Secretary

**Important Communication to Members:** The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies through electronic mode. The Companies are now permitted to send various notices/ documents including annual reports to its Members through electronic mode to their registered e-mail address. To support this initiative of the Government, the Members are requested to notify their e-mail address, including any change thereof, to their DPs (for shares held in dematerialised form) or to the RTA (for shares in physical form) of the Company viz., Link Intime India Pvt. Limited in order to enable the Company to send all the future notices and documents



## DIRECTORS' REPORT

Dear Shareholders

Your Directors have pleasure in presenting the **30<sup>th</sup> ANNUAL REPORT** on the business and operations of your company and the Audited Financial Statements together with the Auditors Report for the year ended 31<sup>st</sup> March 2016.

### 1. FINANCIAL HIGHLIGHTS

The Financial Results for the year ended 31<sup>st</sup> March 2016.

	Rupees in lacs	
	31/3/2016	31/03/2015
Profit/(Loss) from capital market operations	274.82	3677.50
Other income	13.70	35.29
Profit/(Loss) before depreciation & tax	103.36	3403.94
Interest	0.00	0.00
Depreciation	64.19	12.13
Profit/(Loss) before tax	39.17	3391.81
Provision for tax	20.00	900.00
Tax for earlier years	0.76	0.00
Deferred tax	(10.20)	2.31
Profit/(Loss) after tax	28.61	2489.50

### 2. BUSINESS & PERFORMANCE

During the year under review, the Company has made profit of Rs.28.61 lacs, against profit of Rs.2489.50 lacs in the last financial year. Our company had shifted the focus to concentrate on core business of investments. The Company will make improved profits depending on the Indian Equity market conditions and the global environment.

## HUMAN RESOURCES

The well disciplined workforce which has served the company for the last 5 years lies at the very foundation of the company's major achievements and shall well continue for the years to come. The management has always carried out systematic appraisal of performance and imparted training at periodic intervals. The company has always recognized talent and has judiciously followed the principle of rewarding performance.

### 3. DIVIDEND

Considering the inadequate profit of the company, the Board of Directors is not recommending any dividend for the year 2015-16.

### 4. TRANSFER OF PROFIT TO GENERAL RESERVE

During the year your Company has not transferred any profits to General Reserve.

### 5. MATERIAL CHANGES AND COMMITMENTS OF THE COMPANY

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year (March 2016) and the date of the report and there is no significant and material orders passed by the regulators or courts or tribute

impacting the going concern status and company's operation in future.

**6. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS U/S 186**

The company has not granted any loans or given any guarantees or made any investments during the year. Hence disclosure of detail under section 186 is not applicable.

**7. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188 OF THE COMPANIES ACT 2013.**

There were some transactions with related parties during the financial year 2015-16 which were not in conflict with the interest of the company. Suitable disclosures as required under AS-18 have been made in note no.24 of the notes to the financial statements. Details of the transactions are provided in Form AOC-2 which is attached as Annexure VI.

The Board had approved the related party transactions which are not material as defined under clause 23 of the SEBI, LODR 2015.

**8. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION,**

**FOREIGN EXCHANGE EARNING & OUT GO**

Company's business does not require any technology absorption and hence no reporting is required to be furnished under this heading.

Foreign Exchange inflow and outflow during the year is Nil.

**9. RISK MANAGEMENT POLICY**

The Risk Management is overseen by the Audit Committee of the Company on a continuous basis. The Committee oversees Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis. The detail risk management policy has been given in the Management Discussion and Analysis report which form part of the Board Report.

**10. CORPORATE SOCIAL RESPONSIBILITY**

Even though the provisions of Companies Act, 2013 regarding Corporate Social Responsibility are not attracted to the company yet the

Company has been, over the years, pursuing as part of its corporate philosophy, an unwritten CSR policy.

During the financial year 2014-15, the company has made reasonably good profit. Your company knows the importance of Corporate Social Responsibility (CSR) activities of the company under the recently introduced provisions of the Companies Act, 2013. Accordingly a committee has been formed under the chairmanship of Mr.Sundar Iyer – Chairman of the company.

Your Company has provided a sum of Rs.22.04 lacs under Corporate Social Responsibility Expenditure. Since the CSR Committee is yet to identify a project or activities under this Scheme no amount could be spent. The committee is studying the various projects and the activities which can be undertaken by the company and are conscious that these activities must be for the benefit of the community, which need to be nurtured.

## **11. ANNUAL EVALUATION OF THE BOARD**

Pursuant to the provisions of the Companies Act, 2013 and in terms of Regulation 17(10) of the SEBI Listing Regulations, the Board has carried out an annual performance

evaluation of its own performance, the directors individually as well as the evaluation of the working of the Audit and the Nomination and Remuneration Committees.

### **Performance Evaluation of Board, Committee and Directors**

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of the Audit and Nomination & Remuneration Committees and the same was based on questionnaire and feedback from all the Directors on the Board as a whole, Committees and self-evaluation.

A structured questionnaire was prepared after taking into consideration of the inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution,

independence of judgment, safeguarding the interests of the Company and its minority shareholders etc.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman of the Board and the Executive Directors was carried out by the Independent Directors.

### **Code of conduct for Directors and Senior Management**

The Board of Directors had adopted a Code of Conduct for the Board Members and employees of the company. This code helps the Company to maintain the standard of business ethics and ensure compliance with the legal requirements of the company

The code is aimed at preventing any wrongdoing and promoting ethical conduct at the Board and employees. The Compliance officer is responsible to ensure adherence to the Code by all concerned

The code lays down the standard of conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders

All the Board Members and the Senior Management personnel have confirmed compliance with the Code

### **Whistle blower policy/ Vigil mechanism**

Pursuant to section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and clause 49 of the Listing Agreement, the Board of Directors had approved the policy on vigil mechanism / whistle blower and the same was hosted on the website of the Company. The policy inter-alia provides a direct access to the Chairman of the Audit Committee.

Your Company hereby affirms that no Director / employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

## **12. EXTRACT OF ANNUAL RETURN**

The details forming part of the extracts of Annual Return in form MGT-9 as provided under sec 92(3) of the Companies Act, 2013 is annexed herewith as Annexure - II to this report.

**13. BOARD MEETINGS HELD DURING THE YEAR**

The board met five times during the financial year and intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

**14. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES COMPANIES**

Your Company has one subsidiary viz., TWENTYFIRST CENTURY SHARES AND SECURITIES LIMITED. There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). Further there has been no material change in the nature of business of the subsidiaries.

Shareholders interested in obtaining a copy of the audited annual accounts of the subsidiary company may write to the Company Secretary.

In terms of proviso to sub section (3) of Section 129 of the Act, the salient features of the financial statement of the subsidiaries is set out in the prescribed form AOC-1, which forms part of the annual report.

Performance and financial position of the subsidiary companies is given in **Annexure-V - AOC - 1.**

**15. DIRECTORS AND OTHER KEY MANAGERIAL PERSONNEL****Directors**

The Board consist of one Chief Executive Officer ( Director ) one Non Executive Director, three Independent Directors . Independent Directors are appointed for a period of five years and are not liable to retire by rotation.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act 2013 and Regulation 16(b) of the SEBI – Listing Regulations, 2015.

**Retirement by Rotation**

Pursuant to section 152 of the Companies Act, 2013 Mr.Krishnan Muthukumar retire by rotation at the forthcoming AGM and is eligible for reappointment.

**Key Managerial Personnel**

Pursuant to Sec 203 of the Companies Act 2013 the company has already appointed three Key Managerial Personnel viz., Chief Executive Officer, Company Secretary and Chief Accounts Officer.

### **Declaration of Independent Directors**

As per the Companies Act 2013, your company had appointed three Independent Directors and they have declared that they meet the criteria of independence in terms of Section 149(6) of the Companies Act 2013 and that there is no change in their status of Independence.

### **16. 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-II** in the prescribed form **MGT-9** and forms part of this Report.

### **17. INFORMATION U/S 197(12) OF THE COMPANIES ACT 2013**

The information required under section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of

Managerial Personnel) Rules, 2014 are given below:

The particulars of the employees who are covered by the provisions contained in Rule 5(2) and rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are:

- a) Employed throughout the year - Nil
- b) Employed for part of the year - Nil

The remuneration paid to all Key management Personnel was in accordance with remuneration policy adopted by the company. Particulars of remuneration paid are detailed in Para VI of Annexure-II – Extract of Annual Return – MGT9

### **18. STATUTORY AUDITORS**

Messrs. Lakhani & Lakhani, Mumbai, Chartered Accountants, (Registration Number 115728W) have been appointed as statutory auditors of the company for a period of five years at the last Annual General Meeting held on 17<sup>th</sup> July 2015 from the conclusion of 29<sup>th</sup> Annual General Meeting till the conclusion of 34<sup>h</sup> Annual General Meeting of the company subject to the ratification of shareholders in every Annual General Meeting. The company has received confirmation from the audit firm regarding their consent and eligibility under section 139 and 141 of the Companies Act

2013 read with the Companies (Accounts) Rules, 2014 for appointment as the Auditors of the Company.

The Audit Committee and the Board of Directors of the company have recommended to ratify the appointment of auditors for the financial year 2016-17. The necessary resolution is being placed before the share holders for their approval.

#### **Comment on Statutory Auditor Report**

Auditors of the company in their report made an observation that the company has granted interest free loans of Rs.2951.16 lacs to the company listed in the register maintained under section 189 of the Companies Act 2013. But the said loans advanced to the subsidiary company amounting to Rs.2951.16 lacs are doubtful in recovery and the company has not provided for Doubtful Loans & Advances amounting to Rs.2951.16 lacs.

Regarding the observation for non-provision for Doubtful Loans & Advances amounting to Rs.2951.16 lacs made to the subsidiary company, the management is of the opinion that the subsidiary company is making efforts to resolve the pending cases in recovering the Trade Receivables of the company

which are very old and are under dispute. Further we understand that the subsidiary company is also undertaking investment activities for improving its profitability which will enhance the chances of recovery of interest free loans from the subsidiary company. Hence the company has not provided for the interest free loans as Doubtful Loans & Advances amounting to Rs.2951.16lacs made to the subsidiary company.

#### **19. SECRETARIAL AUDITOR**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Lakshmmi Subramanian & Associates, Practising Company Secretaries, (CP No.1087:, FCS:3534), Company Secretaries to undertake the secretarial audit of the company. The Secretarial Audit Report is annexed herewith as 'Annexure VI'.

#### **Comment on Secretarial Auditor Report**

With reference to the remarks made by the secretarial auditor, Mrs. Lakshmmi Subramanian, Practising Company Secretary, in her secretarial audit report, the company has taken corrective

measures during the current financial year.

## **20. INTERNAL AUDITOR**

All the investments related activities are done under the direct supervision of the Chairman of our company. As per the provisions of the Companies Act, 2013 the company has appointed M/s. Om Prakash S.Chaplot & Co, Chartered Accountants, Mumbai as an Internal Auditor for the company for the financial year 2015-16.

The Company proposes to continue their services and appoint M/s. Om Prakash S.Chaplot & Co, Chartered Accountants, Mumbai as an Internal Auditor for the financial year 2016-17, to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

## **21. INTERNAL CONTROL POLICY**

The Company has, in all material respects, an adequate internal control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control. The internal auditor of the Company regularly conduct audit and

submit his quarterly reports, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

## **22. DISCLOSURE AS PER SEXUAL HARRASSMENT 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 endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The company aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of undesired behaviour. The Board of Directors are responsible for redressal of complaints related to sexual



harassment. During the year ended 31 March, 2016 the Board did not receive any complaints pertaining sexual harassment.

### **23. DEPOSIT FROM PUBLIC**

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on date of the balance sheet.

### **24. CORPORATE GOVERNANCE REPORT, MANAGEMENT DISCUSSION & ANALYSIS AND OTHER INFORMATION REQUIRED UNDER THE COMPANIES ACT, 2013 AND SEBI (LODR) 2015.**

Your company is fully complied with the Corporate Governance as laid out in Schedule –II of the SEBI ( LODR ) Regulation 2015. A detailed Corporate Governance Report and Management Discussion & Analysis forming part of the Corporate Governance is attached with this report as an Annexure IV & III

### **25. DOCUMENTS PLACED ON THE WEBSITE ([www.tcms.bz](http://www.tcms.bz))**

The following documents have been placed on the website in compliance with the Act:

- Details of Unpaid dividend as per section 124(2)
- Corporate Social Responsibility Policy as per section 135(4)(a)
- Financial Statements of the Company and consolidated financial statements along with relevant documents as per third proviso to section 136(1)
- Separate audited accounts in respect of subsidiaries as per fourth proviso to section 136(1)
- Details of vigil mechanism for Directors and employees to report genuine concerns as per proviso to section 177(10)
- The terms and conditions of appointment of Independent Directors as per Schedule IV to the Act.
- The code of conduct for Board of Directors and Senior Managers
- Familiarization Program for the Independent Directors
- Policy on Related Party Transactions
- Policy on Material Subsidiary
- Code of conduct for Insider Trading and Corporate Disclosure Practices
- Official News Releases, if any.



**ANNEXURE – II**

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2015**

**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	L74210TN1986PLC012791
2.	Registration Date	13-03-1986
3.	Name of the Company	TWENTYFIRST CENTURY MANAGEMENT SERVICES LIMITED
4.	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES – INDIAN NON-GOVERNMENT COMPANY
5.	Address of the Registered office & contact details	G-3, OLD NO. 28A, NEW NO. 67,ELDAMS ROAD, ALWARPET, CHENNAI-600018.
6.	Whether listed company	YES
7.	Name, Address & contact details . of the Registrar & Transfer Agent, if any	LINK INTIME INDIA PVT. LTD.. C-13, PANNALAL SILK MILLS COMPOUND, LBS MARG , BHANDUP WEST, MUMBAI-400078.

**II. 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	100.00%

**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 SHARES AND SECURITIES LIMITED  2B, GREASE HOUSE, ZAKARIA BUNDER ROAD, SEWRI WEST, MUMBAI- 400015	U51900MH1942PLC003546	Subsidiary	100%	Section 2(87)

## V. 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-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Changed during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	4120053	42700	4162753	39.65	4683753	0	4683753	44.61	4.96
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.									
e) Banks / FI									
f) Any other									
Total shareholding of Promoter (A)	4120053	42700	4162753	39.65	4683753	0	4683753	44.61	4.96
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	15800	15800	0.15	0	15800	15800	0.15	0
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs	0	181300	181300	1.73	0	36300	36300	0.35	0.35
h) Foreign Venture Capital Funds									
i) Others (specify)					0				
Sub-total (B)(1):-	0	197100	197100	1.88	0	52100	52100	0.50	(1.38)
2. GOVERNMENT(S) / STATE GOVERNMENT(S)/ PRESIDENT OF INDIA									
Sub-total (B)(2):-	0	0	0	0	0	0	0	0	0
3. NON INSTITUTIONS									
a) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	2015048	4464484	2461532	23.44	2106877	433784	2537661	24.17	0.73
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2353304	88200	2441504	23.25	1900524	88200	1988724	18.94	(4.31)
b) NBFCs registered with RBI	0	0	0	0	0	0	0	0	0
c) Employee Trusts	0	0	0	0	0	0	0	0	0
d) Overseas Depositories (Holding DRs) (Bak. fig)	0	0	0	0	0	0	0	0	0
c) Others (specify)									
HUF	63497	0	63497	0.60	161776	0	161776	1.54	0.94
Foreign Company	0	400	400	0.00	0	400	400	0.00	0.00
Non Residents – Non Repatriable	10551	0	10551	0.10	12600	0	12600	0.12	0.02
Non Resident Indians- Repatriable	79374	162900	242274	2.31	98719	162900	261619	2.49	0.18
Overseas Corporate Bodies	0	0	0	0	0	145000	145000	1.38	1.38
Clearing Members	202926	0	202926	1.93	115900	0	115900	1.10	(0.83)
Market Maker	5881	0	5881	0.06	9132	0	9132	0.09	0.03
Bodies Corporate	508382	203200	711582	6.78	328135	203200	531335	5.06	(1.72)
Sub-total (B)(2):-	5238963	901184	6140147	58.47	4730663	1033484	5764147	54.89	(3.58)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	5238963	1098284	6337247	60.35	4730663	1085584	5816247	55.39	(4.96)
C. NON PROMOTER – NON PUBLIC1. Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
2. EMPLOYEE BENEFIT TRUST (UNDER SEBI (share based employee benefit)REGULATIONS)	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	9359016	1140984	10500000	100.00	9414416	1085584	10500000	100.00	0.00

**B. Shareholding of Promoter**

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding 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 Pledged / encumbered to total shares	
1	SUNDAR IYER	3247280	30.92	0.00	3767280	35.88	0.00	4.95
2	E Y RANGOONWALA	187523	1.79	0.00	187523	1.79	0.00	0.00
3	VANAJA SUNDAR	150000	1.43	0.00	150000	1.43	0.00	0.00
4	SIDDHARTH IYER	523000	4.98	0.00	523000	4.98	0.00	0.00
5	SHRIDHAR IYER	12250	0.12	0.00	12250	0.12	0.00	0.00
6	KRISHNAN MUTHUKUMAR	42700	0.41	0.00	43700	0.42	0.00	0.01
<b>TOTAL</b>		<b>4162753</b>	<b>39.65</b>	<b>0.00</b>	<b>4683753</b>	<b>44.61</b>	<b>0.00</b>	<b>4.96</b>

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

SN	Shareholder's Name	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
1	<b>SUNDAR IYER</b>				
	At the beginning of the year	3247280	30.9265		
1	Bought on 01/05/2015	260000	2.4762	3507280	33.4027
2	Bought on 15/05/2015	150000	1.4285	3657280	34.8312
3	Bought on 15/05/2015	50000	04762	3707280	35.3074
4	Bought on 15/05/2015	14326	01365	3721606	35.4439
5	Bought on 15/05/2015	18645	01775	3740251	35.6214
6	Bought on 15/05/2015	27029	02575	3767280	35.8789
	At the end of the year			3767280	35.8789

SN 2 <b>E Y RANGOONWALA</b>	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	187523	1.7859		
Change during the year	0	0		
At the end of the year			187523	1.7859

SN 3 <b>VANAJA SUNDAR IYER</b>	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	150000	1.4286		
Change during the year	0	0		
At the end of the year			150000	1.4286

SN 4 <b>SIDDHARTH IYER</b>	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	523000	4.9810		
Change during the year	0	0		
At the end of the year			523000	4.9810

SN 5 <b>SHRIDHAR P IYER</b>	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	12250	0.1167		
Change during the year	0	0		
At the end of the year			12250	0.1167

SN 6 <b>KRISHNAN MUTHUKUMAR</b>	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	42700	0.4067		
Transfer from other folio 07/04/2016	1000	0.0095	43700	0.4162
At the end of the year			43700	0.4162

D) Shareholding Pattern of top ten Share holders:  
(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN 1 <b>JIGNESH V. SHAH</b>	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	415203	3.9543		
01/05/2015	(50000)	(0.4762)	365203	3.4781
15/05/2015	(62026)	(0.5907)	303177	2.8874
22/05/2015	(103177)	(0.9826)	200000	1.9048
06/11/2015	19000	0.1809	219000	2.0857
04/12/2015	6500	0.0619	225500	2.1476
11/12/2015	31989	0.3047	257489	2.4523
18/12/2015	11010	0.1048	268499	2.5571
08/01/2016	9242	0.0881	277741	2.6452
15/01/2016	22259	0.2119	300000	2.8571
19/02/2016	(27400)	(0.2609)	272600	2.5962
At the end of the year			272600	2.5962



D) Shareholding Pattern of top ten Share holders:  
(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN 2 <b>RITA SACHDEV</b>	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	270000	2.5714		
24/07/2015	(10000)	(0.0952)	260000	2.4762
06/11/2015	37938	0.3613	297938	2.8375
13/11/2015	55387	0.5275	353325	3.3650
20/11/2015	7675	0.0731	361000	3.4381
27/11/2015	1420	0.0135	362420	3.4516
04/12/2015	32580	0.3103	395000	3.7619
11/12/2015	5000	0.0476	400000	3.8095
At the end of the year			400000	3.8095

SN 3 <b>Image Securities</b>	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 45000	1.3810		
At the end of the year			145000	1.3810

SN 4 <b>Goodknight Inv &amp; Leasing Pvt Ltd</b>	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 32600	1.2629		
At the end of the year			132600	1.2629

SN 5 <b>Sunflower Broking Private Limited</b>	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		
01/05/2015	500	0.0048	500	0.0048
07/08/2015	500	0.0048	1000	0.0096
15/01/2016	100000	0.9524	101000	0.9619
At the end of the year			101000	0.9619

SN 6 <b>Gala Manjula Ramnik</b>	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	100000	0.9524		
No Change during the year	0	0		
At the end of the year			100000	0.9524

SN 7 <b>Rajiv Kaul</b>	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	101226	0.9641		
01/05/2015	(6000)	(0.0572)	95226	0.9069
07/08/2015	(15000)	(0.1428)	80226	0.7641
15/01/2016	10000	0.0952	90226	0.8593
At the end of the year			90226	0.8593

SN 8 <b>Marfatia Stock Broking Private Ltd</b>	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	0.00		
	10	0.0001	10	0.0001
	10	0.0001	20	0.0002
	20	0.0002	40	0.0004
	60	0.0006	100	0.0010
	99900	0.9514	100000	0.9524
	(27000)	(0.2572)	73000	0.6952
At the end of the year			73000	0.6952

SN 9 <b>Shashikant Gordhandas Badani</b>	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	84139	0.8013		
17/04/2015	(1000)	(0.0095)	83139	0.7918
22/05/2015	(2500)	(0.0238)	80639	1.7680
10/07/2015	(1000)	(0.0095)	79639	0.7585
17/07/2015	(1000)	(0.0095)	78639	0.7489
24/07/2015	(500)	(0.0047)	78139	0.7442
14/08/2015	(500)	(0.0047)	77639	0.7394
28/08/2015	(4190)	(0.0399)	73449	0.6995
08/01/2016	(1000)	(0.0095)	72449	0.6900
15/01/2016	(1000)	(0.0095)	71449	0.6805
At the end of the year			71449	0.6805

SN 10 <b>Agarwal Mukesh</b>	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	52798	0.5028		
No Change during the year	0	0		
At the end of the year			52798	0.5028

SN 11 <b>Pace stock Broking Services Pvt Ltd</b>	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	100000	0.9524		
17/04/2015	(1849)	(0.0176)	98151	0.9348
29/05/2015	(96059)	(0.9149)	2092	0.0199
19/06/2015	1000	0.0095	3092	0.0294
26/06/2015	7500	0.0715	10592	0.1009
10/07/2015	(5000)	(0.0476)	5592	0.0533
21/08/2015	6052	0.0576	11644	0.1109
28/08/2015	356	0.0034	12000	0.1143
11/09/2015	2000	0.0190	14000	0.1333
18/09/2015	7000	0.0667	21000	0.2000
30/09/2015	(5000)	(0.0476)	16000	0.1524
09/10/2015	(768)	(0.0073)	15232	0.1451
06/11/2015	38768	0.3692	54000	0.5143
18/12/2015	2600	0.0247	56600	0.5390
25/12/2015	400	0.0039	57000	0.5429
08/01/2016	3200	0.0304	60200	0.5733
15/01/2016	(55000)	(0.5238)	5200	0.0495
29/01/2016	7356	0.0701	12556	0.1196
05/02/2016	4745	0.0452	17301	0.1648
12/02/2016	255	0.0024	17556	0.1672
19/02/2016	(5000)	(0.0476)	12556	0.1196
04/03/2016	5730	0.0546	18286	0.1742
At the end of the year			18286	0.1742

SN 12 <b>Pankaj Sahai</b>	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	110000	1.0476		
06/11/2015	(20000)	(0.1905)	90000	0.8571
13/11/2015	(10000)	(0.0952)	80000	0.7619
31/12/2015	(10000)	(0.0952)	70000	0.6667
01/01/2016	(10000)	(0.0953)	60000	0.5714
08/01/2016	(30000)	(0.2857)	30000	0.2857
15/01/2016	(29628)	(0.2822)	372	0.0035
At the end of the year			372	0.0035

SN 13 <b>Sanjay Gupta</b>	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	113256	1.0786		
24/04/2015	(2500)	(0.0238)	110756	1.0548
15/05/2015	(1450)	(0.0138)	109306	1.0410
22/05/2015	(1000)	(0.0095)	108306	1.0315
29/05/2015	(500)	(0.0048)	107806	1.0267
05/06/2015	(500)	(0.0048)	107306	1.0220
19/06/2015	(2000)	(0.0191)	105306	1.0029
26/06/2015	(8352)	(0.0795)	96954	0.9234
03/07/2015	(10000)	(0.0953)	86954	0.8281
10/07/2015	(35659)	(0.3396)	51295	0.4885
28/08/2015	(1000)	(0.0095)	50295	0.4790
09/10/2015	(16000)	(0.1524)	34295	0.3266
23/10/2015	(6000)	(0.0571)	28295	0.2695
30/10/2015	(700)	(0.0067)	27595	0.2628
06/11/2015	(10000)	(0.0952)	17595	0.1676
13/11/2016	15000	0.1428	32595	0.3104
08/01/2016	(15150)	(0.1443)	17445	0.1661
15/01/2016	(5233)	(0.0498)	12212	0.1163
22/01/2016	(5692)	(0.0542)	6520	0.0621
29/01/2016	(6520)	(0.0621)	0	0.0000
At the end of the year			0	0.0000



SN 14 <b>Vijay Sachdev</b>	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	100000	0.9524		
01/05/2015	(50000)	(0.4762)	50000	0.4762
15/05/2015	( 50000)	(0.4762)	0	0.4762
At the end of the year			0	0.0000

## E) Shareholding of Directors and Key Managerial Personnel:

SN 1 <b>SUNDAR IYER</b>	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	3247280	30.9265		
1 Bought on 01/05/2015	260000	2.4762	3507280	33.4027
2 Bought on 15/052015	150000	1.4285	3657280	34.8312
3 Bought on 15/05/2015	50000	0.04762	3707280	35.3074
4 Bought on 15/05/2015	14326	0.01365	3721606	35.4439
5 Bought on 15/05/2015	18645	0.01775	3740251	35.6214
6. Bought on 15/05/2015	27029	0.02575	3767280	35.8789
At the end of the year			3767280	35.8789

SN 6 <b>Krishnan Muthukumar</b>	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	42700	0.4067		
Transfer from other folio 7/4/2016	1000	0.0095	43700	0.4162
At the end of the year			43700	0.4162

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1989.21	Nil	Nil	1989.21
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	5.50	Nil	5.50
<b>Change in Indebtedness during the financial year</b>				
* Addition	Nil	Nil	Nil	Nil
* Reduction	1989.21	Nil	Nil	1989.21
<b>Net Change</b>	Nil	Nil	Nil	Nil
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	Nil	Nil	Nil	Nil
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	Nil	Nil	Nil

**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 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 - others, specify...	Nil	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (A) Ceiling as per the Act	Nil	Nil	Nil	Nil	Nil

**B. Remuneration to other directors**

SN.	Particulars of Remuneration	Name of the Directors					Total Amount
		Sundar Iyer	Krishnan Muthukumar	Vishwanath Iyer	S. Hariharan	Sita Sunil	
1	Independent Directors Fee for attending board & committee meetings Commission Others, please specify Total (1)			49000	49000	25000	123000
				49000	49000	25000	123000
2	Other Non-Executive Directors Fee for attending board committee meetings Commission Others, please specify Total (2)	49000	25000				74000
		49000	25000				74000
	Total (B)=(1+2) Total Managerial Remuneration	49000	25000	49000	49000		197000

Overall Ceiling as per the Act -Well within the limits of section 198 read with Schedule V of the 2013 Act.

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

SN	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	CS	CFO	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	960000	1614500	2574500
	(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	Nil	Nil	Nil	Nil
	others, specify...	Nil	Nil	Nil	Nil
5	Others, please specify				
	Total	Nil	960000	1614500	2574500

**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 - III****MANAGEMENT DISCUSSION AND ANALYSIS****ECONOMIC SCENARIO AND OUTLOOK**

The Indian Economic Outlook for 2016 is bright relative to the global economy with businesses expressing enormous faith in the leadership of Prime Minister Shri Narendra Modi. It eclipsed China as the fastest growing economy in the world pushing forward at a perilous time in the Middle Kingdom. India's inflation is receding and investors are confident of the efforts / measures taken by the Government of India and the central bank – RBI. Further the confident handling of the currency movement in India by the central bank also imbibes confidence in the business houses and the investors are bullish about the Indian Economy. Currently India is a beacon of light in the emerging markets.

Indian Equity Market Outlook – The pessimism seems overdone and the bull market should continue in 2016. After a big rally in 2014 Indian Markets struggled in 2015 due to the global investors have been pulling out money from emerging markets and India has got caught up in that. Corporate profits have trailed nominal GDP growth over the last few years. The pressure on profitability has come from a number of factors – weak demand, large capex projects in progress

(many of which have got stuck or delayed), high interest rates and high input cost inflation. As these issues start getting resolved over time, we should be entering a period where earnings growth can outpace nominal GDP growth over the next few years.

The fall in commodity prices (especially crude oil) has helped bring down input costs. This also supports the process of disinflation in the economy. This is further creating the headroom for lower interest rates which should further bring down finance costs for companies.

Looking ahead into 2016 we think that the equity market sentiment seems to have become excessively cautious. We expect continued steady improvement in the growth environment which should start flowing through into better corporate earnings. Long term investors should stay invested in the market.

**FUTURE PROSPECTS**

The future prospects for the Indian equity markets look extremely promising in the current backdrop of events in the Global financial markets. The euphoria in other emerging markets is likely to settle down soon as earnings have failed to catch up with the spectacular rise in the stock prices. Investors would be wary of deploying funds in developed markets as the US Federal Reserve considers hiking the US Fed Interest Rate anytime during the current financial year, Indian equity

markets are looking attractively valued after the recent correction and are trading at near historical average PE multiples. The management is confident of a strong year ahead for the Indian Equity markets. This will augur well for the performance of your company, which largely depends on the direction of the stock market.

### **BUSINESS RISK MANAGEMENT**

Although the company has long been following the principle of risk minimization as is the norm in every industry, it has now become a compulsion. Therefore, in accordance with SEBI (LODR) 2015, the Board members were informed about risk assessment and minimization procedures after which the Board formally adopted steps for framing, implementing and monitoring the risk management plan for the company.

The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are: Regulations, competition, Business risk, Investments,

retention of talent and expansion of facilities. Business risk, inter-alia, further includes financial risk, political risk, fidelity risk, legal risk. As a matter of policy, these risks are assessed and steps as appropriate are taken to mitigate the same.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets.

All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements.

All the investments related activities are done under the direct supervision of the Chairman of our company. Based on the nature of the business the Audit Committee has suggested formation of Investment Committee for the Financial Year 2016-17 and to lay down an Investment Policy.

Considering the size and nature of business the company has appointed an Internal Auditor for the company for the financial year 2015-16, to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY**

In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behaviour, the company proposes to pursue a vigil mechanism policy during the financial year 2015-16.

**REMUNERATION POLICY**

The Board has, on the recommendation of the Nomination & Remuneration committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

**DIRECTORS' AND COMMITTEE MEETINGS**

During the year Five (5) Board Meetings, Four (4) Audit Committee Meetings, Four (4) Stakeholders' Relationship and Investor Grievances Committee Meetings, One Meeting of Corporate Social Relationship Committee, One meeting of Nomination and Remuneration Committee and one independent directors' meeting was held. The Details of which are given in Corporate Governance Report. The provisions of Companies Act, 2013 and SEBI (LODR) 2015, were adhered to while considering the time gap between two meetings.

**AUDIT COMMITTEE**

The company is having an audit committee comprising of the following directors:

Shri Iyer Vishwanath - Chairman - Non Executive & Independent Director

Shri S.Hariharan - Member - Non Executive & Independent Director

Shri Sundar Iyer - Member - Executive Director

**NOMINATION AND REMUNERATION COMMITTEE**

The company is having a Nomination and Remuneration Committee comprising of the following directors:

Shri Iyer Vishwanath - Chairman - Non Executive & Independent Director

Shri S.Hariharan - Member - Non Executive & Independent Director

Shri Sundar Iyer - Member - Executive Director

**Stakeholders/Investors Grievance and Share Transfer Committee**

The company is having a Stakeholders/Investors Grievance and Share Transfer Committee comprising of the following directors:

Mr. S. Hariharan, Chairman - Non Executive & Independent Director

Ms. Sita Sunil, Member - Non Executive & Independent Director



Mr. Sundar Iyer, Member - Executive Director

### **Corporate Social Responsibility (CSR) Committee**

The company is having a Corporate Social Responsibility Committee comprising of the following directors:

Shri Iyer Vishwanath - Chairman - Non Executive & Independent Director

Shri S.Hariharan - Member - Non Executive & Independent Director

Shri Sundar Iyer - Member - Executive Director

### **RELATED PARTY TRANSACTIONS**

There were no contracts or arrangements entered into by the company in accordance with provisions of section 188 of the Companies Act, 2013. However, there were material related party transactions in terms of SEBI (LODR) 2015. All material related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business.

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

### **CORPORATE GOVERNANCE**

As per SEBI (LODR) 2015, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Secretarial Auditor confirming compliance forms an integral part of this Report.

### **Conservation of Energy**

The Company had taken steps to conserve use of energy in its office, consequent to which energy consumption has been minimized. No additional Proposals/ Investments were made to conserve energy. Since the company has not carried on industrial activities, disclosures regarding impact of measures on cost of production of goods, total energy consumption, etc., are not applicable.

**ANNEXURE - IV****REPORT ON CORPORATE GOVERNANCE****1. Company's Philosophy on Corporate Governance**

The Company defines Corporate Governance as a systematic process by which companies are directed and controlled to enhance their wealth generating capacity. Since large corporations employ vast quantum of social resources, we believe that the governance process should ensure that these companies are managed in a manner that meets stakeholders' aspirations and social expectations.

The basic objective of corporate governance policies adopted by the company is to attain the highest levels of transparency, accountability and integrity. This objective extends not merely to meet with statutory requirements but also goes beyond them by putting into place procedures and systems, which are in accordance with best practice of governance. Your company believes that good corporate governance enhance the trust and confidence of all the stakeholders. Good practice in corporate behavior helps to enhance and maintain public trust in companies and stock market.

**2. Board of Directors****Composition and category of Board of Directors.**

The Board of Directors of the company comprises of Executive Chairman, a Non-executive Director and three 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 2015-16, Five (5) meetings were held on the following dates:

21<sup>st</sup> April 2015, 10<sup>th</sup> June2015, 17<sup>th</sup> July 2015, 30<sup>th</sup> October 2015 and 12<sup>th</sup> February 2016

**The last Annual General Meeting was held on 17<sup>th</sup> July 2015.**

The Board comprises of three independent directors out of present strength of five directors. Composition, attendance of each director at the Board Meetings and at the last AGM and the number of other directorship, committee memberships are set out below:

Name	Category	No. of Board Meeting attended	Attendance at the last AGM	Directorship in other Companies	Other Companies Committee Chairman-ships	Other Companies Committee Member-ships
Mr. Sundar Iyer	Chairman-Executive Director	5	Yes	4	1	2
Mr. Iyer Vishwanath	Independent Non-executive Director	5	Yes	1	Nil	Nil
Mr. S. Hariharan	Independent Non-executive Director	5	Yes	Nil	Nil	Nil
Mr. Krishnan Muthukumar	Non Executive Non Independent Director	5	Yes	7	Nil	Nil
Mrs. Sita Sunil	Independent Non-Executive Woman Director	5	Yes	3	Nil	Nil

**1. Board Committees:****A. Audit Committee****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
Mr. S. Hariharan	Member
Mr. Sundar Iyer	Member

Chairman is a non-executive Independent director.

The major terms of reference of this committee are as under:

- Reviewing with management, the financial statements before submission of the same to the Board
- Overseeing of company's financial reporting process and disclosures of its financial information.
- Reviewing the adequacy of the internal audit function.
- Recommendation for appointment and fixing remuneration of statutory auditors.
- Reviewing the reports furnished by the statutory auditors and ensuring suitable follow up thereon.

### Meeting and Attendance of the Committee

During the financial year four Audit Committee meetings were held on the following dates, 21<sup>st</sup> April 2015, 17<sup>th</sup> July 2015, 30<sup>th</sup> October 2015 and 12<sup>th</sup> February 2016. The terms of reference of the Audit Committee are as per the guidelines set out in the SEBI (LODR) 2015.

The Audit Committee in its meeting held on 17<sup>th</sup> July 2015 approved and recommended the appointment of Mr. Karthik Sundar Iyer as Chief Administrative Officer (CAO) on contract basis for a period of one year with effect from 1<sup>st</sup> July 2015 on a monthly remuneration of Rs.100000/-. The approval of the Committee for the appointment of Mr. Karthik Sundar Iyer was required, as Mr. Karthik Sundar Iyer is the son of CEO of the company – Shri Sundar Iyer. (Appointment of Relative for the office of profit)

The Audit Committee has also approved and recommended the opening of the trading account with M/s SI INVESTMENT & BROKING PRIVATE LIMITED (Member of NSE & BSE) for executing purchase and sale orders in Equity & Derivatives Segments on terms and conditions as set out the documents for opening the account, which are in the ordinary course of business. Shri Sundar Iyer is a shareholder in M/s SI INVESTMENT & BROKING PRIVATE LIMITED and his family members are the directors in the company. This was further approved by the members of the company in the AGM held on 17<sup>th</sup> July 2015 as an abundant precautionary measure.

**The attendance of directors at the Audit Committee meetings held during the year 2015-16 is given below:**

Name	Category of membership	Meetings held	Meetings attended
Mr. Iyer Vishwanath	Chairman	4	4
Mr. S. Hariharan	Member	4	4
Mr. Sundar Iyer	Member	4	4

## B. Stakeholders/Investors Grievance and Share Transfer Committee

### Meeting and Attendance of the Committee

During the financial year four Audit Committee meetings were held on the following dates, 21<sup>st</sup> April 2015, 17<sup>th</sup> July 2015, 30<sup>th</sup> October 2015 and 12<sup>th</sup> February 2016. The terms of reference of the Audit Committee are as per the guidelines set out in the SEBI (LODR) 2015.

**The attendance of directors at the Stakeholders/Investors Grievance and Share Transfer Committee meetings held during the year 2015-16 is given below:**

Name	Category of membership	Meetings held	Meetings attended
Mr. S. Hariharan	Chairman	4	4
Ms.Sita Sunil	Member	4	4
Mr. Sundar Iyer	Member	4	4

Chairman of the Committee is a non-executive director.

### Terms of reference

The shareholders/investor grievances committee specifically looks into redressing of shareholder's and investor's complaints such as transfer of shares, non-receipt of shares, non-receipt of declared dividend, conversion of shares and to ensure expeditious share transfers.

### Meeting and Attendance of the Committee

The Committee oversees the performance of share transfer and recommends measures to improve the shareholders/investors service. The said

committee met four (4) times during the financial year 2015-16. The company secretary is the compliance officer.

The Committee has also noted that the shareholding in dematerialised mode as on 31<sup>st</sup> March 2016 was 89.66% (89.13% as of 31<sup>st</sup> March 2015).

### Shareholders queries received and replied in 2015-16

During the financial year 2015-16, **Twelve (12)** complaints were received from shareholders and were replied / redressed to the satisfaction of the investors. There are no complaints pending as on date of this report. There were no share transfers pending registration as at 31<sup>st</sup> March 2016.

### SEBI COMPLAINTS REDRESS SYSTEM (SCORES)

The Investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are:

- Centralised database of all complaints
- Online upload of Action Taken Reports (ATRs) by the concerned companies
- Online viewing by the investors of action taken on the complaints and its current status.

### Designated Exclusive Email ID

The Company has also provided separate E-mail ID: [investors@tcms.bz](mailto:investors@tcms.bz) exclusively for investor servicing.

## C. Nomination and Remuneration Committee

During the financial year one Nomination and Remuneration Committee meeting

was held on 17<sup>th</sup> July 2015. During this meeting the Committee recommended the appointment of Mr. Karthik Sundar Iyer as Chief Administrative Officer (CAO) on contract basis for a period of one year with effect from 1<sup>st</sup> July 2015 on a monthly remuneration of Rs.100000/-. The terms of reference of the Nomination and Remuneration Committee are as per the guidelines set out in the SEBI (LODR) 2015.

**The attendance of directors at the Nomination and Remuneration Committee meeting held during the year 2015-16 is given below:**

Name	Category of membership	Meetings held	Meetings attended
Mr. S.Iyer Viswanath	Chairman	1	1
Mr.S. Hariharan	Member	1	1
Mr. Sundar Iyer	Member	1	1

Chairman of the Committee is a non-executive director.

### **Terms of reference**

#### **FORMULATION OF POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION**

The Nomination and Remuneration Committee discussed and thereafter

decided upon the policy for selection of appointment of directors and their remuneration. The highlights of this policy are as follows:

#### **1. Criteria of selection of Non Executive Directors**

- a. The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of Investments in Capital and Debt Market, finance, taxation, law, governance and general management.
- b. In case of appointment of Independent Directors, the Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- c. The Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- d. The Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.

- i. Qualification, expertise and experience of the Directors in their respective fields;
  - ii. Personal, Professional or business standing;
  - iii. Diversity of the Board.
- e. In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

## 2. Remuneration

The Non Executive Directors shall be entitled to receive remuneration by way of sitting fees for participation in the Board / Committee meetings and commission as detailed hereunder:

- i. A Non Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee meeting attended by him/her at his/her discretion of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
- ii. The Committee may recommend to the Board, the payment of commission on uniform basis, to reinforce the principles of collective responsibility of the Board.
- iii. The payment of such commission would be at the discretion of board

only and shall not exceed 1% of the net profit of the Company;

- iv. The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

## D. Corporate Social Responsibility (CSR) Committee

During the financial year one Corporate Social Relationship Committee meeting was held on 12<sup>th</sup> February 2016. The terms of reference of the Corporate Social Relationship Committee are as per the guidelines set out in the SEBI (LODR) 2015..

**The attendance of directors at the Corporate Social Responsibility Committee meeting held during the year 2015-16 is given below:**

Name	Category of membership	Meetings held	Meetings attended
Mr. S.Iyer Viswanath	Chairman	1	1
Mr.S. Hariharan	Member	1	1
Mr. Sundar Iyer	Member	1	1

Chairman of the Committee is a non-executive director.

## Terms of reference

Even though the provisions of Companies Act, 2013 regarding Corporate Social Responsibility are

not attracted to the company yet the Company has been, over the years, pursuing as part of its corporate philosophy, an unwritten CSR policy.

During the financial year 2014-15, the company has made reasonably good profit. Your company knows the importance of Corporate Social Responsibility (CSR) activities of the company under the recently introduced provisions of the Companies Act, 2013. Accordingly a committee has been formed under the chairmanship of Mr.Sundar Iyer – Chairman of the company.

Your Company has provided a sum of Rs.22.04 lacs under Corporate Social Responsibility Expenditure. Since the CSR Committee is yet to identify a project or activities under this Scheme no amount could be spent. The committee is studying the various projects and the activities which can be undertaken by the company and are conscious that these activities must be for the benefit of the community who need to be nurtured.

#### **Auditors Certificate on Corporate Governance**

A certificate obtained from the Auditors of the company on the Compliance of Corporate Governance is enclosed.

#### **EVALUATION OF DIRECTORS BY INDEPENDENT DIRECTORS' MEETING**

During the year under review, the Independent Directors met on 12<sup>th</sup> February 2016, inter alia to:

- i. Review the performance of non-independent directors and the Board as a whole;
- ii. Review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- iii. Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

#### **EVALUATION OF INDEPENDENT DIRECTORS BY DIRECTORS' MEETING**

During the year under review, the Directors (other than Independent Directors) met on 12<sup>th</sup> February 2016, inter alia to:

- i. Review the performance of the independent directors of the company, taking into account the views of executive directors and non-executive directors;
- ii. Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for

the Board to effectively and reasonably perform their duties.

### **FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS**

The Company has practice of conducting familiarization program of the independent directors as detailed in clause 1.5 of the Corporate Governance Report which forms part of the Annual Report.

### **PREVENTION OF INSIDER TRADING**

The Company has adopted a Code of Conduct for Prevention of Insider trading with a view to regulate trading in securities by the Directors and designated employees of the Company.

### **Disclosures**

The company has always ensured fair code of conduct and maintained transparency. There were no instances of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

In accordance with requirement of Companies Act as well as SEBI (LODR) 2015, a vigil mechanism has been adopted by the board of directors and accordingly a whistle blower policy has been formulated with a view to

provide a mechanism for employees of the company to approach Chairman of the Audit Committee of the Company to report any grievance. A link to such policy is also provided in the website of the company.

Compliances, rules & regulations as laid down by various statutory authorities has always been observed by the company since such change over both in letter as well as in spirit.

The Board has obtained certificates / disclosures from key management personnel confirming they do not have any material financial and commercial interest in transactions with the company at large.

### **Compliance with Accounting Standards**

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 1956 read with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.



#### 4. General Body Meetings

The particulars of Annual General Meeting held during the last three years are as under:

Year	Location	Date	Time
2012-13	Asha nivas, No.9, Rutland gate, 5 <sup>th</sup> street, Chennai-600 006	30/12/2013	11.30 A.M.
2013-14	Asha nivas, No.9, Rutland gate, 5 <sup>th</sup> street, Chennai-600 006.	27/06/2014	3.30 P.M.
2014-15	Narada Gana Sabha, Mini Hall, T.T.K.Salai, Chennai - 600018	17/07/2015	3.30 P.M.

#### Special Resolution Passed in the Past three AGMs

##### AGM HELD ON 14<sup>th</sup> March 2013

1. Appointment of Mr.Iyer Vishwanath as an Independent Director and approving payment of commission.
2. Appointment of Mr.S.Hariharam as an Independent Director and approving payment of commission
3. Appointment of Mr.Krishnan Muthukumar as Director and approving payment of commission

No Special Resolutions were passed in the AGMs held on 27<sup>th</sup> June 2014 and 17<sup>th</sup> July 2015.

##### Postal Ballot

No Special resolutions were passed last year through Postal Ballot.

#### Profile of directors seeking re-appointment

##### Mr. Krishnan Muthukumar

Mr. Krishnan Muthukumar, aged about 40 years, is a Post Graduate in Business Administration. He is an industrialist with expertise in construction and real estate business. His rich and varied experience will benefit the company in many ways. He is holding 43700 shares in the company.

#### Particulars of other company directorship are as follows:

Name of the Company	Designation
TRIDHAATU REALTY AND INFRA PRIVATE LIMITED	Director
TRIDHAATU CONSTRUCTIONS PRIVATE LIMITED	Director
TRIDHAATU HOMES DEVELOPERS INDIA PRIVATE LIMITED	Director
TRIDHAATU MUMBAI STRUCTURES PRIVATE LIMITED	Director
TWENTYFIRST CENTURY SHARES AND SECURITIES LIMITED	Director
KOOH SPORTS PRIVATE LIMITED	Director
INDIAN GYMKHANA (MATUNGA) LIMITED	Director

#### 6. Means of Communication

The annual, half-yearly and quarterly results are regularly submitted to the stock exchanges in accordance with the SEBI (LODR) 2015 and are published in Trinity Mirror (English) and Makkal Kural (Tamil) newspapers.

## 7. Management Discussions and Analysis Report

Management Discussion and Analysis Report and the Corporate Governance report for the year forms a part of the Director Report.

## 8. General Shareholders Information

### Annual General Meeting

The 30th Annual General Meeting of the Company will be held on Friday, 26<sup>th</sup> August 2016 at 3.30 P.M. at Asha Nivas, No.9, Rutland gate, 5<sup>th</sup> street, Chennai-600 006..

### Financial calendar for the year 2016-2017 (Provisional)

Results for the first quarter ending 30 <sup>th</sup> June, 2016	Fourth week of July 2016
Results for the second quarter ending 30 <sup>th</sup> September, 2016	Fourth week of October 2016
Results for the third quarter ending 31 <sup>st</sup> December, 2016	Fourth week of January 2016
Results for the fourth quarter ending 31 <sup>st</sup> March, 2017	First week of May 2017
Annual General Meeting for the year ending 31 <sup>st</sup> March, 2017	Fourth Week of August 2017

### Listing on the Stock Exchanges

The Equity shares of the Company are listed on the Bombay Stock Exchange and National Stock Exchange. The Company has paid annual listing fees to the respective stock exchanges.

Trading in shares of the company in National Stock Exchange was suspended in the year 2002-2003, since the company did not have full time Company Secretary. This requirement has been met in the year 2006-07 and we are following up with NSEIL for revocation of suspension of trading. Our application for revocation of suspension of trading in the shares of the company is under active consideration and we have submitted all the required details and particulars to NSEIL.

## BSE Stock Code: 526921

### Market price data

High/Low during each month in last financial year at the Bombay Stock Exchange

Month	Share Prices (Rs.)	
	High	Low
Apr-15	52.00	34.45
May-15	40.45	32.15
Jun-15	40.40	29.00
Jul-15	45.45	34.60
Aug-15	49.90	29.80
Sep-15	36.00	26.70
Oct-15	32.75	28.65
Nov-15	34.70	31.35
Dec-15	33.45	27.35
Jan-16	35.30	29.20
Feb-16	30.30	23.90
March-16	29.50	23.00

## Registrar and transfer agents

### Link Intime India Pvt. Limited

C-13, Pannalal Silk Mills Compound  
L.B.S. Marg, Bhandup (W),  
Mumbai-400 078  
Tel: 25963838, Fax: 25946969

## Address for communication

**TWENTYFIRST CENTURY  
MANAGEMENT SERVICES LIMITED**  
NO.67, OLD NO.28-A, DOOR NO.G-3.,  
Eldams Road, Alwarpet,  
Chennai – 600 018  
Telephone - 0 44 42030149,  
FAX - 0 44 24328452

## Share Transfer System

Presently the share transfer documents, which are received by the Company, are processed, approved and kept ready for dispatch within 15 days from the date of the receipt.

### Distribution of shareholding as on 31<sup>st</sup> March 2016

Slab of share holdings	Share holders	%	Shares	%
1-500	4964	81.9412	710273	6.7645
501-1000	445	7.3432	376310	3.5839
1001-2000	265	4.3729	425762	4.0549
2001-3000	105	1.7327	274669	2.6159
3001-4000	56	0.9241	202788	1.9313
4001-5000	46	0.7591	218726	2.0831
5001-10000	91	1.5017	707469	6.7378
Above 10000	88	1.4521	7584003	72.2286
<b>Total</b>	<b>6060</b>	<b>100.00</b>	<b>105000000</b>	<b>100.00</b>

### Shareholding pattern as on 31<sup>st</sup> March 2016

Categories	Number of shares	%
Promoters, Directors, relatives and associates	4683753	44.61
Mutual Funds	15800	0.15
FII's	36300	0.35
Private Corporate Bodies	531335	5.06
Indian Public	4526385	43.11
HUF	161776	1.54
NRI's/OCB's	419619	3.99
Clearing Members	115900	1.10
Market Maker	9132	0.09
<b>Total</b>	<b>10500000</b>	<b>100.00</b>

### Dematerialisation of shares

The equity shares of the company has been admitted for dematerialization with NSDL and CDSL, 89.66% (as against

89.13% as on 31<sup>st</sup> March 2015) of the company's paid up Equity share capital has been dematerialized as on 31<sup>st</sup> March 2016.

### E-mail ID of Investor Grievance Redressal Cell

E-mail ID: [investors@tcms.bz](mailto:investors@tcms.bz)

## 9. Non - Mandatory Requirements

- Chairman of the Board: The Company maintains the office of the Chairman at its Corporate Office/ Registered Office and also reimburses the expenses incurred in performance of duties.
- The Board has duly constituted a Remuneration Committee under the Chairmanship of Mr. Iyer Vishwanath, which determines the remuneration package for Executive Directors.
- Shareholder Rights: The quarterly financial results are regularly submitted to the stock exchanges.
- Audit qualifications: The company has qualified financial statements.
- Training of Board members: Periodical meetings are held with skilled consultancy agencies for the

Board members to apprise them of recent developments and existing laws and practices

- f. Mechanism of evaluating Non-executive directors: Same as above.
- g. Whistle Blower Policy: As mentioned earlier, the Company does not have a Whistle blower Policy.

#### **DECLARATION IN COMPLIANCE WITH THE CODE OF CONDUCT**

This is to confirm that all the Board Members and the Senior Management have affirmed compliance with the Code of conduct for the year ended 31<sup>st</sup> March, 2016.

**For Twentyfirst Century Management Services Ltd.**

**Sundar Iyer**  
**Chairman**

Place: Mumbai

Date: 15<sup>th</sup> July 2016

#### **Auditor's Certificate on Corporate Governance**

We have examined the compliance of Corporate Governance by Twentyfirst Century Management Services Limited for the year ended on 31<sup>st</sup> March 2016, as stipulated in SEBI (LODR) 2015, of the said Company with stock exchange (s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI (LODR) 2015.

On the basis of information and explanation given to us and as per the records maintained by the Company, we state that no investor grievances is pending for a period exceeding one month against the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor effectiveness with which the management has conducted the affairs of the Company.

**For M/s Lakhani & Lakhani**  
**Chartered Accountants**  
**(Firm Registration Number - 115728W)**

**Suhas Shinde**  
**(Membership Number - 117107)**  
**Partner**

**Place: Mumbai**  
**Date: 15<sup>th</sup> July 2016**

**ANNEXURE - V****FORM AOC - 1****(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)**

Statement containing salient features of the financial statement of subsidiaries

**Part A: Subsidiaries**

1. Name of the subsidiary TWENTYFIRST CENTURY SHARES & SECURITIES LIMITED - **Wholly owned subsidiary**
2. Reporting period for the Subsidiary concerned,  
if different from the holding company's reporting period  
- Same as the holding company
3. Reporting currency and Exchange rate as on the last date of the relevant  
Financial year in the case of foreign subsidiaries  
- NOT APPLICABLE

REPORTING PERIOD	1 April, 2015 to 31 March, 2016 (Rs. In lacs)
Share capital	1308.95
Reserves & surplus	(1096.77)
Total assets	4018.03
Total Liabilities	3805.85
Investments	0.00
Turnover (Revenue )	0.00
Profit before taxation	(674.36)
Provision for taxation (Deferred Tax)	17.75
Short Provision for earlier years	31.13
Profit after taxation	(723.24)
Proposed Dividend	NIL
% of shareholding	100%

Notes:

There is no subsidiary which is yet to commence operations.

There is no subsidiary which has been liquidated or sold during the year.

**For and on behalf of the Board of Directors**

Mumbai

**SUNDAR IYER****KRISHNAN MUTHUKUMAR**15<sup>th</sup> July 2016

Director

Director

**PARTICULARS AS REQUIRED UNDER SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES ( ACCOUNTS) RULES, 2014.**

**SUBSIDIARY COMPANY**

The Company has a subsidiary - **TWENTYFIRST CENTURY SHARES & SECURITIES LIMITED**. The Company is not attaching copies of the balance sheet and profit & loss account, reports of Board of Directors and Auditors thereon, in respect of the subsidiary as required under Section 212(1) of the Companies Act, 1956 ('the Act') to its accounts as per the dispensation available pursuant to the directions issued by the Ministry of Corporate Affairs vide general circular no. 2/2011. However, as required under the aforesaid circular and pursuant to clause 32 of the SEBI (LODR) 2015, the consolidated financial statement of the company duly audited by the statutory auditors forms part of this annual report. The company shall make available, the annual accounts and related information of its subsidiary, to those shareholders who wish to have the copies of the same. Further these documents shall be available for inspection by a shareholder at the registered office of the company as well as its subsidiary on any working day during business hours.

**For Twentyfirst Century Management Services Ltd**

<b>Sundar Iyer</b>	<b>Bhaskar Shetty</b>
<b>Chief Executive Officer</b>	<b>Chief Financial Officer</b>

Place: Mumbai

Date: 15<sup>th</sup> July 2016

**CEO/CFO CERTIFICATION**

The Board of Directors

**Twentyfirst Century Management  
Services Limited**

Chennai

We, Sundar Iyer, Chief Executive Officer and Bhaskar Shetty, Chief Finance Officer of Twentyfirst Century Management Services Limited, on the basis of the review of the financial statements and cash flow statement for the year ended 31<sup>st</sup> March, 2016 and to the best of our knowledge and belief, hereby certify that:

1. We have reviewed the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement of the Company and all the notes on accounts and the Board's Report.
2. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
3. These statements together present a true and fair view of the company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
4. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31<sup>st</sup> March 2016 are fraudulent, illegal or violative of the Company's code of conduct.

5. We accept responsibility for establishing and maintaining internal controls for financial reporting, we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, those deficiencies in the design or operation of such internal controls of which we are aware and the steps we have taken or purpose to take to rectify these deficiencies.

6. We have indicated to the Auditors and the Audit Committee:
- there have been no significant changes in internal control over financial reporting during the year covered by this report.
  - there have been no significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements.

**For Twentyfirst Century Management  
Services Ltd**

**Sundar Iyer**  
**Chief Executive**  
**Officer**

**Bhaskar Shetty**  
**Chief Financial**  
**Officer**

Place: Mumbai  
Date: 15<sup>th</sup> July 2016

**ANNEXURE - VI****SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2016**

**[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 Management Services Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Twentyfirst Century Management Services 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, 2016, 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 Management Services Limited ("the Company") for the financial year ended on 31st March, 2016 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 Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 55A;
- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder ; (Not Applicable for the Audit Period)
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;



- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;</li> <li>(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.</li> </ul>  | <ul style="list-style-type: none"> <li>i. Secretarial Standards issued by The Institute of Company Secretaries of India</li> <li>ii. The listing agreements under SEBI (LODR) 2015, entered into by the Company where the equity shares of the Company are listed.</li> </ul>  |
| <ul style="list-style-type: none"> <li>(i) The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015</li> </ul>   | <p>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:</p>   |
| <ul style="list-style-type: none"> <li>(vi) The following laws/ Regulations (as amended from time to time), which are specifically applicable to the Company based on their sector/ industry:           <ul style="list-style-type: none"> <li>i. Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.</li> <li>ii. Reserve bank of India Act, 1934</li> <li>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)</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>1. The Company being an Non-banking financial institution (NBFC) as mentioned in their main objects, had been suspended by the Reserve bank of India(RBI) and Company yet to take steps to amend their main objects to categorize themselves other than NBFC.</li> <li>2. The company is engaged with investment activity only with their own surplus funds However, without any registration/license required under RBI(NBFC rules and regulations)</li> <li>3. The Secretarial Standards being the first year requires few improvements in certain areas of compliances which are not material in pursuant to the SS-1 and SS-2.</li> </ul> |

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

4. Certain Policies in pursuant to LODR are yet to be updated in the website of the Company.
5. Few Registers in terms of dealing in securities/investments in pursuant to The Companies Act, 2013 and The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
6. Subsidiary company holding shares of the holding company in its own name due to the client default position in the subsidiary which in my opinion covered under prohibition transaction of section 19 read with 69 of the Companies Act, 2013.
7. Trading in NSE was suspended from the year 2003.
8. CSR amount not spent during the year as required under section 135 of the Companies Act, 2013.
- We further report that there were no actions/events occurred in the pursuance of
- i. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- ii. The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014;
- iii. The Securities Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008
- iv. The Securities Exchange Board of India (Delisting of Equity Shares) Regulation, 2009
- v. The Securities Exchange Board of India (Buyback of Securities) Regulation, 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 Industrial Laws, Environmental Laws, 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is 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** during the audit period the company has no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

**For LAKSHMMI SUBRAMANIAN & ASSOCIATES**

**Lakshmmi Subramanian**

**Senior Partner**

**FCS No. 3534**

**C.P.NO. 1087**

**Place: Chennai**

**Date: 13<sup>th</sup> June 2016**

**“Annexure A”****(To the Secretarial Audit Report of M/s. Twenty First Century Management Services Limited for the financial year ended 31.03.2016)**

To  
The Members  
Twenty First Century Management Services Limited

Our Secretarial Audit Report for the financial year ended 31.3.2016 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. Where ever 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  
Senior Partner  
FCS No. 3534  
C.P.NO. 1087**

**Place: Chennai**

**Date: 13<sup>th</sup> June 2016**

## ANNEXURE VII

## FORM NO. AOC.2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis	Not Applicable
(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	
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	M/s S I BROKING AND INVESTMENTS LIMITED  DIRECTOR OF OUR COMPANY - SHRI SUNDAR IYER IS A RELATED PARTY
(b) Nature of contracts/arrangements/transactions	For executing trading orders through NSEIL & BSE for purchase and sale of shares and derivatives as a trading client of the broker
(c) Duration of the contracts/arrangements/transactions	Throughout the financial year 2015-16
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	The company has been charged @0.02% for derivative transactions and @0.25% for cash market transactions alongwith other statutory charges like STT, Stamp Duty, etc., as applicable. Annual Brokerage amount to the extent of Rs.79.25 lacs
(e) Date(s) of approval by the Board, if any:	21st April 2015
(f) Amount paid as advances, if any:	Nil
Form shall be signed by the persons who have signed the Board's report.	Signed By Sundar Iyer Chairman

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF TWENTYFIRST CENTURY MANAGEMENT SERVICES LIMITED**

#### **Report on the Financial Statements**

We have audited the accompanying standalone financial statements of **TWENTYFIRST CENTURY MANAGEMENT SERVICES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016 and the Statement of Profit and Loss and the Cash Flow Statement, and a summary of the significant accounting policies and other explanatory information for the year then ended.

#### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position and 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 Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the preparation of the Act for safeguarding the assets of the Company and for preventing and detecting 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 adequate Internal financial controls, 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.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on these standalone 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 the 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 a true and fair view in order to design audit procedures that

are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the 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 standalone financial statements.

### Basis of Opinion

Non Provision of Doubtful Loans & Advances amounting to Rs.2951.16 lacs advanced to its subsidiary company.

We further report that, had the observation made by us above been considered, the loss for the year would have been Rs.2922.55 lacs (as against the reported profit figures of Rs. 28.61 lacs) and loss after considering accumulated figures of previous years would have been Rs. 2361.56 lacs (as against reported figure of profit of Rs. 589.60 Lacs) and the balance of amount due from subsidiary company would have been Rs. Nil (as against the reported figure of Rs. 2951.16 lacs).

### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion Paragraph above and Notes to Accounts, the aforesaid standalone 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 31<sup>st</sup> March, 2016,
- (b) in the case of the statement of Profit and Loss, of the profit of the Company for the year ended on that date
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. 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.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, 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.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this

- Report are in agreement with the books of account.
- (d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
- (e) The matter described in the basis of qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the company.
- (f) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) In our opinion 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”**
- (h) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion Paragraph above.
- (i) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has not disclosed the impact of pending litigations on its financial position in its financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor’s Education and Protection fund by the company.

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

**Suhas Shinde  
Partner  
Membership No. 117107**

**Place: Mumbai  
Date: 19-05-2016**



## **“ANNEXURE A” TO INDEPENDENT AUDITOR’S REPORT**

1. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

The fixed assets of the company have been physically verified by the Management during the year and no material discrepancies were noticed on such verification. In our opinion the verification is reasonable having regard to the size of the company and the nature of its assets.

2. The company is primarily engaged in investing activities. Accordingly, it does not hold any physical inventories. Thus paragraph 4(ii) of the Order is not applicable to the company.
3. The company has granted interest free loans of Rs. 2951.16 lacs to the company listed in the register maintained under section 189 of the Companies Act 2013. But the said Loan advanced to subsidiary company amounting to Rs.2951.16 lacs is doubtful in recovery.
4. During the year under audit, the company has complied with the provisions of section 185 and 186

of the Companies Act, 2013 in respect of loans, investments, guarantees and security.

5. During the year under audit, the company has not accepted any deposits from the public to which the directives issued by Reserve Bank of India or the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under apply.
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 Employees Provident Fund dues and has also been regular in depositing undisputed income tax and other applicable statutory dues with appropriate authorities.

According to the information and explanations given to us and the records of the Company examined by us, the particulars of income tax as at 31st March 2016 which have not been deposited on account of a dispute pending are as under:

Name of the Statute	AY	Nature of Dispute	Forum where the disputes are pending	Amount Disputed
Income tax Act, 1961	1995-96	Demand raised subject to rectification by ACIT	ACIT Company Circle III (2)	Rs.4.81 lacs
Income tax Act 1961	1996-97	Rectification by AO raised a demand Company has to file rectification for the interest working 234B Waiver petition filed by the company. Expecting a relief of Rs 45 lacs	ACIT Company Circle-III(2)  CCIT-I , Chennai	Rs.104.96lacs
Income tax Act, 1961	2003-04	Diminution in the value of stock- Rs. 1289 lacs (value written off) However there will not be any demand on this issue only carried forward loss will be reduced. However the Carried forward loss will be useful for AY 2007-2008 demand.	Madras High Court	NIL
Income tax Act 1961	2005-06	Assessment was re-opened for third time and order dated 28.03.2013 AO rejected the Excess relief u/s 115JB BCIT(A) has ordered in ITA No. No.646/2013-14/CIT(A)-11 rejecting the the Jurisdictions and on facts remanded back to AO	CIT(A)-III	Rs. 35.15 lacs
Income tax Act 1961	2006-07	B/F loss not considered, rectification filed	ACIT Company Circle III (2)	Rs.1.33 lacs
Income tax Act, 1961	2007-08	Department has filed appeal before Hon'ble ITAT on the issue of Short Term Capital gains @ 30.99% instead of 15% Revision order by AO has not considered the Rebate which is pending The Hon'ble ITAT vide order dated ..... remanded back to Ld CIT(A) to adjudicate the same Ld CIT(A) has remanded back the matter to AO and it is pending with AO	ITAT	Rs.55.45 lacs
Incomet tax 1961	2007-08	Department issued 148 notice and the assesement got completed The same issue of STCG @ 30.99 instead of 15%, assessment completed. Company had filed appeal before Commissioner Appeal-III Further to ITAT remanding back to Ld CIT(A), Ld CIT(A) clubbed both the appeals and since the issue is common and had remanded the matter to AO on the issue on whether sale of shares is Business or Capital gains	CIT-Appeal -III	Rs 68.69 lacs
Income tax Act 1961	2010-11	The Assessment was reopened u/s 148 on the issue of Client Modification code The Company has filed appeal against the order.	ACIT Corporate Circle-3(1), chenani	Rs 4.57lacs

8. On the basis of records examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
9. According to the information and explanations given to us, the company has not raised any moneys by way of initial public offer or further public offer or any term loans during the year under review
10. To the best of our knowledge and belief and according to the information and explanations given to us we have not come across any fraud by the company or any fraud on the Company by its officers or employees during the course of our audit of the period under review.
11. During the year under audit, the company has not paid any managerial remuneration. Thus paragraph 3(xi) of the order is not applicable to the company.
12. In our opinion and according to information and explanations given to us, the company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.
13. According to the information and explanations given to us and the records examined by us, the transaction with the related parties are in compliance with the provisions of section 177 and section 188 of the Companies Act, 2013 and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and the records examined by us, the company has not made any preferential allotment and private placement of shares during the year. Accordingly, paragraph 3(xiv) of the order is not applicable.
15. According to the information and explanations given to us and the records examined by us, the company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

**Suhas Shinde**  
**Partner**  
**Membership No. 117107**

**Place: Mumbai**  
**Date: 19-05-2016**

**“ANNEXURE B” TO INDEPENDENT AUDITOR’S REPORT****Report on the Internal Financial Controls under clause (i) of 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 MANAGEMENT SERVICES LIMITED** (“the Company”) as of **31<sup>st</sup> March 2016** in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls 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 (‘ICAI’). 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 judgment, 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 31<sup>st</sup> March 2016, 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 Lakhani & Lakhani**  
**Chartered Accountants**  
**Firm Registration No. 115728W**

**Suhas Shinde**  
**Partner**  
**Membership No. 117107**

**Place: Mumbai**  
**Date: 19-05-2016**

**BALANCE SHEET AS ON 31ST MARCH 2016**

		Rupees in lakhs	
	NOTES	31/03/2016	31/03/2015
<b>I</b>	<b>Equity &amp; Liabilities</b>		
<b>1</b>	<b>Shareholders' Funds</b>		
	a) Share Capital	1050.00	1050.00
	b) Reserves & Surplus	4811.73	4783.12
<b>2</b>	<b>Non-Current Liabilities</b>	0.00	0.00
<b>3</b>	<b>Current Liabilities</b>		
	a) Short-term borrowings	0.00	1989.21
	b) Trade payables	0.02	131.27
	c) Other current liabilities	169.99	138.01
	d) Short-term provisions	928.88	1159.99
	<b>Total</b>	<b>6960.62</b>	<b>9251.60</b>
<b>II</b>	<b>Assets</b>		
<b>4</b>	<b>Non-Current Assets</b>		
1)	<b>a) Fixed Assets</b>		
	Tangible assets	145.44	207.33
	b) Non-current investments	1376.11	1376.11
	c) Deferred tax asset	11.37	1.17
	d) Long-term loans & advances	3225.79	3225.72
<b>5</b>	<b>Current Assets</b>		
	a) Current investments	0.00	3898.03
	b) Trade receivables	80.00	0.00
	c) Cash and bank balances	1433.52	396.86
	d) Short-term loans and advances	681.66	3.96
	d) Other receivables	6.73	142.42
	<b>Total</b>	<b>6960.62</b>	<b>9251.60</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 (M. No. 117107)  
Partner

A.V.M. SUNDARAM  
Company Secretary

**For and on behalf of the Board**  
SUNDAR IYER  
Chairman

KRISHNAN MUTHUKUMAR  
Director

Place: Mumbai  
Date: 19-05-2016

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2016**

		Rupees in lakhs	
	NOTES	31/03/2016	31/03/2015
<b>Revenue</b>			
Revenue from Operations	17	274.82	3677.50
Other Income	18	13.70	35.29
<b>Total revenue</b>		<b>288.52</b>	<b>3712.79</b>
<b>Expenses</b>			
Employee benefits expense	19	71.11	83.47
Depreciation and amortisation expenses	9	64.19	12.13
Other expenses	20	114.05	164.18
<b>Total expenses</b>		<b>249.35</b>	<b>259.78</b>
<b>Profit/(Loss) before exceptional and extraordinary items and tax</b>		<b>39.17</b>	<b>3453.01</b>
<b>Exceptional items</b>		0.00	61.20
<b>Profit/(Loss) before extraordinary items and tax</b>		<b>39.17</b>	<b>3391.81</b>
<b>Extraordinary items</b>		0.00	0.00
<b>Profit/(Loss) before tax</b>		<b>39.17</b>	<b>3391.81</b>
<b>Tax expense</b>			
Current tax		20.00	900.00
Tax for earlier years		0.76	0.00
Deferred tax		(10.20)	2.31
		<b>10.56</b>	<b>902.31</b>
<b>Profit/ (Loss) for the year</b>		<b>28.61</b>	<b>2489.50</b>
Earnings per equity share of Rs. 10/- each (in Rs.)			
Basic and diluted		0.27	22.68

**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 (M. No. 117107)  
Partner

Place: Mumbai  
Date: 19-05-2016

A.V.M. SUNDARAM  
Company Secretary

**For and on behalf of the Board**  
SUNDAR IYER  
Chairman

KRISHNAN MUTHUKUMAR  
Director

## **NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016**

### **1. General information**

Twentyfirst Century Management Services Limited is a listed company engaged in investments in Capital Market and Futures & Options segment.. The company has a wholly owned subsidiary which was a trading member of the National Stock Exchange of India Limited. Subsidiary has surrendered its membership card with the NSE.

Company's shares are listed in BSE and NSE. Trading in shares of the company in NSE was suspended in the year 2001-02, since company didn't have Company Secretary. This requirement has been since met. The company is following up with NSE for revoking the suspension order.

### **2. Significant Accounting Policies**

#### **a) Basis of preparation of financial statements**

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 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 and on the revised carrying amount of the asset, identified as impaired on which depreciation has been provided over the residual life of the respective assets.

#### **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 and 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. 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.

**h) Employment Benefits**

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The gratuity plan provides a lump sum payment to the vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and tenure of employment with the company. *The estimates used for provision of Gratuity are not as per "AS 15 – Employee Benefits" issued by ICAI.*

Provident fund is a defined contribution scheme and the company has no further obligation beyond the contribution made to the fund. Contributions are charged to profit and loss account in the year in which they accrue.

**i) Contingent Liabilities**

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.

**NOTE-3**  
**SHARE CAPITAL**

	Rupees in lakhs	
	31/03/2016	31/03/2015
<b>Authorised capital</b>		
2,00,00,000 equity shares of Rs.10/-each	2000.00	2000.00
10,00,000 12% Cumulative Redeemable Preference Shares of Rs.100/- each	1000.00	1000.00
	3000.00	3000.00
<b>Issued, subscribed and paid up</b>		
1,05,00,000 equity shares of Rs.10/- each	1050.00	1050.00
	<b>1050.00</b>	<b>1050.00</b>

**Disclosure:**

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

Equity shares	31-03-2016		31-03-2015	
	Qty	Rs. In lacs	Qty	Rs. In lacs
At the beginning of the period	10500000	1050.00	10500000	1050.00
Issued during the period	Nil	Nil	Nil	Nil
Outstanding at the end of the period	10500000	1050.00	10500000	1050.00

  

Preference shares	31-03-2016		31-03-2015	
	Qty	Rs. In lacs	Qty	Rs. In lacs
At the beginning of the period	Nil	Nil	750000	750.00
Redeemed during the period	Nil	Nil	750000	750.00
Outstanding at the end of the period	Nil	Nil	Nil	Nil

**2. Rights, preferences and restrictions attached to 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.

**3. Details of Shareholders holding more than 5% shares in the company.**

**Equity shares of Rs. 10/- each fully paid up**

Name	31/03/2016		31/03/2015	
	Qty	% of holding	Qty	% of holding
Mr. Sundar Iyer	3767280	35.88	3247280	30.93



Rupees in lakhs  
31/03/2016    31/03/2015

**NOTE-6****TRADE PAYABLES**

For trading activity-Companies in which directors are interested	0.00	127.86
For trading activity-Others	0.02	3.41
	<u>0.02</u>	<u>131.27</u>

**NOTE-7****OTHER CURRENT LIABILITIES**

Unpaid dividend-Final (2014-15)	7.05	0.00
Unpaid dividend-Final (2007-08)	0.00	5.33
Gujarat Industrial Investment Corporation	31.73	31.73
Provision for contingency	75.00	75.00
Provision for CSR	22.03	0.00
MTM on unexpired future contracts	0.00	9.61
Statutory remittance	1.26	6.06
Outstanding expenses	4.12	10.28
Other payables	28.80	0.00
	<u>169.99</u>	<u>138.01</u>

**Disclosure:**

Unpaid dividend figure does not include any amount due and outstanding to be credited to Investor Education & Protection Fund.

**NOTE-8****SHORT TERM PROVISIONS**

Provision for proposed dividend	0.00	210.00
Provision for tax on dividend	0.00	41.99
Provision for tax	920.00	900.00
Provision for gratuity	8.88	8.00
	<u>928.88</u>	<u>1159.99</u>

**NOTE-9****TANGIBLE FIXED ASSETS & DEPRECIATION**

Rupees in lakhs

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS ON 31/03/2015	ADDITIONS	DELETIONS	AS ON 31/03/2016	AS ON 31/03/2015	ADDITIONS	DELETIONS	AS ON 31/03/2016	AS ON 31/03/2016	AS ON 31/03/2015
FURNITURE	45.61	0.00	0.00	45.61	0.00	11.84	0.00	11.84	33.77	45.61
COMPUTER	142.14	2.30	0.00	144.44	141.27	1.47	0.00	142.74	1.70	0.87
MOTOR CAR	270.01	0.00	0.00	270.01	109.16	50.88	0.00	160.04	109.97	160.85
<b>TOTAL</b>	<b>457.76</b>	<b>2.30</b>	<b>0.00</b>	<b>460.06</b>	<b>250.43</b>	<b>64.19</b>	<b>0.00</b>	<b>314.62</b>	<b>145.44</b>	<b>207.33</b>
PREVIOUS YEAR	334.12	187.49	0.00	521.61	302.15	12.13	0.00	314.28	207.33	

	Rupees in lakhs	
	31/03/2016	31/03/2015
<b>NOTE-10</b>		
<b>NON CURRENT INVESTMENTS</b>		
<b>A. Trade Investments (At cost)</b>		
i) Investments in Equity Instruments of Subsidiary Company (Unquoted) In Twentyfirst Century Shares & Securities Ltd (55,89,500 equity shares of face value Rs. 10/- each fully paid up)	618.95	618.95
ii) Investment in preference shares of Subsidiary Company (Unquoted) In Twentyfirst Century Shares & Securities Ltd (750000 12% Cumulative redeemable preference shares of Rs. 100/- each redeemable by the end of 16-09-2018)	750.00	750.00
<b>B. Other Investments (At cost)</b>		
<b>Investments in Equity Instruments of others (Quoted)</b>	1.73	1.73
<b>Investments in shares (Un quoted)</b> Akshay Software Technologies Ltd (18000 shares) @ Rs.30 paid up	5.43	5.43
	<u>1376.11</u>	<u>1376.11</u>
<b>Market value of quoted investments</b>	3.75	3.50

**Disclosure:**

Rupees in lakhs

**Details of Investments (Quoted)**

	31/03/2016		31/03/2015	
<b>Scrip</b>	<b>Qty</b>	<b>Cost</b>	<b>Qty</b>	<b>Cost</b>
Puneet Resins	12500	1.73	12500	1.73
<b>Total</b>		<u>1.73</u>		<u>1.73</u>

Rupees in lakhs

**NOTE-11****LONG TERM LOANS & ADVANCES****Unsecured considered doubtful**

Due from Subsidiary	2272.22	2272.22
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**Unsecured considered good**

Loans and advances to Twentyfirst Century Realty Ltd	17.86	17.86
Advance payment of taxes	935.71	935.64

	<u>3225.79</u>	<u>3225.72</u>
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	Rupees in lakhs	
	31/03/2016	31/03/2015
<b>NOTE-12</b>		
<b>CURRENT INVESTMENTS</b>		
Investments in Equity Instruments of others (Quoted)	0.00	3898.03
Market value of quoted investments	<b>0.00</b>	<b>4285.85</b>

**Disclosure:****Details of Investments (Quoted)**

	Rupees in lakhs			
	31/03/2016		31/03/2015	
Scrip	Qty	Cost	Qty	Cost
Britannia Industries	0	0.00	110000	2195.43
Century textiles	0	0.00	300000	1702.60
<b>Total</b>		<b>0.00</b>		<b>3898.03</b>

	Rupees in lakhs	
	31/03/2016	31/03/2015
<b>NOTE-13</b>		
<b>TRADE RECEIVABLES</b>		
<b>Sundry debtors</b>		
Unsecured considered good outstanding more than six months	80.00	0.00
	<b>80.00</b>	<b>0.00</b>

**NOTE-14****CASH AND BANK BALANCES****Cash and cash Equivalent**

Cash on hand	0.10	0.16
Balance in current accounts with scheduled banks	1417.28	382.97
Balance in earmarked accounts for unpaid dividend	7.05	5.33
Balance in fixed deposit accounts with scheduled banks	9.09	8.40
	<b>1433.52</b>	<b>396.86</b>

**Disclosure:**

Fixed deposits with banks is having maturity period of more than 12 months, maturing on 17-06-2017

Rupees in lakhs  
31/03/2016    31/03/2015

**NOTE-15****SHORT TERM LOANS & ADVANCES****Unsecured considered good**

Due from Subsidiary	678.94	0.00
Prepaid insurance	2.41	2.49
Others	0.31	1.47
	<u>681.66</u>	<u>3.96</u>

**NOTE-16****OTHER CURRENT ASSETS**

Margin for Derrivative segment	0.00	127.86
Other receivable	6.73	14.56
	<u>6.73</u>	<u>142.42</u>

Rupees in lakhs  
31/03/2016    31/03/2015

**NOTE-17****REVENUE FROM OPERATIONS****Income from capital market operations**

Profit/(Loss) from cash segment	1957.93	1420.63
Profit/(Loss) from derivative segment	(1,683.11)	2256.87
	<u>274.82</u>	<u>3677.50</u>

**Disclosure:**

The company is primarily engaged in investing activities, hence profit and loss from the activity is shown as revenue from operations.



	Rupees in lakhs	
	31/03/2016	31/03/2015
<b>NOTE-18</b>		
<b>OTHER INCOME</b>		
Interest on fixed deposit (Tax deducted at source Rs. 0.08 lacs, Previous year Rs. 0.07 lacs)	0.76	0.70
Dividend received	9.47	34.59
Service charges	3.00	0.00
Others	0.47	0.00
	<b>13.70</b>	<b>35.29</b>
<b>NOTE-19</b>		
<b>EMPLOYMENT COST</b>		
Salaries and bonus	66.07	71.33
Employers contribution to provident fund	2.57	3.43
Gratuity fund contribution	0.88	8.00
Staff welfare expenses	1.59	0.71
	<b>71.11</b>	<b>83.47</b>
<b>NOTE-20</b>		
<b>OTHER EXPENSES</b>		
Advertisement	7.51	4.58
Audit fees	2.28	1.12
Communication expenses	2.61	2.06
Depository charges	0.96	3.58
Directors sitting fees	1.97	1.93
Car insurance	2.65	1.18
Electricity	5.10	0.19
Issuer charges	1.03	0.68
Legal fees	0.50	17.61
Listing fees	2.24	1.12
Other expenses	28.19	8.80
Printing & stationary	6.94	3.08
Professional fees	14.40	24.36
Provision for contingency	0.00	75.00
Provision for CSR	22.03	0.00
Repairs & maintenance	0.73	1.62
Rent	6.58	10.02
Travelling & conveyance	8.33	7.25
	<b>114.05</b>	<b>164.18</b>

**Disclosure:**

- Audit fees comprises of statutory audit fees of Rs. 1.43 lacs and internal audit fees of Rs. 0.85 lacs
- expenses includes Rs. 16.55 lacs towards interest on delay in payment of Income Tax for the AY 2015-16.

## 21. Audit Fees

Particulars	Amount (Rs. In Lacs)
Statutory Audit	1.43
Internal Audit	0.85
<b>TOTAL</b>	<b>2.28</b>

22. Deferred tax asset of Rs. 10.20 lacs has been created for difference in written down value of fixed assets between books and tax accounts, detailed as under:

Particulars	Rs. in lacs	
	31-03-2016	31-03-2015
On timing differences on depreciation on fixed assets	33.01	(7.49)
Deferred tax thereon	10.20	(2.31)

## 23. Earning Per Share

Particulars	Rs. In lacs	
	31-03-2016	31-03-2015
Net profit/(Loss) After Tax (Rs. In Lacs)	28.61	2489.50
Less: Preference Dividend for financial year 2014-15	0.00	(90.00)
Dividend Distribution tax on above	0.00	(18.00)
Weighted average number of outstanding shares (In Lacs)	105	105
Basic/Diluted EPS (Face Value of Rs. 10 each)	0.27	22.68

24. Related party disclosures as required under AS-18 (Related Party Disclosures)

**Related party and their relationship**

Related party	Relationship
Twentyfirst Century Shares & Securities Ltd.	Wholly owned Subsidiary Company
Sundar Iyer	Chairman
Vanaja Sundar Iyer	Relative of Director
Siddharth Sundar Iyer	Relative of Director
Karthik Iyer	Relative of Director
Shridhar Iyer	Relative of Director
Krishnan Muthukumar	Director
AVM Sundaram	Company Secretary
Bhaskar Shetty	CFO
SI Investments & Broking Pvt Ltd	Company in which Director's relatives are interested
Lubricants & Allied Products Mfg. Co. Pvt. Ltd	Company in which Director's are interested
Palani Andavar Holding Pvt Ltd	Company in which Director's are interested

**Transactions with the related parties**

<b>Name of the party</b>	<b>Particulars</b>	<b>Rs. In lacs</b>
Twentyfirst Century Shares & Securities Ltd	Loans (DR)	2951.16
Lubricants & Allied Products Mfg. Co. Pvt. Ltd	Rent paid	4.77
SI Investments & Broking Pvt Ltd	Brokerage paid	79.25
Karthik Iyer	Salary paid	9.00

25. The Company has not provided income tax liability of Rs. 274.96 lacs for the Assessment years 1995-96, 1996-97, 2005-06, 2006-07, 2007-08, 2010-11, that may arise in respect of income tax matters pending in appeal. It is not practicable to estimate the timing of cash outflows in respect of this matter. However, the company has been advised that it has fair chance of winning the appeal.
26. The Company has made adhoc provision for gratuity of employees and is in the process of completing the formalities for investment in LIC Gratuity Scheme.
27. 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.
28. The Company had made contingency provision in F.Y. 2014-15 of Rs. 75 lacs towards estimated interest cost of Rs.75 lacs payable to Gujarat Industrial Investment Corporation for pending legal cases in the High Court of Chennai. According to the Management estimates sufficient provision has been made for on review and doesn't require any additional provision for the contingency.
29. Previous year figures have been rearranged and regrouped wherever necessary to facilitate the comparison.

**As per our Report of even Date  
For Lakhani & Lakhani  
Chartered Accountants  
Firm Registration No.115728W**

**For and on behalf of Board**

**Sundar Iyer  
Chairman**

**Suhas Shinde  
Partner  
M. No. 117107**

**Krishnan Muthukumar  
Director**

**Place: Mumbai  
Date: 19-05-2016**

**A.V.M. Sundaram  
Company Secretary**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016**

	<b>Rupees in lacs</b>	
	31/03/2016	31/03/2015
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax	39.17	3391.81
Add: Depreciation	64.19	12.13
Interest received	(0.76)	(0.70)
Dividend received	(9.47)	(34.59)
	<u>53.96</u>	<u>(34.59)</u>
<b>Operating profit before working capital changes</b>	<b>93.13</b>	<b>3368.65</b>
Trade and other receivables	55.69	27.20
Trade payables and other liabilities	(98.39)	238.33
Loans & advances	(677.70)	(100.82)
	<u>(720.40)</u>	<u>(100.82)</u>
Cash generated from operations	(627.27)	3533.36
Direct Taxes paid	(0.07)	(900.08)
Net cash flow from operating activities (A)	<u><b>(627.34)</b></u>	<u><b>2633.28</b></u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investments in shares	3898.03	(3096.44)
Redemption of preference shares	0.00	(750.00)
Reissue of forfeited shares	0.00	14.94
Preference dividend paid and tax thereon	0.00	(642.57)
Equity final dividend and tax thereon (2014-15)	(252.75)	0.00
Bank deposits	(0.69)	(0.62)
Purchase of fixed assets	(2.30)	(187.49)
Interest received	0.76	0.70
Dividend received	9.47	34.59
Net cash flow from investing activities (B)	<u><b>3652.52</b></u>	<u><b>(4626.89)</b></u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Short term borrowings	(1989.21)	1983.71
Net cash flow from financing activities (C)	<u><b>(1989.21)</b></u>	<u><b>1983.71</b></u>
Net increase/ (decrease) in cash & cash equivalents (A+B+C)	1035.97	(9.90)
Cash & cash equivalents opening balance	388.46	398.36
<b>Cash &amp; cash equivalents closing balance</b>	<b>1424.43</b>	<b>388.46</b>

Per our report attached  
For Lakhani & Lakhani  
Chartered Accountants Firm Registration No. 115728W  
Suhas Shinde (M. No. 117107)  
Partner

Place: Mumbai  
Date: 19-05-2016

On behalf of Board  
Sundar Iyer  
Chairman  
Krishnan Muthukumar  
Director

A.V.M. Sundaram  
Company Secretary

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF TWENTYFIRST CENTURY MANAGEMENT SERVICES LIMITED**

#### **Report on Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **TWENTYFIRST CENTURY MANAGEMENT SERVICES LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary - **TWENTYFIRST CENTURY SHARES & SECURITIES LIMITED**, (the Holding Company and its subsidiaries together referred to as "**the Group**"), comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

#### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "The Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and jointly controlled entities 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. The respective Board of Directors of the companies included in the Group is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### **Auditor's Responsibility:**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a 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 Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

#### **Basis for Qualified Opinion**

The Trade Receivables are carried in the Consolidated Balance Sheet as at 31st March, 2016 at Rs.3,273.84 lakhs. In case of the Subsidiary company, the other auditor

who audited the financial statements / financial information of the Subsidiary has reported that the Management has not provided for Trade receivables of Rs.3,273.84 lakhs as they are doubtful in recovery. Accordingly loss for the year would have been Rs.3968.47 lakhs; minority interest and shareholders' funds would have been reduced by Rs.3273.84 lakhs. This matter was also qualified in our report on the Consolidated Financial Statements for the year ended 31st March, 2015. (Previous Year Doubtful Debts - Rs.3,277.62 lakhs).

#### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated 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, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2016, and their consolidated profit/loss and their consolidated cash flows for the year ended on that date.

#### **Other Matters**

We did not audit the financial statements / financial information of the Subsidiary Company whose financial statements / financial information reflect total assets of Rs.4,018.03 as at 31st March, 2016, total revenues of Rs.(898.2) lakhs and net cash flows amounting to Rs.(5.40) lakhs for the year ended on that date, as considered in the consolidated financial

statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary company and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary company, is based solely on the reports of the other auditors. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

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

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and subsidiary company, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and, except for the possible effect of the matter described in paragraph of the Basis for Qualified Opinion above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) Except for the matter described in paragraph of the Basis for Qualified Opinion paragraph above, the reports on the accounts of the Holding company and subsidiary company, audited under Section 143 (8) of the Act by other auditors have been sent to us and have been properly dealt with in preparing this report.
  - (d) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report is in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (e) In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements comply with the Accounting

- Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (f) The matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.
- (g) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary company, none of the other directors of the Group's companies are disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (h) In our opinion 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".
- (i) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- (j) With respect to the other matters to be 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 the best of our information and according to the explanations given to us:
- i. Except for the possible effect of the matter described in paragraph of the Basis of Qualified Opinion above, the consolidated financial statements does not disclose the impact of pending litigations of the Income Tax Act, 1961 on the consolidated financial position of the Group.
- ii. Except for the possible effect of the matter described in paragraph of the Basis of Qualified Opinion above, the Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company.

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

**Suhas Shinde**  
**Partner**  
**Membership No. 117107**

**Place: Mumbai**  
**Date: 19-05-2016**



## “ANNEXURE A” TO THE AUDITOR’S REPORT

Our reporting on the order includes a subsidiary company, to which the order is applicable, which have been audited by the other auditor and our report in respect of this entity is based solely on the reports of the other auditor, to the extent applicable for reporting under the order in case of the consolidated financial statement.

1. In respect of the fixed assets of ‘the group’ the respective entities has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

The fixed assets of these entities have been physically verified by the Management during the year and no material discrepancies were noticed on such verification. In our opinion the verification is reasonable having regard to the size of the company and the nature of its assets.

2. The ‘the group’ is primarily engaged in investing activities. Accordingly, it does not hold any physical inventories. Thus paragraph 4(ii) of the Order is not applicable to the company.
3. The Holding company has granted interest free loans of Rs. 2951.16 lacs to the company listed in the register maintained under section 189 of the Companies Act 2013. But the said Loan advanced to subsidiary company amounting to Rs. 2951.16 lacs is doubtful in recovery.
4. In our opinion and in the opinion of other auditors and according to the information and explanations given to us, there are adequate internal control systems

commensurate with the size of the respective Company and the nature of its business for the purchase of fixed assets and Sale of services. The nature of the ‘the group’ activities is such that it does not involve purchase of inventories and sale of goods. During the course of our audit, we have not observed any major weaknesses in the internal control system of the Company and hence, the question of any continuing failure to correct the same does not arise.

5. In our opinion and in the opinion of other auditors and according to the information and explanations given to us, during the year under audit, the company has not accepted any deposits from the public to which the directives issued by Reserve Bank of India or the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under apply.
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 Employees Provident Fund dues and has also been regular in depositing undisputed income tax and other applicable statutory dues with appropriate authorities.

According to the information and explanations given to us and the records of the Company examined by us, the particulars of income tax as at 31st March 2016 which have not been deposited on account of a dispute pending are as under:

Name of the Statute	AY	Nature of Dispute	Forum where the disputes are pending	Amount Disputed
Income tax Act, 1961	1995-96	Demand raised subject to rectification by ACIT	ACIT Company Circle III (2)	Rs.4.81 lacs
Income tax Act 1961	1996-97	Rectification by AO raised a demand Company has to file rectification for the interest working 234B Waiver petition filed by the company. Expecting a relief of Rs 45 lacs	ACIT Company Circle-III(2)  CCIT-I , Chennai	Rs.104.96lacs
Income tax Act, 1961	2003-04	Diminution in the value of stock- Rs. 1289 lacs (value written off) However there will not be any demand on this issue only carried forward loss will be reduced. However the Carried forward loss will be useful for AY 2007-2008 demand.	Madras High Court	NIL
Income tax Act 1961	2005-06	Assessment was re-opened for third time and order dated 28.03.2013 AO rejected the Excess relief u/s 115JB BCIT(A) has ordered in ITA No. No.646/2013-14/CIT(A)-11 rejecting the the Jurisdictions and on facts remanded back to AO	CIT(A)-III	Rs. 35.15 lacs
Income tax Act 1961	2006-07	B/F loss not considered, rectification filed	ACIT Company Circle III (2)	Rs.1.33 lacs
Income tax Act, 1961	2007-08	Department has filed appeal before Hon'ble ITAT on the issue of Short Term Capital gains @ 30.99% instead of 15% Revision order by AO has not considered the Rebate which is pending The Hon'ble ITAT vide order dated ..... remanded back to Ld CIT(A) to adjudicate the same Ld CIT(A) has remanded back the matter to AO and it is pending with AO	ITAT	Rs.55.45 lacs
Incomet tax 1961	2007-08	Department issued 148 notice and the assesement got completed The same issue of STCG @ 30.99 instead of 15%, assessment completed. Company had filed appeal before Commissioner Appeal-III	CIT-Appeal -III	Rs 68.69 lacs
Incomet tax 1961	2009-10	No demand, However penalty has been initiated for addition u/s 14 A As penalty initiated the company has filed Appeal before Commissioner Appeal - III it is pending	CIT-Appeal -III	NIL
Income tax Act 1961	2010-11	Credit for Self Assessment Tax of Rs. 7.02 Lacs has not been given, rectification filed. The Company has filed appeal against the order.	ACIT Company Circle III (2)	Rs 4.57lacs

## ii) Subsidiary Company

Name of the Statute	AY	Nature of Dispute	Forum where the disputes are pending	Amount Disputed
Incomet tax Act 1961	2009-10	Disallowance on account of transaction charges of Rs. 21.21 lacs	CIT-(Appeals) -8 Mumbai	NA
Incomet tax Act 1961	2010-11	Disallowance u/s 14 A of Rs. 2,33,48,520/- Addition u/s 69 of Rs. 2,29,13,387/- Addition u/s 68 of Rs. 7,50,00,000/-	CIT-(Appeals) -8 Mumbai	Rs 365.62lacs
Income tax Act 1961	2012-13	Penalty u/s 271 (1)(c)	CIT (Appeals)-9 Mumbai	Rs 14.96lacs

8. In our opinion and in the opinion of other auditors and according to the information and explanations given to us and records examined by us, 'the group' has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
9. In our opinion and in the opinion of other auditors and according to the information and explanations given to us, 'the group' has not raised any moneys by way of initial public offer or further public offer or any term loans during the year under review
10. To the best of our knowledge and belief and according to the information and explanations given to us and the other auditors we have not come across any fraud by 'the group' or any fraud on 'the group' by its officers or employees during the course of our audit during the period under review.
11. During the year under audit, 'the group' has not paid any managerial remuneration. Thus paragraph 3(xi) of the order is not applicable to the company.
12. In our opinion and in the opinion of other auditors and according to information and explanations given to us and the other auditors, the company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.
13. In our opinion and in the opinion of other auditors and according to information and explanations

- given to us and the other auditors and records examined by us and other auditors, the transaction with the related parties are in compliance with the provisions of section 177 and section 188 of the Companies Act, 2013 and details of such transactions have been disclosed in the respective financial statements as required by the applicable accounting standards.
14. In our opinion and in the opinion of other auditors and according to information and explanations given to us and the other auditors and records examined by us and the other auditors, the company has not made any preferential allotment and private placement of shares during the year. Accordingly, paragraph 3(xiv) of the order is not applicable.
15. In our opinion and in the opinion of other auditors and according to information and explanations given to us and the other auditors and records examined by us and the other auditors, the company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.
16. In our opinion and in the opinion of other auditors and according to information and explanations given to us and the other auditors and records examined by us and the other auditors, neither the holding company nor the subsidiary company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

**Suhas Shinde  
Partner  
Membership No. 117107**

**Place: Mumbai  
Date: 19-05-2016**

**“Annexure-B” to the Auditor’s Report****Report on the Internal Financial Controls under clause (i) of sub-section 3 of section 143 of the companies act, 2013 (“the act”)**

In conjunction with our audit of the consolidated financial statements of the Company as of for the year ended **March 31, 2016**, we have audited the internal financial controls over financial reporting of **TWENTYFIRST CENTURY MANAGEMENT SERVICES LIMITED** (hereinafter referred to as “the holding Company”) and its subsidiary company, as of that date.

**Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and its subsidiary company are responsible for establishing and maintaining internal financial controls 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 (‘ICAI’). 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 judgment, 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the other matters paragraph below, 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 Holding Company and its subsidiary company have, 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 31<sup>st</sup> March 2016, 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.

### **Other Matters**

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to its subsidiary company is based on the corresponding reports of the auditors of such company.

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

**Suhas S. Shinde**  
**Partner**  
**Membership No. 117107**

**Place: Mumbai**  
**Date: 19-05-2016**

**CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH 2016**

		Rupees in lakhs	
	NOTES	31/03/2016	31/03/2015
<b>I</b>	<b>Equity &amp; Liabilities</b>		
	<b>Shareholders' Funds</b>		
a)	Share Capital	1050.00	1050.00
b)	Reserves & Surplus	3714.96	4409.59
c)	Money recieved against share warrant	0.00	0.00
	<b>Share application money pending allotment</b>	0.00	0.00
	<b>Non-Current Liabilities</b>		
a)	Long-term borrowings	0.00	0.00
b)	Deferred tax liabilities	0.00	0.00
c)	Long-term provisions	0.00	0.00
	<b>Current Liabilities</b>		
a)	Short-term borrowings	0.00	1989.21
b)	Trade payables	853.53	714.56
c)	Other current liabilities	171.17	139.23
d)	Short-term provisions	928.88	1159.99
	<b>Total</b>	<b>6718.54</b>	<b>9462.58</b>
<b>II</b>	<b>Assets</b>		
	<b>Non-Current Assets</b>		
a)	<b>Fixed Assets</b>		
	Tangible assets	145.44	289.37
	Intangible assets-Goodwill on consolidation	60.00	60.00
b)	Non-current investments	7.16	7.16
c)	Deferred tax asset	11.37	18.92
d)	Long-term loans & advances	1192.17	1194.22
	<b>Current Assets</b>		
a)	Current investments	47.15	3898.03
b)	Trade receivables	3353.84	3277.62
c)	Cash and bank balances	1613.63	570.88
d)	Short-term loans and advances	2.72	3.96
d)	Other receivables	285.06	142.42
	<b>Total</b>	<b>6718.54</b>	<b>9462.58</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 (M. No. 117107)  
Partner

A.V.M. SUNDARAM  
Company Secretary

**For and on behalf of the Board**  
SUNDAR IYER  
Chairman

KRISHNAN MUTHUKUMAR  
Director

Place: Mumbai  
Date: 19-05-2016

**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2016**

		Rupees in lakhs	
	NOTES	31/03/2016	31/03/2015
<b>Revenue</b>			
Revenue from Operations	<b>17</b>	(637.14)	3677.50
Other Income	<b>18</b>	24.46	38.40
<b>Total revenue</b>		<b>(612.68)</b>	<b>3715.90</b>
<b>Expenses</b>			
Employee benefits expense	<b>19</b>	71.11	97.21
Finance costs		0.00	0.00
Depreciation and amortisation expenses	<b>9</b>	74.26	41.13
Other expenses	<b>20</b>	155.18	199.41
<b>Total expenses</b>		<b>300.55</b>	<b>337.75</b>
<b>Profit/(Loss) before exceptional and extraordinary items and tax</b>		<b>(913.23)</b>	<b>3378.15</b>
<b>Exceptional items</b>		278.04	61.20
<b>Profit/(Loss) before extraordinary items and tax</b>		<b>(635.19)</b>	<b>3316.95</b>
<b>Extraordinary items</b>		0.00	0.00
<b>Profit/(Loss) before tax</b>		<b>(635.19)</b>	<b>3316.95</b>
<b>Tax expense</b>			
Current tax		20.00	900.00
Tax pertaining to earlier years		31.89	0.00
Deferred tax		7.55	(4.40)
		<b>59.44</b>	<b>895.60</b>
<b>Profit/ (Loss) for the year</b>		<b>(694.63)</b>	<b>2421.35</b>
Earnings per equity share of Rs. 10/- each (in Rs.)			
Basic and diluted		(6.62)	22.03

**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 (M. No. 117107)  
Partner

Place: Mumbai  
Date: 19-05-2016

A.V.M. SUNDARAM  
Company Secretary

**For and on behalf of the Board**  
SUNDAR IYER  
Chairman

KRISHNAN MUTHUKUMAR  
Director



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 1. Basis of Consolidation

The consolidated financial statements relate to Twentyfirst Century Management Services Limited and its subsidiary Company.

#### Basis of Accounting

The financial statements of the Subsidiary Company used in the consolidation are drawn upto the same reporting date as of the Company i.e. year ended 31<sup>st</sup> March 2016. Consolidated financial statements have been prepared in accordance with the applicable Accounting Standards in India and other generally accepted accounting principles.

#### Principles of Consolidation

The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expense. The intra-group balances and intra-group transactions and unrealized profits or losses are fully eliminated as per AS-21 (Consolidated Financial Statement) issued by Institute of Chartered Accountants of India.

### Goodwill / Capital Reserve on consolidation

The excess of cost to the Company of its investment in the subsidiary over the Company's portion of equity of the subsidiary as at the date of investment is recognized in the consolidated financial statement as goodwill.

#### Particulars of Subsidiaries

Name of the Company	Country of Incorporation	Proportion of ownership interest
Twentyfirst Century Shares & Securities Ltd	India	100%

### 2. Significant Accounting Policies

#### Basis of Accounting

The financial statement of the Company and its subsidiary company are maintained under the historical cost convention on an accrual basis unless otherwise stated and have been prepared in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India and generally accepted accounting principles.

#### 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.

### **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.

### **Fixed Assets**

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

### **Depreciation**

Assets are depreciated under the written down value method at the rates prescribed in Schedule II to the Companies Act, 2013 and on the revised carrying amount of the asset, identified as impaired on which

depreciation has been provided over the residual life of the respective assets.

### **Investments**

Current investments are carried at lower of cost and quoted value, computed category wise. 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.

### **Current and 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.

### **Employment Benefits**

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The gratuity plan provides a lump sum payment to the vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and tenure of employment with the company.

Provident fund is a defined contribution scheme and the company has no further obligation beyond the contribution made to the fund. Contributions are charged to profit and loss account in the year in which they accrue.

### **Contingent Liabilities**

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.

### **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.

### **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.

### **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.

### **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.

**NOTE-3**  
**SHARE CAPITAL**

	Rupees in lakhs	
	31/03/2016	31/03/2015
<b>Authorised capital</b>		
2,00,00,000 equity shares of Rs.10/-each	2000.00	2000.00
10,00,000 12% Cumulative Redeemable Preference Shares of Rs.100/- each	1000.00	1000.00
	<u>3000.00</u>	<u>3000.00</u>
<b>Issued, subscribed and paid up</b>		
1,05,00,000 equity shares of Rs.10/- each	1050.00	1050.00
	<u>1050.00</u>	<u>1050.00</u>

**Disclosure:**

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

Equity shares	31-03-2016		31-03-2015	
	Qty	Rs. In lacs	Qty	Rs. In lacs
At the beginning of the period	10500000	1050.00	10500000	1050.00
Issued during the period	Nil	Nil	Nil	Nil
Outstanding at the end of the period	10500000	1050.00	10500000	1050.00

  

Preference shares	31-03-2016		31-03-2015	
	Qty	Rs. In lacs	Qty	Rs. In lacs
At the beginning of the period	Nil	Nil	750000	750.00
Redeemed during the period	Nil	Nil	750000	750.00
Outstanding at the end of the period	Nil	Nil	Nil	Nil

**2. Rights, preferences and restrictions attached to 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.

**3. Details of Shareholders holding more than 5% shares in the company.**

**Equity shares of Rs. 10/- each fully paid up**

Name	3/31/2016		3/31/2015	
	Qty	% of holding	Qty	% of holding
Mr. Sundar Iyer	3767280	35.88	3247280	30.93

	Rupees in lakhs	
	31/03/2016	31/03/2015
<b>NOTE-4</b>		
<b>RESERVES AND SURPLUS</b>		
Securities Premium Account	3370.00	3370.00
Capital reserve	0.00	4.37
Revaluation reserve	0.00	1.96
Capital redemption reserve	0.00	750.00
<b>General reserve</b>		
Opening balance	101.00	1.00
Transferred from capital redemption reserve	750.00	0.00
Transferred from capital reserve	4.37	0.00
Transferred from revaluation reserve	1.96	0.00
Transferred from profit & Loss Account	0.00	100.00
	857.33	101.00
<b>Surplus/(Deficit)</b>		
Balance brought forward from previous year	182.26	(494.53)
Profit/(Loss) for the period	(694.63)	2,421.35
<b>Balance available for appropriations</b>	<b>(512.37)</b>	<b>1,926.82</b>
<b>Appropriations</b>		
Preference dividend	0.00	535.50
Short provision of tax on preference dividend	0.00	107.07
Proposed dividend	0.00	210.00
Tax on proposed dividend	0.00	41.99
Transferred to general reserve	0.00	100.00
Transferred to capital redemption reserve	0.00	750.00
	<b>0.00</b>	<b>1,744.56</b>
<b>Balance carried forward to next year</b>	<b>(512.37)</b>	<b>182.26</b>
	<b>3714.96</b>	<b>4409.59</b>
	Rupees in lakhs	
	31/03/2016	31/03/2015
<b>NOTE-5</b>		
<b>SHORT TERM BORROWINGS</b>		
Loan repayable on demand Kotak Investments Ltd	0.00	1989.21
	<b>0.00</b>	<b>1989.21</b>

Rupees in lakhs

31/03/2016      31/03/2015

**NOTE-6****TRADE PAYABLES**

Due to Companies in which directors are interested	270.22	127.86
Due to directors	583.29	583.29
Kotak Securities Ltd	0.00	3.41
Others	0.02	0.00
	<b>853.53</b>	<b>714.56</b>

**NOTE-7****OTHER CURRENT LIABILITIES**

Unpaid dividend-Final (2014-15)	7.05	0.00
Unpaid dividend-Final (2007-08)	0.00	5.33
Gujarat Industrial Investment Corporation	31.73	31.73
Provision for contingency	75.00	75.00
Provision for CSR	22.03	0.00
MTM on unexpired future contracts	0.00	9.61
Statutory remittance	1.39	6.25
Outstanding expenses	5.17	11.31
Other payables	28.80	0.00
	<b>171.17</b>	<b>139.23</b>

**Disclosure:**

Unpaid dividend figure does not include any amount due and outstanding to be credited to Investor Education & Protection Fund.

**NOTE-8****SHORT TERM PROVISIONS**

Provision for proposed dividend	0.00	210.00
Provision for tax on dividend	0.00	41.99
Provision for tax	920.00	900.00
Provision for gratuity	8.88	8.00
	<b>928.88</b>	<b>1159.99</b>

**NOTE-9****TANGIBLE FIXED ASSETS & DEPRECIATION**

Rupees in lakhs

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	AS ON 31/03/2015	ADDITIONS	DELETIONS	AS ON 31/03/2016	AS ON 31/03/2015	ADDITIONS	DELETIONS	AS ON 31/03/2016	AS ON 31/03/2016	AS ON 31/03/2015	
BUILDING	115.42	0.00	115.42	0.00	42.57	0.88	43.45	0.00	0.00	72.85	
FURNITURE	109.46	0.00	0.00	109.46	63.85	11.84	0.00	75.69	33.77	45.61	
OFFICE EQUIPMENTS	44.47	0.00	44.47	0.00	37.30	7.17	44.47	0.00	0.00	7.17	
COMPUTER	263.72	2.30	121.58	144.44	260.83	3.49	121.58	142.74	1.70	2.89	
MOTOR CAR	270.01	0.00	0.00	270.01	109.16	50.88	0.00	160.04	109.97	160.85	
<b>TOTAL</b>	<b>803.08</b>	<b>2.30</b>	<b>281.47</b>	<b>523.91</b>	<b>513.71</b>	<b>74.26</b>	<b>209.50</b>	<b>378.47</b>	<b>145.44</b>	<b>289.37</b>	
PREVIOUS YEAR	779.15	187.49	163.56	803.08	583.06	41.13	110.48	513.71	289.37		

	Rupees in lakhs	
	31/03/2016	31/03/2015
<b>NOTE-10</b>		
<b>NON CURRENT INVESTMENTS</b>		
<b>Other Investments (At cost)</b>		
<b>Investments in Equity Instruments of others (Quoted)</b>	1.73	1.73
<b>Investments in shares (Un quoted)</b>	5.43	5.43
Akshay Software Technologies Ltd (18000 shares)	<u>5.43</u>	<u>5.43</u>
	<b>7.16</b>	<b>7.16</b>
<b>Market value of quoted investments</b>	<u>3.75</u>	<u>3.50</u>

		Rupees in lakhs	
<b>Disclosure:</b>			
<b>Details of Investments (Quoted)</b>			
	31/03/2016	31/03/2015	
<b>Scrip</b>	<b>Qty</b>	<b>Cost</b>	<b>Qty</b>
Puneet Resins	12500	<u>1.73</u>	12500
<b>Total</b>		<b>1.73</b>	<b>1.73</b>
			Rupees in lakhs
			31/03/2016
			31/03/2015

		Rupees in lakhs	
<b>NOTE-11</b>			
<b>LONG TERM LOANS &amp; ADVANCES</b>			
<b>Unsecured considered good</b>			
Security deposit with NSE		0.00	6.10
Security deposit with NSCCL		34.00	34.00
Twentyfirst Century Realty Ltd		17.86	17.86
Advance payment of taxes		1140.31	1126.11
Other deposits		<u>0.00</u>	<u>10.15</u>
		<b>1192.17</b>	<b>1194.22</b>

		Rupees in lakhs	
<b>NOTE-12</b>			
<b>CURRENT INVESTMENTS</b>			
<b>Investments in Equity Instruments of others (Quoted)</b>		47.15	3898.03
<b>Market value of quoted investments</b>		<u>39.80</u>	<u>4285.85</u>
<b>Disclosure:</b>			
<b>Details of Investments (Quoted)</b>			
	31/03/2016	31/03/2015	
<b>Scrip</b>	<b>Qty</b>	<b>Cost</b>	<b>Qty</b>
Britannia Industries	0	0.00	110000
Century textiles	0	0.00	300000
Man Infra	100000	47.15	0
<b>Total</b>		<b>47.15</b>	<b>3898.03</b>



	Rupees in lakhs	
	31/03/2016	31/03/2015
<b>NOTE-13</b>		
<b>TRADE RECEIVABLES</b>		
<b>Sundry debtors</b>		
Unsecured considered doubtful outstanding more than six months	3272.84	3277.62
Unsecured considered good outstanding more than six months	80.00	0.00
	<u>3553.84</u>	<u>3277.62</u>

**NOTE-14****CASH AND BANK BALANCES****Cash and cash Equivalents**

Cash on hand	0.10	8.67
Balance in current accounts with scheduled banks	1436.42	399.00
Balance in earmarked accounts for unpaid dividend	7.05	5.33
Balance in fixed deposit accounts with scheduled banks	170.06	157.88
	<u>1613.63</u>	<u>570.88</u>

**Disclosure:**

Fixed deposits mentioned above includes deposit of Rs. 160.97 lacs created as per NSE guidelines infavour Twentyfirst Century Shares & Securities Ltd against release of Security Deposit on surrender of membership card, having of NSEIL A/C-Twentyfirstmaturity period of more than one year, to be matured on 06-12-2017.

	Rupees in lakhs	
	31/03/2016	31/03/2015
<b>NOTE-15</b>		
<b>SHORT TERM LOANS &amp; ADVANCES</b>		
<b>Unsecured considered good</b>		
Prepaid insurance	2.41	2.49
Others	0.31	1.47
	<u>2.72</u>	<u>3.96</u>

**NOTE-16****OTHER CURRENT ASSETS**

Margin for Derrivative segment	270.22	127.86
MTM on unexpired future contracts	8.11	0.00
Other receivable	6.73	14.56
	<u>285.06</u>	<u>142.42</u>

Rupees in lakhs  
31/03/2016      31/03/2015

**NOTE-17****REVENUE FROM OPERATIONS****Income from capital market operations**

Profit/(Loss) from cash segment	2310.77	1420.63
Profit/(Loss) from derivative segment	(2947.91)	2256.87
	<u>(637.14)</u>	<u>3677.50</u>

**Disclosure:**

The company is primarily engaged in investing activities, hence profit and loss from the activity is shown as revenue from operations.

Rupees in lakhs  
31/03/2016      31/03/2015

**NOTE-18****OTHER INCOME**

Dividend received	10.46	34.59
Interest on fixed deposits (TDS Rs. 1.35 lacs, Previous year Rs. 0.12 lacs)	13.53	1.23
Miscellaneous Income	0.47	2.58
	<u>24.46</u>	<u>38.40</u>

**NOTE-19****EMPLOYMENT COST**

Salaries & bonus	66.07	71.33
Gratuity	0.00	13.74
Employer's contribution to provident fund	2.57	3.43
Gratuity fund contribution	0.88	8.00
Staff welfare expenses	1.59	0.71
	<u>71.11</u>	<u>97.21</u>

	Rupees in lakhs	
	31/03/2016	31/03/2015
<b>NOTE-20</b>		
<b>OTHER EXPENSES</b>		
Advertisement	7.51	4.58
Audit fees	3.43	2.24
Communication expenses	13.06	25.96
Depository charges	0.96	3.59
Deposits written off	16.25	0.00
Directors sitting fees	1.97	1.93
Electricity charges	5.10	0.52
Car insurance	2.65	1.18
Issuer charges	1.03	0.68
Legal fees	0.50	17.61
Listing fees	2.24	1.12
NSE charges	0.00	3.43
Other expenses	39.16	11.48
Printing & stationary	7.83	3.67
Professional fess	15.64	25.34
Provision for contingency	0.00	75.00
Provision for CSR	22.03	0.00
Rent	6.58	10.02
Repairs & maintenance	0.91	3.81
Travelling & conveyance	8.33	7.25
	<u>155.18</u>	<u>199.41</u>

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016**

	Rupees in lacs	
	31/03/2016	31/03/2015
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax	(6395.19)	3316.95
Add: Depreciation	74.26	41.13
Profit on sale of motor car	0.00	(2.52)
Profit on sale of office premises	(278.04)	
Interest received	(13.53)	(1.23)
Dividend received	(9.47)	(34.59)
	<u>(226.78)</u>	<u>2.79</u>
<b>Operating profit before working capital changes</b>	<b>(861.97)</b>	<b>3319.74</b>
Trade and other receivables	(218.86)	228.83
Trade payables and other liabilities	171.79	(51.46)
Loans & advances	17.49	195.50
	<u>(29.58)</u>	<u>372.87</u>
Cash generated from operations	(891.55)	3692.61
Direct Taxes paid	<u>(45.32)</u>	<u>(957.80)</u>
Net cash flow from operating activities (A)	<b><u>(936.87)</u></b>	<b><u>2734.81</u></b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Bank deposits	(12.18)	(150.10)
Investments	3850.88	(3096.44)
Redemption of preference shares	0.00	(750.00)
Preference dividend paid and tax thereon	0.00	(642.57)
Equity final dividend and tax thereon (2014-15)	(252.75)	0.00
Reissue of forfeited shares	0.00	14.94
Purchase of fixed assets	(2.30)	(187.49)
Sale of office premises	350.00	0.00
Disposal of fixed assets	0.00	55.61
Interest received	13.53	1.23
Dividend received	9.47	34.59
Net cash flow from investing activities (B)	<b><u>3656.65</u></b>	<b><u>(4720.23)</u></b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Short term borrowings	(1989.21)	0.00
Long term borrowings	<u>0.00</u>	<u>1983.71</u>
Net cash flow from financing activities (C)	<b><u>(1989.21)</u></b>	<b><u>1983.71</u></b>
Net increase/ (decrease) in cash & cash equivalents (A+B+C)	1030.57	(1.71)
Cash & cash equivalents opening balance	413.00	414.71
<b>Cash &amp; cash equivalents closing balance</b>	<b>1443.57</b>	<b>413.00</b>

Per our report attached  
For Lakhani & Lakhani  
Chartered Accountants Firm Registration No. 115728W

Suhas Shinde (M. No. 117107)  
Partner

Place: Mumbai  
Date: 19-05-2016

On behalf of Board  
Sundar Iyer  
Chairman

Krishnan Muthukumar  
Director

A.V.M. Sundaram  
Company Secretary

**TWENTYFIRST CENTURY MANAGEMENT SERVICES LIMITED**

**Regd.Office:** NO.67, OLD NO.28-A, DOOR NO.G-3.ELDAMS ROAD, Alwarpet, Chennai - 600 018  
**TELEPHONE** +91 44 42030149, **FAX** +91 44 24328452 **WEBSITE:** www.tcms.bz; e-mail: Invesotrs@tcms.bz  
**CIN: L74210TN1986PLC012791**

**ATTENDANCE SLIP**

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE VENUE FOR AGM

Name and address of the registered member	
Folio No./DP ID No./ Client ID No.	
No. of Shares	

I hereby record my presence at the 30th Annual General Meeting of the Company to be held on Tuesday, 27<sup>th</sup> December 2016 at 3.30 p. m. at Asha Nivas, No.9, Rutland Gate 5<sup>th</sup> Street, Chennai - 600 006

\_\_\_\_\_  
Signature of the Member/Joint Member/Proxy attending the Meeting

Electronic Voting Event Number (EVEN)	User ID	Password

**Note: Person attending the Meeting is requested to bring this Attendance Slip and Annual Report with him/her. Duplicate Attendance Slip and Annual Report will not be issued at the Annual General Meeting.**

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**30th Annual General Meeting on Tuesday, 27<sup>th</sup> December 2016 at 3.30 p.m.**

**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN	<b>L74210TN1986PLC012791</b>
Name of the Company	<b>TWENTYFIRST CENTURY MANAGEMENT SERVICES LIMITED</b>
Registered Office	NO.67,OLD NO.28-A, DOOR NO.G-3.ELDAMS ROAD, Alwarpet, Chennai - 600 018
Name of Member(s) Registered Address	
Email ID Folio No./ DP ID – Client ID	

I/We, being the Member(s) of and hold/holds \_\_\_\_\_ shares of above named Company, hereby appoint:

- (1) Name.....Address:.....  
Email ID:.....Signature..... Or failing him/her
- (2) Name.....Address:.....  
Email ID:.....Signature..... Or failing him/her
- (3) Name .....Address:.....  
Email ID:.....Signature..... Or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30<sup>th</sup> Annual General Meeting of the Company to be held on Tuesday, 27<sup>th</sup> December 2016 at 3.30 p. m. at Asha Nivas, No.9, Rutland Gate 5<sup>th</sup> Street, Chennai - 600 006 and at any adjournment thereof in respect of such resolutions:

Resolution Number	Resolution	Vote		
		For	Against	Abstain

**Ordinary Business**

1	Adoption of Standalone and Consolidated Audited Financial Statements of the Company for the year ended 31 March, 2016 including audited Balance Sheet as at 31 March, 2016 and the Statement of Profit & Loss for the year ended on that date and the reports of the Board of the Directors and Auditors thereon.			
2	Re-appointment of Mr. Krishnan Muthukumar (DIN 00463579), as Director who retires by rotation and, being eligible, offers himself for re-appointment.			
3	Ratification of the Appointment of Messrs. Lakhani & Lakhani, Mumbai, Chartered Accountants, (Registration Number 115728W), as Statutory Auditors of the Company), the retiring Auditors of the Company.			

**Special Business**

4	Appointment of M/s Lakshmmi Subramanian & Associates, Practising Company Secretaries, as Secretarial Auditors of the company for the financial year ending 31.03.2016.			
5	Approval for material related party transaction during the financial year 2016-17 on the terms as briefly mentioned in the explanatory statement to this resolution.			

Signed this.....day of..... 2016

Signature of Member(s): .....

Signature of Proxy holder(s).....

Affix Revenue Stamp of Re. 1/-
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**Notes:**

1. This form of proxy in order to be effective should be duly stamped, completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting. It is optional to indicate your preference. If you leave columns 'For, Against, Abstain' blank against all or any of the resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.
2. For the Resolutions, Statement setting out material facts thereon and notes please refer to the Notice of the 30th Annual General Meeting.
3. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.



**BOOK POST**

*If undelivered, please return to:*

**TWENTYFIRST CENTURY MANAGEMENT SERVICES LIMITED**

**Regd.Office: No.67, Old No.28-A, Door No.G-3. Eldams Road,  
Alwarpet, Chennai - 600 018**