

MODERN FINANCIAL SERVICES LIMITED

Regd. Office : 53B, Mirza Ghalib Street, Kolkata-700016.

CIN : L24139WB1983PLC035932

Mobile No. 9007048009

E-mail : architjj@gmail.com

DIRECTORS' REPORT TO THE SHARE HOLDERS

Your Directors have pleasure in presenting the Annual Report of the Company for the year ended 31st March, 2021.

(Rs. In lacs)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Revenue from Operation	0.00	0.00
Other Income	0.05	0.01
Total expenditure	29.45	3.69
Profit/(Loss) before Tax	(29.40)	(3.68)
Tax expenses	0.00	0.00
Profit/(Loss) after Tax	(29.40)	(3.68)
MAT Credit	0.00	29.05
Tax expenses previous year	0.00	(0.09)
Other comprehensive income/loss	289.48	(114.12)
Balance carried over	260.08	(88.84)

OPERATIONS AND MANAGEMENT

The Board of Directors of your Company is to report that during the year under review the Company's total revenue Income Rs. 0.05 lacs as compare to Rs 0.01 lacs in previous year and posted a net Loss of Rs. 29.40 lacs against in previous year Rs. 3.68 lacs.

Dividend

Your Directors regret that they are unable to recommend any dividend for the financial year ended 31st March, 2021.

Subsidiary Company

Your Company has no subsidiary company.

DIRECTOR

Mr. Probir Kumar Koyal, Director retires by rotation and being eligible has offered himself for re-appointment.

AUDITORS

M/s. B.R. Khaitan & Co., Chartered Accountants, (Regn. No.305012E) the retiring Auditor, are eligible for re-appointment for a period of 2 (two) years to hold the office as Auditors of the Company from the ensuing of this Annual General Meeting to the conclusion of Annual General Meeting of the Company to be held in the year 2023. As required by the provision of the Companies Act, 2013, their appointment should be ratified by members each year at the AGM. Accordingly, requisite resolutions forms part of the notice convening the AGM.

PARTICULARS OF EMPLOYEES

Information in accordance with the provision of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rule 1975 as amended is not applicable to your Company because there was no employee getting more than the limit specified in the above said sections of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm that -

- (i) In the preparation of the Annual Accounts, the applicable accounting standards have been followed with the proper explanations relating to material departures, if any.
- (ii) The accounting policies selected have been applied consistently and judgement and estimates are made that are reasonable and prudent, so as to give a true and fair view of the state of affairs of your company for the year ended on that date.
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for the safeguarding the assets of your Company and for preventing and detecting frauds and other irregularities.
- (iv) The Annual Accounts of your Company have been prepared on a going concern basis.

CORPORATE GOVERNANCE DISCLOSURE :

In terms of Regulation 34 of SEBI Listing Regulations, a separate section on Management Discussion and Analysis, Business Responsibility Report and Corporate Governance Report together with a certificate from a Practicing Company Secretary confirming compliance with the Regulations relating to Corporate Governance of SEBI Listing Regulations is set out and form part of this Annual report.

HUMAN RESOURCE / INDUSTRIAL RELATIONS

The Company understands that its diverse employees are its most vital and valuable assets. The Company recognises people as the primary source of its competitiveness and continues its focus on people development through digital and bespoke interventions. The Company has developed a continuous learning human resource base to unleash potential and fulfill the aspirations of the employees. The strategic thrust of Human Resource has been on improvement of the performance of employees through training & development and also to identify out performers who have the potential for taking higher responsibilities.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

The information on Conservation of energy and technology absorption required to be disclosed pursuant to section 134(3)(m) of the Companies Act, 2013 and Rules therein is given in the Annexures and forms part of this Reports.

ACKNOWLEDGEMENT

We thank our customers, vendors, dealers, investors, business associates and bankers for their continued support during the year. We place on record our appreciation of the contribution made by employees at all levels. Our resilience to meet challenges was made possible by their hard work, solidarity, co-operation and support.

We thank the Government of India, the State Governments where we have operations and other government agencies for their support and look forward to their continued support in the future.

For & on behalf of the Board

Place : Kolkata
Date : 05/09/2021

Amitabha Sarkar

**Amitabha Sarkar
Managing Director**

**CORPORATE GOVERNANCE REPORT FOR THE PERIOD FROM 1ST APRIL, 2020 TO 31ST MARCH, 2021
ANNEXURE TO THE DIRECTORS' REPORT.**

1. COMPANY'S PHILOSOPHY :-

Corporate Governance essentially is a set of standards, which aims to improve the Company's efficiency, effectiveness and social responsibility. The concept emphasizes on transparency, accountability, independence and integrity of the Management, with focus on public interest in particulars. It further inspires and strengthens investors' confidence by ongoing commitment to overall growth of the Company.

The company believes that timely disclosures, transparent accounting policies and a strong and independent board got a long way in protecting shareholders trust while maximizing long term corporate value.

Our philosophy on Corporate Governance begins with our Board of Directors.

A non-executive director chairs the Board.

- The Audit Committee is comprised exclusively of independent directors
- The Board has established terms of reference for its operation and the operation of its Audit Committee in line with Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013.
- The Equity Shares of the Company are listing on Calcutta Stock Exchange Limited compliance with the disclosure requirements of Clause 49 of the Listing Agreement, the details are set out as herein.

2. BOARD OF DIRECTORS :

COMPOSITION OF THE BOARD :-

The Board of Directors of the company as on 31st March, 2021 consists of three members.

The Company has Three Non-Executive Independent Directors.

BOARD MEETINGS :-

The meetings of the Board are held at the Company's Registered Office at Kolkata and are scheduled well in advance.

The members of the Board have access to all information of the Company and are free to recommend inclusion of any matter in agenda for discussion. The board meets at least once in a quarter to review the quarterly results and other items on the agenda. Additional meetings are held, whenever necessary.

During the period under review 6(six) Board Meetings were held on 13.07.2020, 11.08.2020, 26.08.2020, 16.11.2020, 24.12.2020 and 20.02.2021.

BOARD'S RESPONSIBILITIES :-

The Board's mandate is to oversee the Companies strategic directions, review and monitor Corporate Performance, ensure regulatory compliance and safeguard the interests of Shareholders.

ROLE OF INDEPENDENT DIRECTORS :-

The independent directors play an important role in deliberations at the Board and Committee meetings and bring to the Company their expertise in the fields of finance, management, law and public policy.

INFORMATION PLACED BEFORE THE BOARD OF DIRECTORS :-

The minimum information to be made available, so far applicable, in terms of Clause 49 of the Listing Agreement is made available to the Board of Directors.

Constitution of Board of Directors as on 31st March, 2021 and related information.

Name of the Director	Category of Directorship	No. of Board Meeting attendance	Attendance at Last AGM
Mr. Amitabha Sarkar	Managing Director	6	Yes
Mr. Probir Kumar Koyal	Director	6	Yes
Mrs Mina Roy	Director	6	Yes

5. **AUDIT COMMITTEE :-**

The audit committee of the company meets before the finalization of accounts each year and also meets every quarter before the results of that quarter is published in the news-paper and also meets from time to time, if called by the chairman. The audit committee has met four times in 2020-21

The Audit Committee has been vested with the following powers :-

- to investigate any activity within its terms of reference.
- to seek information from any employee
- to obtain outside legal or other professional advice
- to secure attendance of outsiders with relevant expertise, if it considers necessary.

(I) TERMS OF REFERENCE :-

The Audit Committee reviews the Internal Reports with the **Statutory Auditors'** Report periodically and discuss their findings. The role of the Audit Committee is as follows :

- Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- Reviewing the management and the annual financial statements before submission to the Board, focusing primarily on :
 - Any changes in accounting policies and practices
 - Major accounting entire based on exercise of judgments by management
 - Qualifications in draft audit report.
 - Significant adjustments arising out of audit
 - The going concern assumption
 - Compliance with accounting standards
 - Compliance with stock exchange and legal requirements concerning financial statements.
- Reviewing with the management, external and internal auditors, the adequacy of internal control system.
- Review the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussions with internal auditors any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations of the internal auditors into matters where there is suspected fraud and/or irregularity and/or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with external auditors before the audit commences nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- Reviewing the Company's financial and risk management policies.
- To look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of non payment of declared dividends) and creditors.

(II) **COMPOSITION :-**

The Audit Committee of the Board comprises of Two Independent Directors and Committee met four times during the year and attendance of the members at these meetings were as follows :-

Name of the Director	Category of Directorship	No. of Audit Committee Meeting attendance
Mr. Probir Kumar Koyal	Independent Director	4
Mrs Mina Roy	Independent Director	4

The Statutory Auditor of the Company is invited to the Audit Committee Meetings.

4. **DISCLOSURES :**

There was no transaction of material nature with the directors of the management or their relatives. The Company has obtained certificates from all concerned in this regard.

There was no instances of non-compliance on any matter related to the capital market, during the last three years.

The Board has obtained certificates / disclosures from key management personnel confirming that they do not have any material financial and commercial interest in transactions with the Company, that may have a potential conflict with the interest of the Company at large. This disclosure has also been made for all relations of the first degree by the management to the Board.

5. **MEANS OF COMMUNICATIONS :-**

Management's discussions and analysis forms part of this annual report, which is also being posted to all the shareholders of the Company.

Official news releases are given directly to the press.

5. **GENERAL SHAREHOLDER INFORMATION :-**

Annual General Meeting is proposed to be held on 30th September, 2021 at 11.30 A.M. at 53B, Mirza Ghalib Street, Kolkata – 700 016. The Company has furnished information as required by Clause 49(v) of the Listing Agreement of the Stock Exchanges, relating to the appointment of a new director or re-appointment of a director. Shareholders may kindly refer to the Explanatory statement convening the Annual General Meeting of the Company. The names of companies in which the person also holds directorship and the membership of committees of the Board is given separately.

FINANCIAL CALENDAR :-

ANNUAL RESULTS OF PREVIOUS YEAR (AUDITED)	:	31 ST MARCH'2020
FIRST QUARTER RESULTS	:	END OF MAY'2020
SECOND QUARTER RESULTS	:	END OF AUGUST '2020
THIRD QUARTER RESULTS	:	END OF NOVEMBER, 2020
FOURTH QUARTER RESULTS	:	END OF JUNE, 2021

DATE OF BOOK CLOSURE :-

The Share Transfer Books and Register of Members of the Company will remain closed from 24th September, 2021 to 30th September, 2021 (both days inclusive).

LISTING OF EQUITY SHARES ON STOCK EXCHANGES ETC :-

The Company's shares are listed on The Calcutta Stock Exchange Ltd. only.

SHARE TRANSFER AGENT :-

The Company has engaged the Services of M/s. Maheshwari Datamatics Pvt. Ltd., 23, R.N. Mukherjee Road, Kolkata -700 001 a SEBI registered Registrar as their Share Transfer Agents for processing the transfers, sub-division, consolidation, splitting of securities, etc. Since trades in Company's shares can now be done only in the dematerialized form, request for demat should be sent direct directly to M/s. Maheshwari Datamatics Pvt. Ltd, Kolkata.

SHARE TRANSFER SYSTEM :-

As already stated, the Company's shares are traded in the Stock Exchanges compulsorily in demat mode. Therefore, investors /shareholders are requested to kindly note that physical documents, viz. Demand Request Forms (DRF) and Share Certificates etc. should be sent by their Depository Participants (DP's) directly to the Share Transfer Agents. Any delay on the part of the DP's to send the DRF and the Share Certificates beyond 15 days from the date of generation of the DRN by the DP will be rejected/cancelled. This is being done to ensure that no demat request remain pending with the Share Transfer Agent beyond a period of 30 days. Investors/Shareholders should, therefore, ensure that their DP's do not delay in sending the DRF and Share Certificates to Share Transfer Agent after generating the DRN.

Distribution Schedule as on 31st March, 2021 :-

No. of Equity Shares held	No. of Shareholders	% of shareholders	No. of shares held	% of share holding
1-500	9	1.7893	4000	0.0899
501-1000	12	2.3857	9138	0.2054
1001-2000	390	77.5348	434167	9.7599
2001-3000	21	4.1750	58100	1.3061
3001-4000	17	3.3797	60400	1.3578
4001-5000	11	2.1869	48600	1.0925
5001-10000	17	3.3797	124997	2.8099
10001-above	26	5.1690	3709098	83.3786
	503	100%	4448500	100.00

DEMATERILISATION OF SHARES :

The equity shares of the Company have not been dematerialised during the said financial year.

INVESTORS' COMPLAIN :

No Investors complain pending at the year and no investors complain received during the year 2020-21.

Note : The Company endeavors to settle all shareholder complaints in the minimum possible time. The average rate of settlement may vary from 7 to 15 days. However, disputed matters/cases are kept pending till these cases are mutually settled by the shareholders or are finally disposed off by the Courts.

CODE OF CONDUCT

Declaration

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended 31st March, 2021.

Amitabha Sarkar

Amitabha Sarkar
Managing Director

Place : Kolkata

Date : 5th September, 2021

CEO CERTIFICATE

The Board of Directors
M/s. Modern Financial Services Ltd.
53B, Mirza Ghalib Street,
Kolkata – 700 016.

I certify that

1. We have reviewed the financial statement, read with the cash flow statement of the company for the year ended 31st March, 2021 and to the best of my knowledge and belief :
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements and other financial information included in this report present a true and fair view of the Company's affairs and are in compliance with the accounting standards and applicable law and regulations.
 2. There are, to the best of my knowledge and belief, no material transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's code of conduct;
 3. I am responsible for establishing and maintaining internal controls for financial reporting and I have valued the effectiveness of the internal control systems of the Company ;
 4. I have disclosed to the Company's Auditors and the Audit Committee of the Company's Board of Directors all significant deficiencies in the design or operation of internal control, if any, of which I am aware and the steps that have been taken or are proposed to be taken to rectify the deficiency;
- I have indicated to the Auditor and the Audit Committee :-
- a. significant changes in the Company's internal control over financial reporting during the year
 - b. significant changes in accounting policies during the year, if any, and that the same have been disclosed in the note to the financial statements.
 - c. instance of significant of fraud of which we have become aware and involvement therein if any of the management or other employees which could have a significant role in the Company's internal control system over financial reporting.

Amitabha Sarkar

Amitabha Sarkar
Managing Director

Place : Kolkata

Date : 5th September, 2021



INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF
MODERN FINANCIAL SERVICES LIMITED.**

I. Report on the Audit of the Standalone Financial Statements

1. Opinion

- A. We have audited the accompanying Standalone Financial Statements of MODERN FINANCIAL SERVICES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").
- B. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date

2. Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

4. Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's



Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon

- B. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

5. Management's Responsibility for the Standalone Financial Statements

- A. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
- B. In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

6. Auditor's Responsibilities for the Audit of the Standalone Financial Statements

- A. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.
- B. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- i) Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls
 - iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
 - iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern
 - v) Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation
- C. Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in
- i) planning the scope of our audit work and in evaluating the results of our work; and
 - ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.
- D. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- E. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- F. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

II. Report on Other Legal and Regulatory Requirements

required by Section 143(3) of the Act, based on our audit we report that:



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. 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account
 - D. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
 - E. On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - F. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
 - G. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - H. 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements
 - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, 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 Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

Place : Kolkata
 Date : 05th September, 2021



For B. R. KHAITAN & CO
 Chartered Accountants

P. Khaitan

P. KHAITAN
 Proprietor
 Membership no. 060367
 Regn. No: 305012E

ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of MODERN FINANCIAL SERVICES LIMITED for the year ended 31st March, 2021.

On the basis of the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) These fixed assets have been physically verified by the management at reasonable intervals there was no Material discrepancies were noticed on such verification.
- (c) Total Assets of company includes Immovable property also and the title deeds of immovable properties are held in the name of the company.
2. Physical verification of inventory has been conducted at reasonable intervals by the management and there is no material discrepancies were noticed
3. The company has not granted loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
 - (a) All terms and conditions are as per the benefits of company and are not prejudicial to the company's Interest.
 - (b) Schedule of repayment of principal and interest has been stipulated and receipts are regular.
 - (c) There is no such amount which is overdue more than 90 Days of above mentioned loan.
4. In respect of loans, investments, guarantees, and security all mandatory provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
5. The company has not accepted any deposits.
6. Maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
7. (a) The company is regular in depositing undisputed statutory dues including provident fund, Employee's state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, goods & service tax and any other statutory dues to the appropriate authorities.
- (b) Dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have been deposited on time there is no dispute is pending on the part of company.
8. The company hasn't made any default in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
9. The company doesn't raise any money by way of initial public offer or further public offer (including debt instruments)
10. Neither company has done any fraud nor by its officers or employees so nothing to be disclosed separately.



- 11. Managerial remuneration has been paid or provided in accordance with the requisite approvals Mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- 12. Company is not a Nidhi Company hence nothing to be disclosed for any provisions applicable on Nidhi Company.
- 13. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards;
- 14. The company hasn't made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 15. The company hasn't entered into any non-cash transactions with directors or persons connected with him.
- 16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place : Kolkata
Date : 05th September, 2021

For B. R. KHAITAN & CO
Chartered Accountants



B. R. Khaitan

P. KHAITAN
Proprietor
Membership no. 060367
Regn. No: 305012E

ANNEXURE - B TO THE AUDITORS' 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 **MODERN FINANCIAL SERVICES LIMITED**. ("The Company") as of 31 March 2021 in conjunction with our audit of the 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

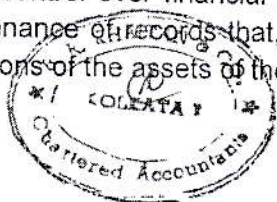
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 March 2020, 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.

Place : Kolkata
Date : 05th September, 2021

For B. R. KHAITAN & CO
Chartered Accountants



P. Khaitan

P. KHAITAN
Proprietor
Membership no. 060367
Regn. No: 305012E

MODERN FINANCIAL SERVICES LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2021

PARTICULARS	NOTE NO.	AS AT	AS AT	AS AT
		31ST MARCH, 2021	31ST MARCH, 2020	31ST MARCH, 2019
		Rs.	Rs.	Rs.
ASSETS				
Non Current Assets				
Property, Plant & Equipment	3	217,721	413,594	413,594
Financial Assets				
(i) Investments	4	78,915,131	52,887,823	64,410,011
(ii) Others	5	300,000	300,000	300,000
Total Non Current Assets		79,432,851	53,601,417	65,123,606
Current Assets				
Inventories	6	3,135,942	3,135,942	3,135,942
Financial Assets				
(i) Cash and Cash Equivalents	7	677,659	237,446	208,517
(ii) Others	8	50,000	2,916,861	3,117,161
Other Current Assets	9	3,327,535	3,323,095	3,238,349
Total Current Assets		7,191,136	9,613,344	9,699,969
TOTAL		86,623,988	63,214,762	74,823,575
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	10	44,485,000	44,485,000	44,485,000
Other Equity		40,718,633	14,710,882	23,595,699
Total Equity		85,203,633	59,195,882	68,080,699
Current Liabilities				
Financial Liabilities				
(i) Borrowings	11	1,326,000	3,867,698	3,047,858
(ii) Others	12	94,355	151,180	150,000
Provisions	13	-	-	3,545,017
Total Current Liabilities		1,420,355	4,018,878	6,742,875
TOTAL		86,623,988	63,214,762	74,823,574

Significant Accounting policies 2

The accompanying notes are an integral part of the financial statements

In terms of our Report attached

For B. R. Khaitan & Co.

Chartered Accountants

B. R. Khaitan

P. Khaitan

Membership no: 060367

Firm Regn. No.: 305012E

Place : Kolkata

Date : 5th September, 2021

UDIN NO- 21060367AAAAAO6990



For Modern Financial Services Ltd

Amitabha Sarkar

Director

For Modern Financial Services Ltd

Prabir Koyal

Director

MODERN FINANCIAL SERVICES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

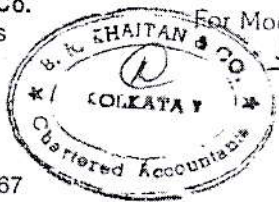
PARTICULARS	NOTE NO.	AS AT 31ST MARCH, 2021	AS AT 31ST MARCH, 2020
INCOME			
Revenue from Operations		-	-
Other Income	14	4,440	1,232
Total Revenue		4,440	1,232
EXPENSES			
Changes in Inventory	15	-	-
Depreciation and amortisation expense		-	-
Other Expenses	16	2,944,663	369,557
Total Expenses		2,944,663	369,557
Profit / Loss before Tax		-2,940,223	-368,325
Tax Expenses :			
(a) Current tax expenses for current year		-	-
(b) Tax expenses for previous years		-	9,228
(b) MAT Credit Receivable		-	2,905,339
Net Profit /(Loss) from ordinary activities after tax		(2,940,223)	2,527,786
OTHER COMPREHENSIVE INCOME			
A. Items that will not be reclassified to profit or loss:			
(i) Investments through OCI		28,947,973	(11,412,602)
(ii) Income Tax relating to items that will not be reclassified to profit or loss			
B. Items that will be reclassified to profit or loss:			
Total Other Comprehensive Income		28,947,973	(11,412,602)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			
Basic and Diluted Earnings per Equity share		26,007,750	(8,884,816)
(Nominal value Rs.10/- each , fully paid up)	17	(0.66)	0.57

In terms of our Report attached

For B. R. Khaitan & Co. Chartered Accountants	For Modern Financial Services Ltd <i>Amitabha Sarker</i> Director	For Modern Financial Services Ltd <i>Prabir Koyal</i> Director
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P. Khaitan
P. Khaitan
Proprietor

Membership no: 060367
Firm Regn. No.: 305012E
Place : Kolkata
Date : 05th September, 2021
UDIN NO- 21060367AAAAAO6990



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MODERN FINANCIAL SERVICES LIMITED
CASH FLOW STATEMENT for the year ended 31st March, 2021

Particulars	For the year ended 31st March, 2021		For the year ended 31st March, 2020	
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		(29,40,223)		(3,68,325)
<u>Adjustments for:</u>				
Depreciation		-		-
Operating profit / (loss) before working capital changes		(29,40,223)		(3,68,325)
<u>Changes in working capital:</u>				
Adjustments for (increase) / decrease in operating assets:				
Inventories		-		-
Other Current Financial Assets	28,66,861		2,00,300	
Other Current Assets	(4,440)		(84,746)	
Adjustments for increase / (decrease) in operating liabilities:				
Borrowings	(25,41,698)		8,19,840	
Short term provision	-		(35,45,017)	
Other Current Financial Liabilities	(56,825)		1,180	
Cash generated from operations		2,63,898		(26,08,443)
Net income tax (paid) / refunds		(26,76,325)		(29,76,768)
Net cash flow from / (used in) operating activities (A)		(26,76,325)		(80,657)
B. Cash flow from investing activities				
Purchase of Investment		(2,08,93,734)		(1,66,80,414)
Sale of Investment		2,38,14,399		1,67,90,000
Sale of Fixed Assets		1,95,873		-
Net cash flow from / (used in) investing activities (B)		31,16,538		1,09,586
C. Cash flow from financing activities				
Proceeds from issue of Equity Shares	-		-	
Repayments of other borrowings	-		-	
Net cash flow from / (used in) financing activities (C)		-		-
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		4,40,213		28,929
Cash and cash equivalents at the beginning of the year		2,37,446		2,08,517
Cash and cash equivalents at the end of the year		6,77,659		2,37,446

Notes:

- (i) The above cash flow statement has been prepared under the Indirect Method as set out in the Accounting Standards (Ind AS-7) " Cash Flow Statement " .
- (ii) Cash and cash Equivalent (Refer Note - 7 of the Financial Statements)
- (iii) Previous year's figures have been regrouped /rearranged ,wherever considered necessary . This is the Cash Flow Statement referred to in our Auditor's Report of even date .

In terms of our Report attached

For B. R. Khaitan & Co.
Chartered Accountants

P. Khaitan
P. Khaitan
Proprietor
Membership no: 060367
Firm Regn. No.: 305012E



For Modern Financial Services Ltd

Amitabha Sengupta
Director

For Modern Financial Services Ltd

Prabir Koyal
Director

Place : Kolkata

Date : 5th September, 2021

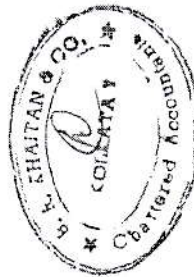
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MODERN FINANCIAL SERVICES LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2021

3 PROPERTY, PLANT & EQUIPMENT

DESCRIPTION	GROSS BLOCK		DEPRECIATION			Balance as on 31.03.2020
	Balance as on 01.04.2020	Addition/ (Disposal)	Total 31.03.2021	Up to 01.04.2020	For the year	
Plant & machinery	1,185,275	-	1,185,275	1,078,500	-	106,775
Vehicles	214,780	-	214,780	213,130	-	1,650
-Tata- 407	743,771	(195,873)	547,898	547,898	-	195,873
-Tata- ACE	374,000	-	374,000	279,566	-	94,434
Furniture & Fixtures	227,105	-	227,105	224,081	-	3,024
Computer & Accessories	605,824	-	605,824	605,667	-	157
Air Conditioners	454,214	-	454,214	442,533	-	11,681
TOTAL	3,804,969	(195,873)	3,609,096	3,391,375	-	413,594
PREVIOUS YEAR	3,804,969	-	3,804,969	3,391,375	-	413,594

Since there is no business depreciation is not charged



MODERN FINANCIAL SERVICES LIMITED

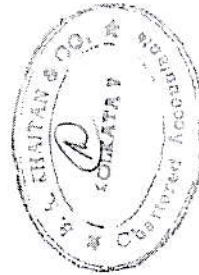
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

A EQUITY SHARE CAPITAL

Balance as at March 31, 2021	Changes in Equity Share Capital during the year	Balance as at March 31, 2021
44,485,000	-	44,485,000
Balance as at March 31, 2020	Changes in Equity Share Capital during the year	Balance as at March 31, 2020
44,485,000	-	44,485,000

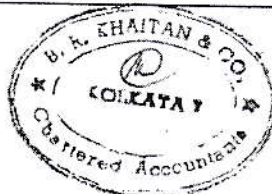
B OTHER EQUITY

Particulars	Securities Premium Account	Reserves & Surplus			Total
		General Reserve	Retained Earnings	Investment Reserve	
Balance as at March 31, 2020	36,170,000	6,000,000	(18,326,746)	-9,132,372	14,710,882
Changes in Accounting Policies / Prior Period Errors	-	-	-	-	-
Restated Balance at the beginning of the reporting period	36,170,000	6,000,000	(18,326,746)	-9,132,372	14,710,882
Total Comprehensive Income for the Year	-	-	-2,940,223	28,947,973	26,007,750
Transfer to Retained Earnings	-	-	-	-	-
Balance as at March 31, 2021	36,170,000	6,000,000	(21,266,969)	19,815,601	40,718,633



MODERN FINANCIAL SERVICES LIMITED
NOTES FORMING PARTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

		As at 31 March 2021	As at 31 March 2020
4 NON CURRENT INVESTMENTS			
<u>IN MUTUAL FUNDS</u>	<u>No of Units</u>		
ABSL GENNEXT FUND	198907.87	21,985,287	13,625,189
ABSL GENNEXT FUND		-	3,797,478
ABSL GENNEXT FUND (D)	51428.11	6,192,973	-
DSP HEALTHCARE FUND (D)	293809.03	5,858,552	-
DSP HEALTHCARE FUND		-	3,261,709
KOTAK LIQUID FUND (D)	1202.9	5,002,936	-
KOTAK MEDIUM TERM FUND	962131.67	16,681,343	15,675,146
NIPPON INDIA MULTI CAP FUND	88296.98	9,944,880	-
RELIANCE CAPITAL BUILDERS FUND -IV		-	3,453,050
RELIANCE MULTI CAP FUND		-	5,713,865
SBI BANKING & FINANCIAL SERVICES FUND (D)	336860.18	8,015,352	-
SBI LARGE & MIDCAP FUND (D)	17359.62	5,233,808	-
SBI LARGE & MIDCAP FUND		-	7,361,387
		78,915,131	52,887,823
5 OTHER NON-CURRENT FINANCIAL ASSETS			
Advance against Flat		300,000	300,000
		300,000	300,000
6 INVENTORIES			
Stock in Hand		3,135,942	3,135,942
		3,135,942	3,135,942
7 CASH AND CASH EQUIVALENTS			
Cash in Hand		13,994	5,994
<u>Balance with Schedule Bank in</u>			
HDFC Bank(UNB Br.)		8,328	8,328
HDFC Bank (Central Plaza)		34,111	34,111
HDFC Bank(Silvasa)		37,366	37,366
Kotak Mahindra Bank		571,631	84,413
United Bank of India		-	5,000
Bank of Baroda		12,229	62,235
		677,659	237,446
8 OTHER CURRENT FINANCIAL ASSETS			
Sunder Debtors		50,000	-
To others		-	2,916,861
		50,000	2,916,861
9 OTHER CURRENT ASSETS			
TDS		333	-
Dividend Receivable		4,107	-
Deferred Tax Assets		47,322	47,322
Mat Credit Receivable (AY 17-18 & 18-19)		2,912,091	2,912,091
Mat Credit Receivable		363,682	363,682
		3,327,535	3,323,095



MODERN FINANCIAL SERVICES LIMITED
NOTES FORMING PARTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

10 SHARE CAPITAL

	As at 31 March, 2021		As at 31 March, 2020	
	Number of Shares	Amount Rs.	Number of Shares	Amount Rs.
	AUTHORISED			
Equity Shares of Rs. 10/- each with voting rights	6,000,000	60,000,000	6,000,000	60,000,000
ISSUED, SUBSCRIBED AND PAID UP				
Equity Shares of Rs. 10/- each with voting rights	4,448,500	44,485,000	4,448,500	44,485,000

(i) **Reconciliation of Shares outstanding at the beginning and at the end of the reporting period**

	As at 31 March, 2021		As at 31 March, 2020	
	Number of Shares	Amount Rs.	Number of Shares	Amount Rs.
	Equity Shares with voting rights at the beginning of the year	4,448,500	44,485,000	4,448,500
Balance at the end of the year	4,448,500	44,485,000	4,448,500	44,485,000

(ii) **Details of Shareholder holding more than 5% share in the Company**

Name of Shareholders	As at 31 March, 2021		As at 31 March, 2020	
	Number of Shares	Percentage of Holding	Number of Shares	Percentage of Holding
	Line Accessories Private Limited	452500	10.17%	452500
Vidhi Services Private Limited	404500	9.09%	404500	9.09%
Sankalp Vincom Pvt Ltd	365701	8.22%	365701	8.22%
Anubha Holdings Pvt Ltd	245500	5.52%	245500	5.52%
Runicha Merchants Pvt Ltd	241000	5.42%	241000	5.42%

11 BORROWINGS

	As at 31 March 2021	As at 31 March 2020
Advance (Cr.)	1,326,000	3,867,698
	1,326,000	3,867,698

12 OTHER CURRENT FINANCIAL LIABILITIES

	As at 31 March 2021	As at 31 March 2020
Salary payable	79,355	135,000
Sundry Creditors for expenses	15,000	16,180
	94,355	151,180

13 SHORT TERM PROVISIONS

	As at 31 March 2021	As at 31 March 2020
Provisions for Income Tax	-	-
Provision for income tax for current year	-	-
	-	-



MODERN FINANCIAL SERVICES LIMITED
NOTES FORMING PARTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

	As at 31 March 2020	As at 31 March 2019
14 OTHER INCOME		
Profit from mutual fund	-	-
Interest Received on TDS	-	1,232
Dividend	4,440	-
	4,440	1,232
15 CHANGES IN INVENTORY		
Closing Stock	3,135,942	3,135,942
Less: Opening Stock	3,135,942	3,135,942
	-	-
16 OTHER EXPENSES		
Advertisement Expenses	-	1,812
P Tax enrolment	2,500	2,500
Audit Fees	15,000	15,000
Bank Charges	6,041	706
Filing Fees	3,600	28,650
Conveyance EXP	-	6,370
Loss on Sale of Mutual Fund	2,369,922	109,586
Loss on Sale of Motor Vehicle	45,872	-
Sundry Balance w/off.	315,322	-
Insurance Charges - Vechiles	9,931	21,018
Share Listing fees, Annual maint , Evoting etc Charges	-	28,320
Annual custody fees	21,240	-
Professional Fees	45,435	1,180
Printing & Stationary	28,000	14,000
Rates & Taxes	74,720	112,080
Repairs & Maintainance	7,080	16,238
Salary & Bonus	-	12,097
	2,944,663	369,557
17 Earning Per Share		
Profit after Tax	(2,940,223)	2,527,786
Weighted average no. of Shares	4,448,500	4,448,500
Basic and diluted earning per share	(0.66)	0.57



MODERN FINANCIAL SERVICES LTD

2. Notes forming part of the financial statements for the year ended 31st march, 2021

Note	Particulars
1	Corporate information
	Modern financial services Ltd. has its registered office at 53B, Mirza Ghalib Street, Kolkata - 700016, is engaged in Real Estate Renting & other activities / business. It's CIN No. is L24139WB1983PLC035932
2	Significant accounting policies
2.1	Basis of accounting and preparation of financial statements
	The Financial Statements have been prepared under historical cost convention, on an accrual basis in accordance with accounting principles generally accepted in India, the applicable accounting standards prescribed by the Companies (Accounting Standards) Rules 2006 and the other relevant provisions of the Companies Act, 2013 along with those issued by the Institute of Chartered Accountants of India.
2.2	Use of estimates
	The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.
2.3	Inventories
	There are inventory in the form of Share and Securities with the company.
2.4	Cash and cash equivalents (for purposes of Cash Flow Statement)
	Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition),
0.1	Depreciation and amortisation
	No Depreciation is provided during the year as the company has no depreciable assets.
0.2	Revenue recognition
	<u>Sale of goods</u>
	There is no sale of goods
0.3	Other income
	Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established. Investment income and expenditure is accounted on accrual basis
0.4	Tangible fixed assets
	Fixed assets,are carried at cost.



MODERN FINANCIAL SERVICES LTD

Note 2 Significant accounting policies (contd.)

Note	Particulars
2.10	<p>Intangible assets There are no Intangible Assets</p>
2.11	<p>Foreign currency transactions and translations There is no Foreign currency transaction during the year</p>
2.12	<p>Government grants, subsidies and export incentives There is no Government grants and subsidies and export during the year</p>
2.13	<p>Investments Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties. Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalised and depreciated (where applicable) in accordance with the policy stated for Tangible Fixed Assets. Impairment of investment property is determined in accordance with the policy stated for Impairment of Assets.</p>
2.14	<p>Employee benefits Employee benefits include provident fund, superannuation fund, gratuity fund, compensated absences, long service awards and post-employment medical benefits.</p> <p><u>Defined contribution plans</u> There is no defined contribution plans</p> <p><u>Defined benefit plans</u> There is no defined benefit plans</p>
2.15	<p>Employee share based payments The Company has no Employee Stock Option Schemes (ESOS)</p>
2.16	<p>Borrowing costs Borrowing costs include interest</p>
2.17	<p>Segment reporting The Company has no such segments</p>
2.18	<p>Leases The Company is not engaged in leasing of assets</p>
2.19	<p>Earnings per share Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.</p>



MODERN FINANCIAL SERVICES LTD

Note 2 Significant accounting policies (contd.)

Note	Particulars
2.20	Taxes on income Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.
2.21	Research and development expenses The Company has no Research and Development expenses
2.22	Joint venture operations The Company has no Joint Venture Operation
2.23	Impairment of assets There is no impairment of assets during the year
2.24	Provisions and contingencies A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. There are no Contingent liabilities with the Company
2.25	Provision for warranty There is no provision of warranty
2.26	Hedge accounting The Company has no hedging activity
2.27	Derivative contracts The Company has no derivative contracts
2.28	Share issues expenses There are no share issue expenses
2.29	Insurance claims No insurance claim have been taken by the company

