

Ref No: MSSSL/Reg30/Disc/1

Date: 27th May 2020

To  
The General Manager,  
BSE Limited,  
Corporate Relationship Department,  
1<sup>st</sup> Floor, P.J Tower, Dalal Street,  
Mumbai – 400001.

Dear Sir,

**Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

With reference to the captioned subject and SEBI Circular No. SEBI/HO/CFD/CMDI/CIR/P/2020/84 dated 20 May, 2020, we would like to disclose the Financial Impact of the Pandemic Covid-19 has had on our day to day business activity. The overall brokerage business volumes have dropped sharply from March 23<sup>rd</sup>, 2020 till date due to the lockdown. However the Company, to the extent possible, is carrying out its limited operations on both the Institutional & Retail desks with limited staff and with all the necessary safety precautions and measures as notified by the Government authorities from time to time. The Company's backend operations also continue through Work from Home policy in limited manner.

We would like to inform that the company shall resume its full scale operation on or after 1<sup>st</sup> June 2020 subject to Central and State Government directions on the Lockdown status. The company in the meantime wherever possible has implemented and applied measures with regards to Covid -19 as directed by Ministry of Corporate Affairs on preventive measures to contain the spread of COVID-19 and the implementation of the Company's "Work from Home Policy".

Following are the disclosures:

**1. Impact of Covid-19 Pandemic on Business**

In reality almost 2-3 months of operations have been affected, and with the limited business activity we have witnessed an increase in losses on account of fixed and operational costs. The company had incurred a loss due to measures *and* policies undertaken such no pay cut to staff, payment of rents etc. The impact of business loss during these lockdown shall impact the operations cycle and cash flows for the company for F.Y.2020-21 to a large extent.

**2. Ability to maintain operations**

The Company expects to increase its operations based on directions of the Central and state government post ending of present lockdown on 31<sup>st</sup> May 2020. The company shall ensure with meeting all the safety guidelines as issued by the Government from time to time.

3. Steps taken for smooth functioning of operations.

The Company is taking various actions considering employee's health as well as support from clients to resume normal work to further roll out operations. The Company has maintained sufficient operational and working capital for smooth operations.

4. Estimation of the future impact of Covid-19-

Covid-19 would certainly have a negative impact on the Company's performance as well as Industry as a whole. Our Company being in the business of stock broking would certainly be affected to an extent since many of the Institutional and HNI's clients would be having a wait and watch approach on investments due to many of the listed entities having subdued performances in the year ahead until the economy and demand picks up. However, our Company is confident enough to overcome these uncertain times.

5. Impact on

- Capital and Financial resources- Financial resources would be stretched to a certain extent. The Company foresees certain strain in its brokerage income going forward due to continued negative impact on its set of clients.
- Profitability- it will be affected. However, the details will be known only after the audit for relevant financial year.
- Debt repayment Capacity- NA
- Assets - Company may not procure any Capital Assets. However, the company shall review its Investments in securities and shall take a call in a timely manner based on the overall market impact.
- Cash Flow Chain - it will normalize once the green shoots start appearing in the process of economic recovery.
- Demand of Products and Services- It will continue probably at a very slower pace.

6. Obligations for Non-fulfillment of commitment- Company shall assure all the commitment if any are honored in an agreed and amicable time frame and as per agreed mutual interest of the parties.

This is for your information and records.

Thanking you,

Yours faithfully,

For MODERN SHARES AND STOCKBROKERS LIMITED



(ANIL S. MANGHNANI)

WHOLE TIME DIRECTOR

DIN: 00012806