Pathak H.D. & Associates LLP
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MEMG SECURITIES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **MEMG SECURITIES LIMITED** ('the Company'), which comprise the Balance sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in equity and Statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information(hereinafter referred to as "the standalone financial statements").

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, 2022, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. 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 ethical requirements that are relevant to our audit of the standalone 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

Information other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in Board's Report including Annexure to Board's Report, but does not include the standalone financial statements and our auditor's report thereon. The report containing other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

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In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the report containing other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the management of the Company 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 the management of the Company either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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 Standard on Auditing (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.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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.

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Pathak H.D. & Associates LLP
Mumbai
Chartered Accountants

- Obtain an understanding of internal control 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 system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- 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.

- 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.

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.

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.

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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ('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 the paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, based on our audit 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;

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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, the Statement of Changes in Equity, the statement of Cash Flows 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 Indian Accounting standards specified under section 133 of the Act read with the Companies (Indian Accounting standards) Rules, 2015 as amended;

e) on the basis of the written representations received from the directors as on March 31, 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 standalone financial statement of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B';

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 does not have any pending litigations which would impact its financial positions;

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

   iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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iv. a. Management has represented to us that, to the best of it's knowledge and belief, (other than as disclosed in the notes to the accounts) no funds have been advanced or loaned or invested (either from borrowed funds or ~~share premium~~ or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. Management has represented to us that, to the best of it's knowledge and belief, (other than as disclosed in the notes to the accounts) no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c. Based on our audit procedures conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representation given by the management as mentioned above under paragraph (2)(h)(iv) (a) & (b) contain any material misstatement.

v. The Company has neither declared nor paid any dividend during the year.

for PATHAK H. D. & ASSOCIATES LLP
Chartered Accountants
Firm Registration Number : 107783W / W100593

Rahul Jain

Rahul Jain
Partner
Membership Number: 239295

PATHAK H.D. & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

UDIN: 22239295ANHNPM1663

Place: Bengaluru
Date:04.07.2022

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

In terms of the Annexure referred to in our report to the members of **MEMG SECURITIES LIMITED ('the Company')** on the standalone financial statements for the year ended March 31, 2022, we report that:

i) a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company does not have any intangible asset as at the year end and accordingly Paragraph 3 (i)(a)(B) of the Order is not applicable to the company.

b) According to the information and explanation given to us, Property, Plant and Equipment have been physically verified by the Management during the year, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in the financial statements are held in the name of the Company. and the Company does not have any lease/sublease deed on leasehold land registered in the name of the company.

d) According to information and explanations given to us and books of accounts and records examined by us, Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

e) According to information, explanations and representation given to us by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

ii) a) The company does not carry any inventories at any time during the year. Therefore, Paragraph 3 (ii)(a) of the Order is not applicable to the company.

b) According to the information and explanations given to us, and examination of books of account and other records produced before us, the Company has not been sanctioned working capital loans from banks / financial institution on the basis of security of current assets. Therefore, Paragraph 3 (ii)(b) of the Order is not applicable to the company.

iii) As per the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has granted interest bearing unsecured loans to bodies corporate. During the year the Company has not made investments in, provided any guarantee or security to companies, firms, limited liability partnerships or any other parties other than unsecured loan to bodies corporate as mentioned above.

a) As per the information and explanation given to us and on the basis of our examination of the records of the Company, we state that:

A) The Company has not granted any loans, provided guarantees or security to subsidiaries, joint ventures, and associates.

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PATHAK H.D. & ASSOCIATES LLP * MUMBAI * CHARTERED ACCOUNTANTS

B) The Company has granted any loan to other parties which are as given below:

Nature of parties	Aggregate amount of loans granted during the year	Balance outstanding as at balance sheet date in respect of loans granted
Others	Rs.30,000 Thousands	Rs.30,000 Thousands

As represented to us, the Company has not provided guarantees or security to parties other than subsidiaries, joint ventures, and associates

b) In our opinion and according to the information and explanation given to us and on the basis of our examination of the records of the Company, the terms and conditions on which the loans had been granted were not, prima facie, prejudicial to the company's interest. The Company, during the year has not made any investments and provided guarantees or security to parties.

c) In our opinion and according to the books of accounts and records examined by us in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated in the original/ renewal agreements. The repayment or receipts are generally regular.

d) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, there were no overdue amounts remaining outstanding at the year end for more than ninety days.

e) In our opinion and according to the information and explanation given to us and on the basis of our examination of the records of the Company, the loans granted to othershas been renewed or extended or fresh loan granted to the same parties aggregating to Rs.30,000 Thousands and the percentage of the aggregate to the loans granted during the year is 100%. The party-wise details are given below:

Name of the party	Aggregate amount ofexistingloans renewed orextended orsettledby fresh loans	Percentage of theaggregate to the totalloans or advances in the nature of loansgranted during the year
MEMG Office LLP	Rs.30,000Thousands	100%
Total	Rs.30,000 Thousands	100%

f) In our opinion and according to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment, hence requirement of paragraph 3 (iii) (f) is not applicable.

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PATHAK H.D. & ASSOCIATES LLP * MUMBAI * CHARTERED ACCOUNTANTS

iv) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been complied with provision of Section 185 of the Act in respect of loans granted or providing of guarantees or security to the parties covered under section 185 of the Act. The Company has complied with the provision of Section 186 of the Act in respect of investment made or loans or guarantee or security provided to the parties covered under Section 186 of the Act.

v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits and amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provision of paragraph 3(v) of the Order is not applicable to the Company. There are no orders from Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

vi) The maintenance of cost records has not been specified by the Central Government under sub section (1) of Section 148 of the Act for the business activities carried out by the Company. Hence reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year the Company has been generally regular in depositing the undisputed statutory dues including goods and services tax, provident fund, employee state insurance, income-tax, duty of customs, professional tax, cess and other material statutory dues applicable to it with the appropriate authorities

According to the information and explanations given to us, no undisputed statutory dues were outstanding, at the year end, for a period of more than six months.

b) According to the information and explanation given to us and records of the Company, there are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.

viii) In our opinion and according to the information, explanations and representation given to us by the management, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

ix) a) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not taken any loans or other borrowings from any lender and accordingly reporting under Clause 3(ix)(a) of the Order is not applicable to the Company.

b) In our opinion and according to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

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c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence requirement of paragraph 3(ix)(c) of the Order is not applicable to the Company.

d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that, *prima facie* , no funds raised on short-term basis have been used during the year for long-term purposes by the Company.

e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures hence requirement of paragraph 3(ix)(e) of the Order is not applicable to the Company.

f) According to the information and explanations given to us and on the basis of our examination of the records of the company, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies hence requirement of paragraph 3(ix)(f) of the Order is not applicable to the Company.

x) a) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not raised money by way of initial public offer or further public offer (including debt instruments)hence requirement of paragraph 3(x)(a) of the Order is not applicable to the Company.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

xi) a) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.

b) According to the information and explanations given to us, no report under sub-section 12 of section 143 of the Act has been filed by auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii)(a) to (c) of the Order is not applicable.

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xiii) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv) a) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company does not have an internal audit system and is not required to have an internal audit system as per the provision of the Act.

b) The Company did not have the internal audit system for the period under audit.

xv) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected to its directors as referred to in Section 192 of the Act.

xvi) a) To the best of our knowledge and as explained ,the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

b) In our opinion, and according to the information and explanations provided to us and on the basis of our examination of the records of the Company, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year as per the Reserve bank of India Act 1934.

c) In our opinion, and according to the information and explanations provided to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

d) As represented by the management, the Group has no Core Investment Companies (CICs) as part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016.

xvii) In our opinion, and according to the information and explanations provided to us, Company has incurred cash losses in the financial year and also in the immediately preceding financial year amounting to Rs. 1,496.82 thousands and Rs.1,786.25 thousands respectively.

xviii) There has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3(xviii) of the Order is not applicable.

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PATHAK H.D. & ASSOCIATES LLP * MUMBAI * CHARTERED ACCOUNTANTS

xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our review of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx) In our opinion and as per the information and explanations received by us by the management , the company is not liable to spend on Corporate Social responsibility for the year under audit in terms of the section 135 of the Act, hence reporting requirement under Paragraph 3 (xx) (a) and (b) of the Order are not applicable to the Company

xxi) In our opinion, Company is not required to prepare the consolidated financial statement under sub section 3 of section 129 of the Act. Therefore, provisions of Paragraph 3 (xxi) of the Order is not applicable to the Company.

for PATHAK H. D. & ASSOCIATES LLP
Chartered Accountants
Firm Registration Number : 107783W / W100593

Rahul Jain
Partner
Membership Number: 239295

PATHAK H.D.& ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

UDIN: 22239295ANHNPM1663

Place: Bengaluru
Date: 04.07.2022

ANNEXURE B TO THE 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 with reference to standalone financial statement of **MEMG SECURITIES LIMITED** ("the Company") as of March 31, 2022 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 Board of Directors of the Company 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to standalone financial statement of the Company 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') issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statement. 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 with reference to standalone financial statement were 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 with reference to standalone financial statement and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statement included obtaining an understanding of internal financial controls with reference to standalone financial statement, 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 standalone 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 with reference to standalone financial statement.

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Meaning of Internal Financial Controls with reference to standalone financial statements

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

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statement, 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 with reference to standalone financial statement to future periods are subject to the risk that the internal financial control with reference to standalone financial statement 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, to the best of our information and according to the explanations given to us the Company has, in all material respects, maintained adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI,

for PATHAK H. D. & ASSOCIATES LLP
Chartered Accountants
Firm Registration Number : 107783W / W100593

PATHAK H.D.& ASSOCIATES LLP * MUMBAI * CHARTERED ACCOUNTANTS

Rahul Jain
Partner
Membership Number: 239295

UDIN: 22239295ANHNPM1663

Place: Bengaluru
Date: 04.07.2022

MEMG Securities Limited

CIN : U65110KA1995PLC017907

Balance Sheet as at March 31, 2022

Particulars	Notes	March 31, 2022	March 31, 2021
		Rupees in Thousands	
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	11,057.72	11,322.74
Intangible assets	3	-	-
Financial assets			
Investments	4	64.32	243.91
Other financial assets	6	10,183.95	9,572.05
Income tax asset (net)	16	383.06	162.22
Total		**21,689.05**	**21,300.92**
Current Assets			
Financial assets			
Investments	4	2,775.82	-
Cash and cash equivalents	8	514.08	3,775.61
Bank balances other than above	9	2,900.00	4,500.00
Loans	5	30,000.00	30,000.00
Other financial assets	6	50.27	485.33
Other current assets	7	364.62	204.64
Total		**36,604.79**	**38,965.58**
TOTAL ASSETS		**58,293.84**	**60,266.50**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	35,583.32	35,583.32
Other equity	11	21,719.85	23,592.77
Total		**57,303.17**	**59,176.09**
Liabilities			
Non-Current Liabilities			
Deferred tax liabilities (net)	16	813.02	782.28
Total		**813.02**	**782.28**
Current Liabilities			
Financial liabilities			
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	12	-	-
Total outstanding of creditors other than micro enterprises and small enterprises	12	21.85	44.10
Other financial liabilities	13	68.17	91.29
Other current Liabilities	14	32.74	155.04
Provisions	15	54.89	17.70
Total		**177.65**	**308.13**
Total Liabilities		**990.67**	**1,090.41**
TOTAL EQUITY AND LIABILITIES		**58,293.84**	**60,266.50**
Significant accounting policies	1		

The accompanying notes form an integral part of the financial statements.

As per our report of even date

For Pathak H.D & Associates LLP
Chartered Accountants
Firm Registration No: 107783W/W100593

Rahul Jain
Partner
Membership No: 239295

Place : Bengaluru
Date: 04.07.2022

For and on behalf of the Board of Directors of MEMG Securities Limited

D Sreepathi
Director
DIN: 00958235

K R Muthukumar
Director
DIN: 0007595612

Place : Bengaluru
Date: 04.07.2022

PATHAK H.D. & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

MEMG SECURITIES LIMITED BANGALORE

MEMG Securities Limited

CIN : U65110KA1995PLC017907

Statement of profit and loss for the year ended March 31, 2022

Particulars	Notes	2021-22	2020-21
		Rupees in Thousands	
INCOME			
Other operating revenue	17	265.78	1,139.03
Other income	18	2,054.05	1,380.53
Grants & Donations Received		-	-
TOTAL INCOME		**2,319.83**	**2,519.56**
EXPENSES			
Employees benefits expense	19	593.39	567.78
Depreciation and amortization expense	20	265.02	282.05
Other expenses	21	1,551.59	2,639.12
TOTAL EXPENSES		**2,410.00**	**3,488.95**
Profit/(loss) before tax expenses from continuing operations		**(90.17)**	**(969.39)**
Tax expenses of continuing operations			
Current tax	16	-	-
Deferred tax expense/ (credit)	16	-	-
Income tax expense		-	-
Profit/(loss) after tax expenses from continuing operations		**(90.17)**	**(969.39)**
Discontinued Operations	**22**		
Profit/(loss) before tax expenses from discontinued operations		(1,786.77)	(67.84)
Tax expenses of discontinued operations			
Current tax		-	-
Deferred tax	16	21.99	183.57
Income tax expense		**21.99**	**183.57**
Profit/(loss) after tax expenses from discontinued operations		**(1,808.76)**	**(251.41)**
Profit / (loss) for the year		**(1,898.93)**	**(1,220.80)**
OTHER COMPREHENSIVE INCOME			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/(losses) on defined benefit plans		34.76	(20.22)
Income tax effect - credit / (expense)		(8.75)	5.09
Other comprehensive income for the year (net of tax)		**26.01**	**(15.13)**
Total comprehensive income for the year		**(1,872.92)**	**(1,235.93)**
Earnings per equity share of face value of Rs. 10/- each (In Rs)	25		
(1) Basic / Diluted earning per share for continuing operations and discontinued operations		(0.53)	(0.34)
(2) Basic / Diluted earning per share for continuing operations		(0.03)	(0.27)
(3) Basic / Diluted earning per share for discontinued operations		(0.51)	(0.07)
Significant accounting policies	1		

The accompanying notes form an integral part of the financial statements.
As per our report of even date

For Pathak H.D & Associates LLP
Chartered Accountants
Firm Registration No: 107783W/W100593

Rahul Jain

Rahul Jain
Partner
Membership No: 239295

PATHAK H.D.& ASSOCIATES LLP * MUMBAI * CHARTERED ACCOUNTANTS

Place : Bengaluru
Date: 04.07.2022

For and on behalf of the Board of Directors of MEMG Securities Limited

D. Sreepathi

D Sreepathi
Director
DIN: 00958235

K.R. Muthukumar

K R Muthukumar
Director
DIN: 0007595612

MEMG SECURITIES LIMITED * BANGALORE *

Place : Bengaluru
Date: 04.07.2022

MEMG Securities Limited

CIN : U65110KA1995PLC017907

Statement of changes in Equity for the year ended March 31, 2022

A. Equity Share Capital

Rupees in Thousands

Particulars	Note	March 31, 2022	March 31, 2021
Balance at the beginning of the year	10	35,583.32	35,583.32
Changes in Equity share capital during the year		-	-
Balance at the period ended of the year		35,583.32	35,583.32

B. Other Equity

Rupees in Thousands

Particulars	Other equity			Total
	General Reserve	Securities Premium	Retained earnings	(Refer Note No 12)
Balance as at April 1, 2020	10,042.53	21,579.91	(6,793.74)	24,828.70
Profit / (loss) for the year	-	-	(1,220.80)	(1,220.80)
Other comprehensive income				
Re-measurement gains/(loss) on defined benefit plans (net of tax)	-	-	(15.13)	(15.13)
Balance as at March 31, 2021	**10,042.53**	**21,579.91**	**(8,029.67)**	**23,592.77**
Balance as at April 1, 2021	10,042.53	21,579.91	(8,029.67)	23,592.77
Profit / (loss) for the year	-	-	(1,898.93)	(1,898.93)
Other comprehensive income				
Re-measurement gains/(loss) on defined benefit plans (net of tax)	-	-	26.01	26.01
Balance as at March 31, 2022	**10,042.53**	**21,579.91**	**(9,902.59)**	**21,719.85**

The accompanying notes form an integral part of the financial statements.

As per our report of even date

For Pathak H.D & Associates LLP
Chartered Accountants
Firm Registration No: 107783W/W100593

Rahul Jain
Partner
Membership No: 239295

Place : Bengaluru
Date: 04.07.2022

For and on behalf of the Board of Directors of
MEMG Securities Limited

D Sreepathi
Director
DIN: 00958235

K R Muthukumar
Director
DIN: 0007595612

Place : Bengaluru
Date: 04.07.2022

MEMG Securities Limited

CIN : U65110KA1995PLC017907

Statement of Cash flows for the year ended Mar 31, 2022

Rupees in Thousands

Particulars	March 31, 2022	March 31, 2021
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) before tax		
Profit / (loss) before tax from continuing operations	**(90.17)**	**(969.39)**
Profit / (loss) before tax from discontinued operations	**(1,786.77)**	**(67.84)**
Adjustments for :		
Depreciation	265.02	282.05
(Profit)/ loss on discarded asset	-	109.80
Sundry balances written off	-	314.54
Interest expenses	-	3.23
Interest income	(2,198.45)	(2,495.84)
Dividend income	(12.81)	(0.93)
Capital Gains on Mutual Funds	(34.95)	-
Net (gain)/loss on fair valuation of Investments	(42.92)	(0.37)
Re-measurement of defined benefit plans	34.76	(20.22)
Provision towards impairment of investment	180.00	
Provision no longer required written back	-	(971.46)
Operating profit/(loss) before working capital changes	**(3,686.29)**	**(3,816.43)**
Adjustments for :		
Decrease /(increase) in trade receivables and others	1,153.12	(171.11)
Increase /(decrease) in trade and other payables	(130.48)	(1,038.37)
Cash from / (used in) operating activities before tax	**(2,663.65)**	**(5,025.91)**
Income Tax (paid)/refund (net)	(220.84)	1,112.93
Net cash from / (used in) operating activities	**(2,884.49)**	**(3,912.98)**
CASH FLOW FROM INVESTING ACTIVITIES		
Decrease /(increase) in investments	(2,698.36)	3,295.28
Decrease /(increase) in other bank balances	(325.00)	25,620.00
Inter Corporate deposit given	-	(30,000.00)
Dividend received	12.81	0.93
Interest received	2,633.51	2,085.71
Net cash from (used in) investing activities	**(377.04)**	**1,001.92**
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	-	(3.23)
Net cash from (used in) financing activities	-	**(3.23)**

PATHAK H.D. & ASSOCIATES LLP * MUMBAI * CHARTERED ACCOUNTANTS

MEMG SECURITIES LIMITED * BANGALORE *

MEMG Securities Limited

CIN : U65110KA1995PLC017907

Statement of Cash flows for the year ended Mar 31, 2022

Rupees in Thousands

Particulars	March 31, 2022	March 31, 2021
Net increase/ (decrease) in cash and cash equivalents	(3,261.53)	(2,914.29)
Add: Cash and cash equivalent as at beginning of the year	3,775.61	6,689.90
Cash and cash equivalent as at end of the year	**514.08**	**3,775.61**
Break-up of cash and cash equivalents		
Cash on hand	-	9.92
Balances with banks:		
in current accounts	514.08	3,765.69
Cash and cash equivalent as at end of the year	**514.08**	**3,775.61**

Notes :

1 The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS-7 on Statement of Cash Flows as referred to in Section 133 of the Companies Act, 2013.

2 The previous year figures have been regrouped and rearranged wherever necessary.

The accompanying notes form an integral part of the financial statements.

As per our report of even date

For Pathak H.D & Associates LLP
Chartered Accountants
Firm Registration No: 107783W/W100593

Rahul Jain
Partner
Membership No: 239295

Place : Bengaluru
Date: 04.07.2022

For and on behalf of the Board of Directors of
MEMG Securities Limited

D Sreepathi
Director
DIN: 00958235

K R Muthukumar
Director
DIN: 0007595612

Place : Bengaluru
Date: 04.07.2022

PATHAK H.D.& ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

MEMG SECURITIES LIMITED * BANGALORE *

MEMG Securities Limited
CIN : U65110KA1995PLC017907

1 Company Overview and Significant Accounting Policies:

1.1 Company overview

MEMG Securities Limited (formerly ICDS Securities Limited) is an Securities Broking Company incorporated in the year 1995 having its registered office at N-115, North Block, Manipal Centre, Dickenson Road, Bengaluru. The Company is a corporate member of National Stock Exchange of India Limited, The Bombay Stock Exchange Limited and the Metropolitan Stock Exchange of India Limited and the membership has been surrendered during the previous year.

Information on other related party relationships of the Company is provided in Note no. 31.
The financial statements of the Company for the year ended March 31, 2022 were authorised for issue in accordance with a resolution of the Board of Directors on 04.07.2022.

1.2 Basis of preparation of financial statements

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values (refer accounting policy regarding financial instruments), the provisions of the Companies Act, 2013 (the 'Act'). The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. These financial statements are called Ind AS financial statements.

The standalone Ind AS financial statements are presented in 'Indian Rupees' (INR) which is also the Company's functional currency and all values are disclosed to the nearest Thousands with two decimals (INR 000.00), except when otherwise indicated.

1.3 Summary of significant accounting policies

i) Use of estimates

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and the disclosure of contingent liabilities at the end of the reporting period and revenues and expenses during the reporting period . Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

ii) Revenue

The Company derives its revenue primarily from broking service which has been discontinued during the year.
Effective April 1, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to the contracts that were not completed as of April 01, 2018. In accordance with the cumulative catch up transition method, the comparatives have not been retrospectively adjusted and continues to be reported as per Ind AS 18 "Revenue".

Revenue is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the products or services and excludes amounts collected on behalf of third parties. Revenue is recognized upon transfer of control of promised products or services to customers. To recognize revenues, the Company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied.

The revenue is recognised when (or as) the performance obligation is satisfied, which typically occurs when (or as) control over the products or services is transferred to a customer.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

Revenue is measured at the fair value of consideration received or receivable, net of applicable taxes. Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity.

MUMBAI

1 Company Overview and Significant Accounting Policies:

Brokerage (net of goods and services tax) from stock broking is accounted on confirmation of trades up to the last trading date of the year. Revenue from services and other income are recognised on accrual basis.

The performance obligation disclosure provides the aggregate amount of transaction price yet to be recognised as at end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. There are no disclosures given in respect of such contracts, as brokerage revenue recognised corresponds directly with the value to the customer arising out of broking in securities in terms of the contract.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit impaired) or to the amortised cost of the liability. However, for financial assets that have become credit impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Dividend income is accounted for in the year in which the right to receive the same is established by the reporting date.

iii) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

a) Expected to be realised or intended to be sold or consumed in normal operating cycle;

b) Held primarily for the purpose of trading;

c) Expected to be realised within twelve months after the reporting period; or

d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

a) It is expected to be settled in normal operating cycle;

b) It is held primarily for the purpose of trading;

c) It is due to be settled within twelve months after the reporting period; or

d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

iv) Property, Plant & Equipments:

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any.

Cost of an item of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the items to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognised in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

PATHAK H.D. & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

MEMG SECURITIES LIMITED * BANGALORE *

1 **Company Overview and Significant Accounting Policies:**

Recognition:

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:
(a) it is probable that future economic benefits associated with the item will flow to the entity; and
(b) the cost of the item can be measured reliably.

The Company on transition to Ind AS, has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2016 ('the transition date') measured as per the previous GAAP in terms of paragraphs D7AA & D13AA of Ind AS 101 - 'First-time Adoption of Indian Accounting Standards' and use that carrying value as the deemed cost of the property, plant and equipment after making adjustments for finance lease (paragraph D9 of Ind AS 101) and transaction cost of long term borrowings as per Ind AS Transition Facilitation Group (ITFG) Clarification Bulletin 5 (Revised).

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on straight line method at the rates and in the manner specified in the Schedule II to the Companies Act, 2013. Software is amortised over a period of three years. Depreciation for assets purchased / sold during the year is proportionately charged. Fixed Asset individually costing less than Rs.5,000/- are depreciated @ 100% in the year of acquisition. In respect of customer specific assets sourced for providing customised service solutions for the specific customer has been depreciated over the period of specific service.

v) Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

vi) Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

vii) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating units' (CGUs) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of twenty to twenty five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the twenty fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

1 Company Overview and Significant Accounting Policies:

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Intangible assets with indefinite useful lives (if available) are tested for impairment annually as at December 31st at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

viii) Provisions and Contingent Liabilities

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre -tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The unwinding of discount is recognised as finance cost. Expected future operating losses are not provided for.

Onerous contract: A contract is considered to be onerous when the expected economic benefit to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognizes any impairment loss on the assets associated with the contract.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are disclosed in the financial statements if an inflow of economic benefits is probable.

ix) Retirement and other Employee Benefits

(a) Defined benefit plans

The Company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains or losses are recognised in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of remeasurements of the net defined liability or asset through other comprehensive income.

Remeasurement of the net defined liability or asset (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

(b) Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The obligation is measured on the actual as at the reporting date.

PATHAK H.D.& ASSOCIATES LLP * MUMBAI * CHARTERED ACCOUNTANTS

MEMG SECURITIES LIMITED * BANGALORE *

1 **Company Overview and Significant Accounting Policies:**

(c) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee Provident Fund to Government administered Provident Fund Scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.

(d) Short-term employee benefits

Short-term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g. short term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee, and the amount of obligation can be estimated reliably.

(e) Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes cost for restructuring. If the benefits are not expected to be settled wholly within 12 months of reporting date, then they are discounted.

x) Financial Instruments

Financial assets

a) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

b) Classification and subsequent measurement financial assets

On initial recognition, a financial asset is classified and measured at:

- amortised cost;
- Fair Value through other comprehensive income (FVOCI) - debt investment;
- Fair Value through other comprehensive income (FVOCI) - equity investment; or
- Fair Value through profit and loss (FVTPL)

Financial assets are not classified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding. A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets; and

- the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

On initial recognition of an equity investment that is not held for trading, the group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI- equity investment). This election is made on an investment-to-investment basis. All financial assets not classified as amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mistake that would otherwise arise.

PATHAK H.D. & ASSOCIATES LLP * MUMBAI * CHARTERED ACCOUNTANTS

MEMG SECURITIES LIMITED * BANGALORE *

1 Company Overview and Significant Accounting Policies:

Financial assets: Subsequent measurement and gains and losses

Financial assets, at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

c) Impairment of financial assets

The Company assess on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTPL debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note No. 23 details how the Company determines whether there has been a significant increase in credit risk.

d) expected credit loss (ECL) : In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

e) Derecognition of financial assets

A financial asset is derecognised only when:

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

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1 Company Overview and Significant Accounting Policies:

Financial liabilities

a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or amortised cost. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ losses are not subsequently transferred to statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financials guarantee contracts issued by the holding company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make the payment when due in accordance with the terms of a debt instrument. Fair value of cost of availing the financial guarantee is recognized initially as an asset giving corresponding affect to a component in other equity. The asset so recognized is amortised to the statement of profit and loss over the period of such guarantee availed.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

xi) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

xii) Cash dividend and non-cash distribution to equity holders of the parent

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

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1 Company Overview and Significant Accounting Policies:

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

xiii) Foreign currencies

The financial statements are presented in INR, which is also the company's functional currency.

Effective April 1, 2018 the company has adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss with the exception of the following:

a) Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in statement of profit and loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.

b) Exchange differences arising on monetary items that are designated as part of the hedge of the Company's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to statement of profit and loss.

c) Tax changes and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

xiv) Fair value measurement

Some of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

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1 **Company Overview and Significant Accounting Policies:**

xv) Taxes on income

Tax expense comprises current and deferred tax.

Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

a) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

b) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that there is sufficient taxable temporary difference or it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

a) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

b) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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1 Company Overview and Significant Accounting Policies:

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI / capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in statement of profit and loss.

xvi) Sales Tax / Goods and service tax

Sales/ goods and service taxes paid on acquisition of assets or on incurring expenses.
Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

a) When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
b) When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

xvii) Earnings per share

Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. The company does not have potential dilutive equity shares outstanding during the period.

xviii) Segment reporting

Based on the "management approach" as defined in Ind AS 108, Operating Segments, the Board of Directors evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, the Company is engaged in the business of broking in securities and is considered by chief operating decision maker (CODM) as the only reportable business segment taking into account the nature of the business, the organization structure, internal reporting structure and risk and rewards. All the assets of the Company are located in India. The Company caters to the needs of only the Indian market. Accordingly, there are no reportable secondary geographical segments.

1.4 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosures of contingent liabilities. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimate and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.

A Critical accounting estimates, assumptions and significant judgement

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i. Contingent liability

Contingent liabilities are not recognized in the financial statements but are disclosed in the notes. They are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognized in the financial statements of the period in which the change in probability occurs (except in the extremely rare circumstances where no reliable estimate can be made).

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1 **Company Overview and Significant Accounting Policies:**

ii. Income taxes

Significant judgements are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions.

iii. Measurement of defined benefit obligations (Gratuity Benefits)

The cost of the defined benefit and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, wage escalation, employee attrition and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The mortality rate is based on publicly available mortality tables for India being the country in which Company operates. Those mortality tables tend to change only at the interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates in India.

Further details about gratuity obligations are given in Note no. 29.

iv. Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTPL debt instruments.

v. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired/ constructed and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence and Government Policies impacting the assets use.

vi. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured at Discounted cash flows where available or face value when it closely approximates the fair value where reliable financial and other information available and all other cases measured at nominal value. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk ,volatility and inputs on average borrowing rate applicable to company. The fair value of unquoted financial instruments are measured at the value in which it is being transacted in the unquoted market as per the reliable financial and other information is available with the management.

vii. Other estimates

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analysing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

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1 Company Overview and Significant Accounting Policies:

1.5 Introduction of new standards and amendments to existing standards issued but not effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below:

i) **Ind AS 101 – First time adoption of Ind AS**

The Company does not expect the amendment to have any significant impact in its financial statements.

ii) **Ind AS 103 – Reference to Conceptual Framework**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

iii) **Ind AS 109 – Annual Improvements to Ind AS (2021)**

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

iv) **Ind AS 16 – Proceeds before intended use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

v) **Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract**

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

vi) **Ind AS 41 – Agriculture**

The Company does not expect the amendment to have any significant impact in its financial statements.

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Notes to the financial statements for the year ended March 31, 2022

2 Property, plant and equipment

Rupees in Thousands

Particulars	Building	Furniture & Fixture	Office Equipment	Computers & Peripherals	Electrical Equipment	Total
Gross block						
As at March 31, 2020	**12,647.84**	-	-	**1,904.65**	-	14,552.49
Additions	-	-	-	-	-	-
Disposals	-	-	-	(1,904.65)	-	(1,904.65)
As at March 31, 2021	**12,647.84**	-	-	-	-	**12,647.84**
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
As at March 31, 2022	**12,647.84**	-	-	-	-	**12,647.84**
Accumulated Depreciation						
As at March 31, 2020	**1,060.08**	-	-	**1,797.74**	-	2,857.82
Charge for the year	265.02	-	-	-	-	265.02
Disposals	-	-	-	(1,797.74)	-	(1,797.74)
As at March 31, 2021	**1,325.10**	-	-	-	-	**1,325.10**
Charge for the year	265.02					265.02
Disposals						-
As at March 31, 2022	**1,590.12**	-	-	-	-	**1,590.12**
Net block						
As at March 31, 2021	11,322.74	-	-	-	-	**11,322.74**
As at March 31, 2022	11,057.72	-	-	-	-	**11,057.72**

Notes

a) Deemed Cost: The Company for the Financial Year 2016-17, had adopted Indian Accounting Standards ('Ind AS') under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. The Company has elected to use its previous GAAP carrying value as at April 01, 2016 being the opening balance sheet date for the purpose of first time adoption of Indian Accounting Standards as per Para D7AA of Ind AS 101, 'First-time Adoption of Indian Accounting Standards'. Accordingly the value of gross block disclosed above includes carrying value of assets at the transition date (i.e., April 01, 2016) which is considered as deemed cost.

b) Assets are owned and are used for own use, unless otherwise mentioned.

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Notes to the financial statements for the year ended March 31, 2022

3 Intangible assets

Rupees in Thousands

Particulars	Computer Software	Total
Gross block		
As at March 31, 2020	**30.01**	**30.01**
Additions	-	-
Disposals	(30.01)	(30.01)
As at March 31, 2021	-	-
Additions	-	-
Disposals	-	-
As at March 31, 2022	-	-
Accumulated Depreciation		
As at March 31, 2020	**10.09**	**10.09**
Charge for the year	17.03	17.03
Disposals	(27.12)	(27.12)
As at March 31, 2021	-	-
Charge for the year	-	-
Disposals	-	-
As at March 31, 2022	-	-
Net block		
As at March 31, 2021	-	-
As at March 31, 2022	-	-

Notes

a) The Company has elected to continue with the carrying value of Intangible Assets as at the date of transition in its first Ind AS Financial Statements after making necessary adjustments as per Ind AS 101, "First Time Adoption of Indian Accounting Standards" as there is no change in the functional currency on the date of transition.

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4 Investments

Rupees in Thousands

Particulars	March 31, 2022	March 31, 2021
Non-current investments		
Unquoted *		
Investments carried at Fair Value through Profit or Loss:		
Equity Instrument		
BgSE Properties and Securities Limited *[4,650 [Mar 31, 2021: 4,650] fully paid Equity Share of Rs.1/- each]*	4.65	4.65
BGSE Financials Limited *[20,000 [Mar 31, 2021 : 20,000] Fully Paid Shares of Rs.10/- each]*	200.00	200.00
Unquoted		
Investments carried at Amortized cost:		
Investment in Government Securities:		
7.17% Government of India - Central Government Loan *[200 [Mar 31, 2021 : 200] of face value Rs.100/- each with Date of redemption on January 8, 2028]*	19.31	19.18
7.37% Government of India - Central Government Loan *[200 [Mar 31, 2021 : 200] of face value Rs.100/- each with Date of redemption on April 15, 2023]*	20.36	20.08
	244.32	**243.91**
Less: Provision for diminution in value of investments		
BGSE Financials Limited	180.00	-
Total (A)	**64.32**	**243.91**

* The management estimates that the carrying value of investment in body corporates approximate to its fair value in the absence of published financial information of those body corporates.

Rupees in Thousands

Particulars	March 31, 2022	March 31, 2021
Current Investments :		
Unquoted		
Investments carried at fair value through profit or loss		
ICICI Prudential Liquid Plan-Direct-Growth *[24220.194 Units (March 31, 2021: 0) NAV of Rs.114.6078 each]*	2,775.82	-
Total (B)	**2,775.82**	-
Break up of financial Investments		
Investments carried at		
Cost	-	-
Amortised cost	39.67	39.26
Fair value through profit or loss	2,800.47	204.65
Total	**2,840.14**	**243.91**
Aggregate amount of quoted investments		
Aggregate amount of unquoted investments	244.32	243.91
Aggregate net asset value of mutual funds	-	-
Aggregate amount of impairment in value of investments	(180.00)	-

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5 Loans

Particulars	March 31, 2022	March 31, 2021
	Rupees in Thousands	
Current		
(Un-secured, considered good)		
Inter corporate deposit (Refer Note a below)	30,000.00	30,000.00
Total	**30,000.00**	**30,000.00**

Note a) : The Company during the year has renewed an intercorporate deposit with a body corporate having director in common amounting to Rs. 3,00,00,000 which is repayable on August 30, 2022 or completion of raising of private equity fund by the Body corporate which ever is earlier. The said deposit carries interest rate one year FD rate of Yes bank which is 6% per annum till August 24, 2021 and 7% per annum subsequently and is payable on quarterly basis.

6 Other financial assets

Particulars	March 31, 2022	March 31, 2021
	Rupees in Thousands	
Non-current balance		
Unsecured, considered good		
Carried at amortised cost		
Deposits and margins with stock exchanges and clearing member	8,258.95	9,572.05
Fixed deposit with bank *	1,925.00	-
Total	**10,183.95**	**9,572.05**
Current balance		
Unsecured, considered good		
Interest accrued on deposits	50.27	485.33
Total	**50.27**	**485.33**

* Lien with Stock Exchanges

7 Other assets

Particulars	March 31, 2022	March 31, 2021
	Rupees in Thousands	
Current balance		
Unsecured, considered good		
Advances recoverable in cash or kind		
Goods & Services Tax Input Credit entitlement	302.08	171.58
Others		
LIC Group Gratuity Fund (net)	62.54	33.06
Total	**364.62**	**204.64**
Total Other assets	**364.62**	**204.64**

a) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other Nil (March 31, 2019 : Rs. 0.00 Thousands). There are no trade or other receivables due from firms or private companies in w partner, a director or a member.

b) There are no trade receivables which are credit impaired or which have a significant increase in credit risk based on the infor the Company.

c) The fair value of receivables are not materially different from the carrying value presented.

8 Cash and cash equivalents

Particulars	March 31, 2022	March 31, 2021
	Rupees in Thousands	
Cash on hand	-	9.92
Balances with banks:		
Current accounts	514.08	3,765.69
Total	**514.08**	**3,775.61**

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9 Other bank balances

Rupees in Thousands

Particulars	March 31, 2022	March 31, 2021
Balances with banks		
in Fixed deposits *	2,900.00	4,500.00
Total	**2,900.00**	**4,500.00**

* Fixed deposit as at March 31, 2022 includes deposit of Rs. 29,00,000 which has been given as security to Stock exchanges.

10 Equity Share Capital

Rupees in Thousands

Particulars	March 31, 2022	March 31, 2021
Authorised Capital		
10,000,000 [March 31, 2021: 10,000,000] equity shares of Rs. 10/- each.	1,00,000.00	1,00,000.00
	1,00,000.00	**1,00,000.00**
Issued, Subscribed and Paid-Up Capital		
3,558,332 [March 31, 2021: 3,558,332] Equity Shares fully paid up of Rs. 10/- each.	35,583.32	35,583.32
Total	**35,583.32**	**35,583.32**

a) Reconciliation of the number of equity shares outstanding and amount of share capital:

Particulars	No of shares	Rupees in Thousands
March 31, 2021		
Balance at the beginning of the year	35,58,332	35,583.32
Shares issued during the year	-	-
Balance at the end of the year	35,58,332	35,583.32
March 31, 2022		
Balance at the beginning of the year	35,58,332	35,583.32
Shares issued during the year	-	-
Balance at the end of the year	35,58,332	35,583.32

b) Rights, preferences and restrictions attached to shares:

The Company has one class of share referred to as equity shares having par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Restrictions on the distribution of dividends:

The Company declares and pays dividend in the event of profits. The dividend is proposed by board of directors and is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

d) Shares held by holding /ultimate holding company and/or their subsidiaries/associates.

Out of Equity shares issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

Particulars	No of shares held	Rupees in Thousands
Equity shares at par value of Rs.10 each held by Holding Company		
March 31, 2021		
Manipal Education and Medical Group India Private Limited (formerly Manipal Integrated Services Private Limited)	25,50,966	25,509.66
March 31, 2022		
Manipal Education and Medical Group India Private Limited (formerly Manipal Integrated Services Private Limited)	25,50,966	25,509.66

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e) Shares in the Company held by each shareholder holding more than 5 percent shares specifying the number of shares held:

Name of the shareholder	No of Shares held	% of Holding
March 31, 2021		
Manipal Education and Medical Group India Private Limited (formerly Manipal Integrated Services Private Limited)	25,50,966	0.72
Investor Education And Protection Fund Authority (IEPF) - Ministry Of Corporate Affairs	1,82,869	0.05
March 31, 2022		
Manipal Education and Medical Group India Private Limited (formerly Manipal Integrated Services Private Limited)	25,50,966	0.72
Investor Education And Protection Fund Authority (IEPF) - Ministry Of Corporate Affairs	1,82,869	0.05

f) Shares in the Company held by promoters at the end of the year

Name of the Shareholder	No of Shares	% of Holding	% of change during the year
March 31, 2021			
Manipal Education and Medical Group India Private Limited (formerly Manipal Integrated Services Private Limited)	25,50,966	72%	Nil
D Sreepathi	200	0%	Nil
March 31, 2022			
Manipal Education and Medical Group India Private	25,50,966	72%	Nil

11 Other equity

Rupees in Thousands

Particulars	March 31, 2022	March 31, 2021
a) General Reserve		
Balance at the beginning of the year	10,042.53	10,042.53
Adjustments for the year	-	-
Balance at the end of the year	10,042.53	10,042.53
b) Securities Premium		
Balance at the beginning of the year	21,579.91	21,579.91
Adjustments for the year	-	-
Balance at the end of the year	21,579.91	21,579.91
c) Retained earnings [Refer Note (i) below]		
Balance at the beginning of the year	(8,029.67)	(6,793.74)
Profit / (Loss) for the year	(1,898.93)	(1,220.80)
Remeasurements gains/(loss) on defined benefit plans, net of tax effect	26.01	(15.13)
Balance at the end of the year	**(9,902.59)**	**(8,029.67)**
Total	**21,719.85**	**23,592.77**

Note: Capital reserve of Rs. 1,14,030/- has been transferred to retained earnings on April 1, 2016, the date of transition to Ind AS.

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12 Trade payables

Rupees in Thousands

Particulars	March 31, 2022	March 31, 2021
Current balance		
due to micro and small enterprises [refer note no. (b) below]	-	-
due to others		
Others	21.85	44.10
Total	**21.85**	**44.10**
Total	**21.85**	**44.10**

Notes:

a) The fair value of trade and other payables is not materially different from the carrying value presented.

b) There are no Micro, Small and Medium Enterprises to which the company owes dues or with which the company had transactions during the period, based on the information available with the company.

c) Trade payable ageing analysis:

Trade payable ageing as at 31.03.2022

Particulars	Amount not due	Outstanding for following period from the due date of payment				Total
		< 1 year	1-2 years	2-3 years	> 3 years	
Dues of MSME Creditor	-					-
Dues of Creditor other than MSME Creditor	21.85					21.85
Disputed dues of MSME Creditor	-	-	-	-	-	-
Disputed dues of MSME Creditor	-	-	-	-	-	-

Trade payable ageing as at 31.03.2021

Particulars	Amount not due	Outstanding for following period from the due date of payment				Total
		< 1 year	1-2 years	2-3 years	> 3 years	
Dues of MSME Creditor	-	-	-	-	-	-
Dues of Creditor other than MSME Creditor	44.10	-	-	-	-	44.10
Disputed dues of MSME Creditor	-	-	-	-	-	-
Disputed dues of MSME Creditor	-	-	-	-	-	-

13 Other financial liabilities

Rupees in Thousands

Particulars	March 31, 2022	March 31, 2021
Current balance		
Salaries, Bonus and other Payables to Employees	17.70	-
Other payables	50.47	91.29
Total	**68.17**	**91.29**
Total	**68.17**	**91.29**

Notes:

a) The fair value of Other Non-current / current Financial Liabilities is not materially different from the carrying value presented.

b) There is no amount due and outstanding to be credited to Investor Education and Protection Fund.

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14 Other liabilities

Rupees in Thousands

Particulars	March 31, 2022	March 31, 2021
Current balance		
Others		
Statutory dues	32.74	155.04
Total	**32.74**	**155.04**

15 Provisions

Rupees in Thousands

Particulars	March 31, 2022	March 31, 2021
Current balance		
Provision for employee benefits		
Provision for compensated absences	35.40	17.70
Provision for other employee benefits	19.49	-
Total	**54.89**	**17.70**

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16 **Income Tax**

The major components of income tax expense for the years ended March 31, 2022 and March 31, 2021 are:

16.01 **Income tax expense in the statement of profit and loss comprises:**

Rupees in Thousands

Particulars	March 31, 2022	March 31, 2021
Profit or loss section		
Current tax	-	-
Deferred tax expense (credit)	21.99	183.57
Tax expense / (credit) to Statement of Profit and Loss	**21.99**	**183.57**
Other comprehensive income section (OCI)		
Deferred tax related to items recognised in OCI during in the year:		
Re-measurement gains (losses) on defined benefit plans	8.75	(5.09)
Tax expense / (credit) to Other Comprehensive Income	8.75	(5.09)
Tax expense / (credit) to Total Comprehensive Income	**30.74**	**178.48**

16.02 **Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2022 and March 31, 2021:**

Rupees in Thousands

Particulars	March 31, 2022	March 31, 2021
Profit / (loss) before tax	(1,876.94)	(1,037.23)
Applicable tax rate	25.17%	25.17%
Tax effect of income / (loss)	(472.39)	(261.05)
Adjustments:		
Tax effect on non-taxable income (net)	-	(0.23)
Tax effect on non-deductible expenses (net)	45.30	3.65
Tax effect on set off of carry forward losses	449.37	441.20
	22.28	183.57
Recognition of deferred tax asset to the extent of deferred tax liability recognised directly under equity	-	-
Tax expense / (credit) to Statement of Profit and Loss	**22.28**	**183.57**
Tax expense / (credit) to Other Comprehensive Income	8.75	(5.09)
Tax expense / (credit) to Total Comprehensive Income	**31.03**	**178.48**

16.03 **Non-current tax assets (net)**

Rupees in Thousands

Particulars	March 31, 2022	March 31, 2021
Opening Balance	162.22	1,275.15
Less: Current tax payable (including interest)	-	-
Less: Refund received during the year	(0.01)	(1,112.93)
Add: TDS Receivable FY 2021-22	220.85	-
Closing balance of Non-current tax assets (net)	**383.06**	**162.22**
	-	-
Breakup of Non-current tax assets and Provision for Income tax:		
Non-Current tax Assets	383.06	162.22
Provision for Income tax	-	-
Total	**383.06**	**162.22**

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16.04 A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

Rupees in Thousands

Particulars	For the year 2021-22	For the year 2020-21	As at March 31, 2022	As at March 31, 2021
Deferred tax assets				
Provision for employee benefits	8.90	(35.35)	13.36	4.46
Deductible expenses	-	-	-	-
Unused depreciation	30.03	(178.66)	1,514.92	1,484.89
Unused business losses	-	-		-
(a)	**38.93**	**(214.01)**	**1,528.28**	**1,489.35**
Deferred tax liabilities				
Accelerated depreciation for tax purpose	62.25	(26.99)	2,325.56	2,263.31
Fair value of Investments	-	2.49	-	-
Group gratuity fund (net of provision)	7.42	(11.03)	15.74	8.32
(b)	**69.67**	**(35.53)**	**2,341.30**	**2,271.63**
Deferred tax liability (net) [b-a]	**30.74**	**178.48**	**813.02**	**782.28**

Note: The Company has not recognised deferred tax assets amounting to rs. 2,888.09 thousands (March 31, 2021: Rs. 2527.14 Thousands) in respect of unused business loss in view of prudence.

16.05 The unused business loss is allowable in future period against taxable profit as follows:

Rupees in Thousands

Unused losses available	March 31, 2022	March 31, 2021
Upto financial year 2021-22 (AY 2022-23)	11,475.24	10,041.08
Total	**11,475.24**	**10,041.08**

16.06 Reconciliations of deferred tax liabilities /(assets)

Rupees in Thousands

Particulars	March 31, 2022	March 31, 2021
Opening balance	782.28	603.80
Tax income/(expense) during the period recognised in profit or loss	30.74	178.48
Effect of tax rate changes recognised in profit or loss	(8.75)	5.09
Tax income/(expense) during the period recognised in OCI	-	-
Effect of tax rate changes recognised in OCI	8.75	(5.09)
Amount recognised directly in retained earning	-	-
Closing balance	**813.02**	**782.28**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

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17 Other Operating Revenue

Rupees in Thousands

Particulars	2021-22	2020-21
Interest received from fixed deposit & Bonds	252.97	1,138.10
Dividend income	12.81	0.93
Total	**265.78**	**1,139.03**

18 Other Income

Rupees in Thousands

Particulars	2021-22	2020-21
Interest on Income Tax refund	-	558.83
Interest from Inter Corporate loan	1,945.48	798.90
Capital Gains on Mutual Funds	34.95	-
Net gain on fair valuation of Investments	42.92	0.37
Miscellaneous Income	30.70	22.43
Total	**2,054.05**	**1,380.53**

19 Employee benefits expense

Rupees in Thousands

Particulars	2021-22	2020-21
Salaries and allowances	476.34	480.46
Contribution to provident and other funds	62.66	50.60
Gratuity	5.70	7.14
Leave encashment	17.70	17.70
Staff welfare expenses	30.99	11.88
Total	**593.39**	**567.78**

20 Depreciation and amortisation expense

Rupees in Thousands

Particulars	2021-22	2020-21
Depreciation on property, plant and equipment	265.02	265.02
Depreciation on intangible assets	-	17.03
Total	**265.02**	**282.05**

21 Other Expenses

Rupees in Thousands

Particulars	2021-22	2020-21
Rates and taxes	9.29	24.52
Property Tax	115.89	114.07
Professional and consultancy charges	783.90	352.10
Annual subscription charges	4.50	-
Travelling and conveyance	10.07	95.51
Printing and stationery	4.33	54.28
Communication expenses	53.74	56.07
Insurance	40.63	42.51
Electricity and water charges	63.72	69.72
Auditors' Remuneration:		
Statutory Audit fees	50.00	80.00
Office maintenance	234.66	321.08
Provision towards impairment of investment	180.00	-
Repairs and maintenance - Building	-	1,281.21
Repairs and maintenance - others	-	15.01
Business promotion	-	7.94
Loss on assets discarded	-	109.80
Balances / investment written off	-	314.54
Less: Excess provision written back	-	(300.00)
Bank guarantee commission and other bank charges	0.86	0.05
Miscellaneous expenses	-	0.71
Total	**1,551.59**	**2,639.12**

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22 **Discontinued Operations**

The company's business includes Stock broking through Stock Exchange memberships, Debt market, Mutual fund mobilisation and other related activities for its broking clients. In the year 2020-21 , the Company with share holders approval has decided to go for suspension of Equity & Derivatives Broking business and has communicated to stock exchanges regarding its intention of surrender of membership. Equity/Derivatives client business was not undertaken on stock exchanges subsequent to its intimation to Stock exchanges. The process of closure of stock exchange membership and recovery of the receivable has been initiated and accordingly the Company has disclosed the same as discontinued operations in terms of Ind AS 105:

Profit / (Loss) from discontinued operations

Rupees in Thousands

Particulars	**March 31, 2022**	**March 31, 2021**
Revenue from Operation		
Brokerage income from		
Mutual fund and others	64.15	376.00
	64.15	**376.00**
Other Operating Revenue		
Profit on trading in securities	-	1,824.04
	-	**1,824.04**
Other Income		
Provision no longer required written back	-	971.46
	-	**971.46**
TOTAL INCOME	**64.15**	**3,171.50**
EXPENSES		
Employee benefit expenses	1,404.48	2,614.44
Finance costs	-	3.23
Other expenses	446.44	621.67
Total Expenses	**1,850.92**	**3,239.34**
Profit/(loss) from discontinued operations before tax expenses	**(1,786.77)**	(67.84)

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23 Financial Instruments

23.01 Financial instruments by category

Financial instruments comprise financial assets and financial liabilities.

The carrying value and fair value of financial instruments by categories were as follows

Rupees in Thousands

Particulars	March 31, 2022	March 31, 2021
Financial assets carried at cost	-	-
Financial assets carried at amortised cost		
Investments in Government bonds	39.67	39.26
Trade Receivables	-	-
Cash and Cash equivalents	514.08	3,775.61
Bank balances other than above	2,900.00	4,500.00
Loans	-	-
Inter Corporate Deposit	30,000.00	30,000.00
Other financial assets	10,234.22	10,057.38
Financial assets carried at fair value through profit or loss		
Investments in mutual funds	2,775.82	-
Investments in money market instruments	-	-
Investments in fixed interest bonds	-	-
Investment in equity instruments of Body Corporate	24.65	204.65
Total	**46,488.44**	**48,576.90**
Financial liabilities carried at amortised cost		
Borrowings	-	-
Trade payables	21.85	44.10
Other financial liabilities	68.17	91.29
Total	**90.02**	**135.39**

23.02 Fair value hierarchy

The Company held the following assets and liabilities measured at fair value. The Company uses the following hierarchy for determining and disclosing the fair value of assets and liabilities by valuation technique

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3: valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis;

Rupees in Thousands

Particulars	Level	March 31, 2022	March 31, 2021
Assets measured at fair value through profit or loss:			
Investments in mutual funds	Level 1	2,775.82	-
Investments in Government bonds and money market and fixed interest bonds	Level 1	39.67	39.26
Investment in equity instruments of Body Corporate	Level 2	24.65	204.65
Liabilities measured at fair value through profit or loss:		-	-

During the year ended March 31, 2022 and March 31, 2021 there were no transfers between Level 1 and Level 2 fair value measurements.

Fair value of investment in equity instruments of body corporate is determined at cost net of loss allowances in the absence of marketable value.

The Board of Directors considers the fair value of all financial assets and liabilities to approximate their carrying value at the balance sheet date.

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24 Financial risk management

Financial Risk Factors

The Company's principal financial liabilities, borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. Company's senior management ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

24.01 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency risk, interest rate risk and price risk, such as equity price risk. Financial instruments affected by market risk include investments, loans and borrowings and deposits.

Price risk : The Company's exposure to securities price risk arises from investments held in mutual funds and classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from such investments, the Company diversifies its portfolio. Debt based securities are exposed to price risk which are inherently linked to interest rate risk. Quotes (NAV) of these investments are available from the mutual fund houses. The Company is not subject to Market risk as the company does not hold Mutual Fund Investments as on balance sheet date.

Profit for the year would increase/decrease as a result of gains/losses on these securities classified as at fair value through profit or loss.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations, provisions.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is not subject to foreign currency risk as the Company does not hold foreign currency exposure as on balance sheet date.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's investment in mutual fund with floating interest rates. The Company is not subject to any other interest rate risk as the Company does not hold borrowings as on balance sheet date.

24.02 Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

No credit limits were exceeded during the reporting period and management does not expect any losses from non-performance by these counterparties.

The maximum exposure of financial assets subject to credit risk was equal to the respective carrying amounts on the balance sheet date. None of the financial assets subject to credit risk were either past due or impaired.

Aging analysis of the trade receivables has been considered from the date it is due **Rupees in Thousands**

Particulars	**March 31, 2022**	**March 31, 2021**
Upto 3 months	-	-
3 to 6 months	-	-
More than 6 months	-	-
Total	-	-

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Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and institutions.

The carrying values of the financial assets approximate its fair values. The above financial assets are not impaired as at the reporting date. Other financial assets are neither past due nor impaired at reporting date. The cash and cash equivalents are maintained with reputed banks and advances and deposits are with group companies and stock exchanges . Hence the Company believes no impairment is necessary in respect of the above financial instruments.

24.03 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Company's treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity reserve (comprises cash and cash equivalents) on the basis of expected cash flow. This is generally carried out at by the Company in accordance with practice and limits set by the Company.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they become due without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the contractual maturities of non-derivative financial liabilities, including the estimated interest payment.

Non-derivative financial liabilities

Rupees in Thousands

Particulars	Gross Amount	Repayable on demand	Due within 1 year	Due between 1 to 5 years
As at March 31, 2022				
Trade payables	21.85	-	21.85	-
Other financial liabilities	68.17	-	68.17	-
Total	**90.02**	-	**90.02**	-
As at March 31, 2021				
Borrowings	-	-	-	-
Trade payables	44.10	-	44.10	-
Other financial liabilities	91.29	-	91.29	-
Total	**135.39**	-	**135.39**	-

24.04 Capital management

The Company's capital structure is regularly reviewed and managed with due regard to the capital management practices of the Group to which the company belongs. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Company or the Group. The results of the Directors' review of the company's capital structure are used as a basis for the determination of the level of dividends, if any, that are declared.

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders. The capital of the Company consist of equity capital and accumulated profits. The requirement of monitoring capital gearing ratio does not arise in the absence of long term borrowings.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

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25 Calculation of Earnings per share

Sl.	Particulars	March 31, 2022	March 31, 2021
a.	Nominal value of Equity shares (in Rupees per share)	10	10
b.	Weighted average number of Equity shares at the year end (in Nos.)	35,58,332	35,58,332
c.	Profit/(Loss) from continuing operation	(90.17)	(969.39)
d.	Profit/(Loss) from discontinued operation	(1,808.76)	(251.41)
e.	Basic/Diluted Earning per share for continuing operations and discontinued operations of Rs 10/- each (in Rs.) [(c+d)/(b)]	(0.53)	(0.34)
f.	Basic/Diluted Earning per share for continuing operations of Rs 10/- each (in Rs.) [(c)/(b)]	(0.03)	(0.27)
g.	Basic/Diluted Earning per share for discontinued operations of Rs 10/- each (in Rs.) [(d)/(b)]	(0.51)	(0.07)

26 Effective April 1, 2018, the Company has adopted Ind AS 115 “Revenue from Contracts with Customers” using the cumulative catch-up transition method, applied to the contracts that were not completed as of April 01, 2018. In accordance with the cumulative catch up transition method, the comparatives have not been retrospectively adjusted and continues to be reported as per Ind AS 18 “Revenue”.

Revenue is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the products or services and excludes amounts collected on behalf of third parties. Revenue is recognized upon transfer of control of promised products or services to customers. To recognize revenues, the Company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied.

The revenue is recognised when (or as) the performance obligation is satisfied, which typically occurs when (or as) control over the products or services is transferred to a customer.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

Revenue is measured at the fair value of consideration received or receivable, net of applicable taxes. Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity.

Brokerage (net of Goods and Services tax) from stock broking is accounted on confirmation of trades up to the last trading date of the year. The Company in the previous year has discontinued its trading operations on the securities and stock broking. Revenue from services and other income are recognised on accrual basis. Brokerage Income and Profit from Trading in Securities is recognised on actual basis.

Revenue from operations for the year ended March 31, 2022 and March 31, 2021 are as follows:

Rupees in Thousands

Particulars	March 31, 2022	March 31, 2021
Mutual fund and others	64.15	376.00
Profit from trading in securities	-	1,824

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Disaggregate revenue information:
The Company has presented disaggregated revenue from contracts with customers for the year ended March 31, 2022 by contract-type and is of the opinion that, this disaggregation best depicts the nature, amount, timing of revenues and cash flows that are affected by the industry markets and other economic factors:

Rupees in Thousands

Particulars	March 31, 2022	March 31, 2021
Revenue by contract-type		
Mutual Fund Brokerage income		
Mutual fund and others	64.15	376.00
Profit from trading in securities	-	1,824

The Company has not identified any disaggregated revenues based on offerings.

27 Contingent Liabilities:

Particulars	March 31, 2022	March 31, 2021
Contingent liabilities - Refer Note No. (i) below	-	-

i) The Supreme Court (SC) had passed an order dated February 28, 2019 stating that for the purpose of contribution to be made under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 ('EPF Act'), the definition of basic wages includes all emoluments paid in cash to the employees in accordance with the terms of their contract of employment. In view of the same, the Company is liable to make further contribution towards Provident Fund ('PF') on the entire salary paid by it to its employees other than certain emoluments based on performance and variable. However there is no clarity on effective date from when the liability is required to be paid by the Company. As a matter of caution, the Company has accounted and paid the PF liability in terms of the SC order on a prospective basis from the date of the SC order i.e., April 1, 2019 onwards. The Company further will account and pay the differential PF liability if any, on receiving further clarity on the subject from the Provident Fund Authorities and the impact if any which in view of the Company is not expected to be material.

28 The Management of the Company is of the opinion that no provision is required to be made in its books of account other than those already provided if any, with respect to any material foreseeable losses under the applicable laws, accounting standards or long term contracts including derivative contracts, if any.

29 Employee Benefits:

a) Defined Contribution Plans :

The Company's contribution to Provident and Pension Fund and Superannuation Fund charged to Statement of Profit and Loss are as follows :

Rupees in Thousands

Particulars	March 31, 2022	March 31, 2021
Provident and pension fund	30.39	84.30

b) Gratuity

The following tables set out the funded status of the gratuity plans and the amounts recognised in the Company's financial statements as at March 31, 2022 and March 31, 2021:

Rupees in Thousands

Particulars	March 31, 2022	March 31, 2021
i) Change in defined benefit obligation		
Defined benefit at the beginning	772.96	678.31
Current Service Cost	7.94	28.78
Interest expenses	31.41	45.65
Re-measurement - Actuarial loss / (gain)	(34.76)	20.22
Benefits paid	(612.62)	-
Defined benefit at the end	**164.93**	**772.96**
Current obligation	-	-
Non-current obligation	*164.93*	*772.96*

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Particulars	March 31, 2022	March 31, 2021
	Rupees in Thousands	
ii) Change in fair value of plan assets:		
Fair value of Plan Assets at the beginning	806.02	755.19
Expected return on plan assets	33.65	50.83
Contributions by employer	0.43	-
Benefits paid	(612.62)	-
Fair value of plan assets at the end	**227.48**	**806.02**
iii) Amount Recognized in the Balance Sheet		
Present Value of Obligation as at year end	164.93	772.96
Fair Value of plan assets at year end	227.48	806.02
Net (asset) / liability recognised	**(62.55)**	**(33.06)**
iv) Amount recognized in the Statement of Profit and Loss under employee benefit expenses.		
Current Service Cost	7.94	28.78
Net interest on net defined benefit liability / (asset)	(2.24)	(5.18)
Total expense	**5.70**	**23.60**
v) Recognised in other comprehensive income for the year		
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumption	(4.30)	(3.37)
Actuarial changes arising from changes in experience adjustments	(30.46)	23.59
Return on plan assets excluding interest income	-	-
Recognised in other comprehensive income	**(34.76)**	**20.22**
vi) Expected benefit payments for the year ending		
Year I	9.81	621.82
Year II	9.92	9.30
Year III	10.03	9.40
Year IV	10.15	9.51
Year V	10.27	9.62
Next 5 year pay-out(6 to 10 years)	53.19	113.32
vii) Quantitative sensitivity analysis for significant assumptions is as below:		
Increase / decrease on present value of defined benefit obligation as at year end		
(i) one percentage point increase in discount rate	(12.62)	(13.08)
(ii) one percentage point decrease in discount rate	14.04	14.66
(iii) one percentage point increase in salary escalation rate	13.66	14.20
(iv) one percentage point decrease in salary escalation rate	(12.47)	(12.87)
(v) one percentage point increase in employee turnover rate	0.22	(0.01)
(vi) one percentage point decrease in employee turnover rate	(0.20)	0.05
(vii) ten percentage increase in mortality rate	-	(0.01)

Sensitivity Analysis Method

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by percentage, keeping all the other actuarial assumptions constant. As some of the assumptions may be correlated, it is unlikely that changes in assumptions will occur in isolation of one another.

Particulars	March 31, 2022	March 31, 2021
viii) The major category of plan assets as a percentage of the fair value of total plan assets are as follows:		
Investment with Insurer managed funds	100%	100%

ix) The Company expects to contribute Rs. 1,194 to the gratuity fund during FY 2022-23.

Particulars	March 31, 2022	March 31, 2021
x) Actuarial Assumptions		
Discount rate (p.a.)	7.15%	6.73%
Salary escalation	6.00%	6.00%
Weighted average duration of defined benefit obligation		5.41 Years
Rate of employee turnover	5.00%	5.00%
Retirement age	60 years	60 years
Mortality rate during employment	Indian Assured Lives Mortality (2012-14) ultimate	

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Notes to the financial statements for the year ended March 31, 2022

Notes:

i) The Company's liability towards gratuity to employees is covered by a group policy with LIC of India and contributions are charged to statement of profit and loss.

ii) Based on the above allocation and the prevailing yields on these assets, the long term estimate of the expected rate of return on fund assets has been arrived at. Assumed rate of return on assets is expected to vary from year to year reflecting the returns on matching Government Bonds.

c. Leave Encashment

Liability towards Leave Encashment based on management's estimate amounts to Rs. 35.40 Thousands as at March 31, 2022 [March 31, 2021: Rs. 17.70 Thousands].

30 Details of loans given covered under Section 186 (4) of the Companies Act

Loans given are disclosed under respective heads.

Rupees in Thousands

Sl No	Particulars	March 31, 2022	March 31, 2021
1	MEMG Family Office LLP	30,000.00	30,000.00
	Maximum balance of the above during the year	30,000.00	30,000.00

The above inter corporate deposit has been given for business purpose.

31 List of Related Parties with whom transactions have taken place during the year:

Name of the Party (as identified by the Management) :

Holding Company	: Manipal Education and Medical Group India Private Limited (formerly Manipal Integrated Services Private Limited)
Key Management Personnel (KMP)	: D Sreepathi - Director

Details of the transactions *:

Rupees in Thousands

Sl.	Particulars	March 31, 2022	March 31, 2021
a.	*Equity Shares held by*		
	Manipal Education and Medical Group India Private Limited (formerly Manipal Integrated Services Private Limited)	25,509.66	25,509.66
	Sri. D Sreepathi	2.00	2.00
b.	*Remuneration to KMP*		
	D Sreepathi	1,959.39	2,822.04
c.	*Professional charges to*		
	D Sreepathi	550.00	-

* - Transactions in the nature of reimbursement of expenses incurred by Company on behalf of the other have not been considered above.

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32 The Company has discontinued the operation related to equity and security broking business and filed the application for surrendering the membership with Stock exchanges. As on date the Company's net-worth is positive and has deposits with bank and advanced short term loans to related party which are yielding interest. The Company is also exploring the new business plans including leasing out the building. In view of the above and for the reason stated above, the accounts are prepared on the going concern basis.

33 Unhedged foreign currency exposure as on balance sheet date is Rs. Nil (March 31, 2021 : Rs. Nil).

34 The Company's principal business of Stock Broking is governed by the same set of risk and returns and have been grouped as a single business segment. The income from financial assets are not a separate business and forms part of deployment of surplus funds of the Stock Broking business. Accordingly separate primary and secondary segment reporting disclosures as envisaged in Indian Accounting Standard (Ind AS) - 108 on Operating Segments are not applicable to the present activities of the company.

35 Other Statutory Information

i) There are no balance outstanding on account of any transaction with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

ii) The Company does not have any Capital work in progress or intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan.

iii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entity (intermediaries) with the understanding that intermediary shall:

(a) Directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) Provide any guarantee ,security or the like to or on behalf of the Ultimate Beneficiaries.

iv) The Company have not received any fund from any person(s) or entity(ies), including foreign entity (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

(a) Directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) Provide any guarantee ,security or the like to or on behalf of the Ultimate Beneficiaries.

v) The Company does not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.

vi) The Company has neither transacted in Crypto or Virtual Currency during the year nor held any Crypto or Virtual Currency as at the Balance Sheet date.

36 Additional Regulatory Information

Ratios	Numerator	Denominator	March 31, 2022	March 31, 2021	Variance	Remarks
Current Ratio	Current Assets	Current Liabilities	206.05	126.46	63%	Increase in bank deposit during the year.
Debt-Equity Ratio	Debt including lease liabilities	Shareholder's Equity	-	-		
Debt Service Coverage Ratio	Earning before tax, depreciation and interest	Interest & Lease Payments + Principal Repayments	-	-		
Return on Equity	Net Profits after taxes	Average Shareholder's Equity	(0.03)	(0.02)	60%	Discontinuance of operation
Trade receivable Turnover ratio	Gross credit sales - sales return	Average Trade Receivable	-	83.46	-100%	Recovery of trade receivable
Trade payable turnover ratio	Gross credit purchases - purchase return	Average Trade Payables	51.29	2.31	2124%	Decrease in trade payable
Net capital turnover ratio	Total sales - sales return	Current assets – Current liabilities	0.00	0.01		
Net profit ratio	Net Profit	Total sales - sales return	(29.60)	(3.25)	812%	Loss due to the discontinued operation during the year

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MEMG Securities Limited

CIN : U65110KA1995PLC017907

Notes to the financial statements for the year ended March 31, 2022

Return on Capital Employed	Earnings before interest and taxes	Tangible Net Worth + Total Debt + Deferred Tax Liability	(0.03)	(0.02)	87% Loss due to the discontinued operation during the year

37 Figures of the previous year wherever necessary, have been regrouped and rearranged to confirm with those of the current year.

As per our report of even date

For Pathak H.D & Associates LLP
Chartered Accountants
Firm Registration No: 107783W/W100593

Rahul Jain
Partner
Membership No: 239295

Place : Bengaluru
Date: 04.07.2022

PATHAK H.D.& ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of MEMG Securities Limited

D Sreepathi
Director
DIN: 00958235

K R Muthukumar
Director
DIN: 0007595612

Place : Bengaluru
Date: 04.07.2022

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