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ANNUAL REPORT

AND ACCOUNTS

2018-2019

MEMG SECURITIES LIMITED

Regd. Office: N115, Manipal Centre, Dickenson Road, Bangalore-560042

CIN: U65110KA1995PLC017907

MEMG SECURITIES LIMITED

DIRECTORS	Mr. T. Satish U. Pai Dr. Ranjan Ramadas Pai Mr Rajen Krishnanand Padukone Mr. Rajesh Krishnaswamy Moorti Mr. K R Muthukumar
WHOLE-TIME DIRECTORS	Mr. D. Sreepathi Mr. G. S. Shridhar
BANKERS	Axis Bank Ltd. HDFC Bank Ltd. ICICI Bank Ltd. Syndicate Bank
AUDITORS	M/s Pathak H.D & Associates Chartered Accountants 814-815, Tulsiani Chambers, 212, Nariman Point, Mumbai – 400 021
REGISTERED AND CORPORATE OFFICE	N-115 North block 1st Floor Rear Wing, Manipal Centre 47 Dickenson Road Bangalore - 560 042
REGISTRARS AND SHARE TRANSFER AGENTS	Cameo Corporate Services Ltd Subramanian Building, No. 1 Club House Road Chennai – 600 002

DIRECTORS' REPORT

To,
The Shareholders

MEMG SECURITIES LIMITED

Your Directors have pleasure in presenting for your consideration and approval the Twenty Fourth Report of the Board with the Audited Financials of the Company for the year ended March 31, 2019.

FINANCIALS (Rs. in Lakhs)

	Year ended March, 2019	Year ended March, 2018
Total Income	172.04	174.95
Total Expenses	163.90	160.60
Profit Before Depreciation	8.14	14.35
Less: Depreciation	8.93	18.84
Profit /(loss) Before Tax	(0.79)	(4.49)
Less: Tax expenses / (Credit)	0.81	(2.52)
Net Loss for the year	(1.6)	(1.97)
Basic and Diluted	(0.05)	(0.06)

PERFORMANCE OF THE COMPANY DURING THE YEAR

During the year, the Company earned a gross income of Rs. 1,72,04,288/- as against Rs. 1,74,94,565/- in the previous year. The Income from operations comprised of brokerage income from domestic investors (including brokerage from Mutual Funds and other financial products distribution) of Rs. 98,25,950/- as against Rs. 1,25,64,850/- for previous year and the service charges received, is Rs. 5,14,227/- against Rs. 10,28,460/- for previous year.

The Company's only segment being stock broking comprises of two customers who have contributed more than 10% of the revenue during the year amounting to Rs. 18,69,808/- against Rs.14,96,627/- for previous year.

The Company has incurred a net loss of Rs. 1,60,507/- during the year as against a net loss of Rs. 1,97,458/-in the previous year.

The agency business for Fixed Deposits and other Debt products of various companies like HDFC Ltd., M&M Financial Services Ltd. and Bajaj Finance Ltd. along with distribution of mutual fund products is continued.

DIVIDEND

In view of the loss incurred during the financial year under review the Board of Directors of the Company do not recommend any dividend for the financial year ended 31st March, 2019.

Pursuant to the provisions of Section 125 of the Companies Act, 2013, the amounts of dividend remaining unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Accounts of the Company is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government and, thereafter, payments of unpaid/unclaimed dividend shall be made by the IEPF in respect of such amounts.The Company has already transferred all unclaimed dividends declared upto the financial year 2009-10 to the Investor Education and Protection Fund (the IEPF) established by the Central Government. The company has not declared any Dividend there after.

Pursuant to the provisions of Section 124 of the Companies Act, 2013 and read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company in the name of Investor Education and Protection Fund.
The Company has transferred 1,82,869 equity shares of Rs. 10/- each amounting to 5.14% of the total paid up equity share capital held by 233 shareholders to the Investor Education and Protection Fund on 27th July, 2018 and that any claimant of shares transferred shall be entitled to claim the transfer of shares from Investor Education and Protection Fund.

The procedure to claim the shares/ unclaimed dividend amount transferred to Investor Education and Protection Fund is provided in the Company's website - www.memgsecurities.com.

AMOUNTS IF ANY, THE BOARD PROPOSES TO CARRY TO ANY RESERVES

Due to loss incurred the Company has not transferred any amount to the General Reserve of the Company during the year.

STATE OF THE COMPANY'S AFFAIRS - FUTURE OUTLOOK

The prolonged Global Trade wars have created un certainity for businesses worldwide and most of the economies including US, in Europe , Asia pacific etc., including China are facing economic slow down and contraction in GDP growth rates. These factors along with the current domestic liquidity crunch prevailing for the past 10-12 months have severely impacted most of the Businesses and the sentiments in the Debt Capital Markets are also subdued towards private sector borrowers. The Capital Markets would be volatile and as such may not be favourable to trend traders. This will affect the trading volumes and as such earnings from brokerage on equities in the coming financial year as well.

Your Company will strive hard to offer various investment products and ways to improve/preserve the earnings efficiency and performance.

LISTING

Your Company continues to be an un-listed Company. The name of the Company has been removed from the Dissemination Board of BSE Limited (the Exchange) w.e.f. January 11, 2018.

The Company is registered with both NSDL & CDSL for holding the shares in dematerialized form.

PERFORMANCE AND FINANCIAL POSITION OF EACH OF ITS SUBSIDIARIES

As per section 129(3) of the Companies Act, 2013 read with Rule 5, Companies (Accounts) Rules, 2014, the provisions are not applicable and hence no disclosures have been made.

VIGIL MECHANISIM

As per section 177(10) of the Companies Act, 2013 the details of establishment of mechanism which will facilitate directors and employees to report genuine concerns is not applicable and hence no disclosures have been made.

PARTICULARS OR CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

Your Company has not entered into any contracts or arrangements with related parties during the year under review.

TECHNOLOGY ABSORPTION, ENERGY CONSERVATION AND FOREIGN EXCHANGE EARNING AND OUT GO

Foreign exchange:
Earnings: Nil
Outgo: Nil

Since the Company does not own any manufacturing facility, the other particulars pertaining to technology absorption, energy conservation are not applicable.

DIRECTORS

As a good governance practice disclosing the composition of the Board at the beginning of the financial year, appointments made during the year, resignation at the end of the financial year is made as below:

i) Appointments:

Mr. D. Sreepathi(DIN - 00958235) and Mr. G. S. Shridhar (DIN - 00106780), were re-appointed as Whole-time Directors of the Company for a period of 1year w.e.f. 1stNovember, 2018 on the existing terms and condition including remuneration and their re-appointment were confirmed by the shareholders in the 23rd Annual General Meeting of the Company held on 26th September, 2018.

ii) Retirement by Rotation :

Pursuant to the provisions of Section 152(6) and other applicable provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Rajen Krishnanand Padukone (DIN : 00262729) Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible offered himself for re-appointment.

None of the Directors of the Company are disqualified as per section 164(2) of the Companies Act, 2013.

The Directors have also made necessary disclosures to the extent as required under the provisions of Section 184(1) of the Companies Act, 2013, as applicable.

STATUTORY AUDITORS

M/s. Pathak H.D. & Associates, Chartered Accountants (Firm Registration No. 107783W) were appointed as the Statutory Auditors of the Company at the 23rd Annual General Meeting of the Company held on 26th September, 2018 for a period of 5 (five) years and would hold the office of Auditors till the conclusion of the Annual General meeting to be held for the financial year 2022-23.

AUDITORS' REPORT

There has been no qualification, reservation or adverse remark in the auditor's report during the period under review and the Auditors Report together with the notes to accounts, as append thereto are self-explanatory and does not call for any further explanation.

INTERNAL AUDIT & CONTROLS

The Company engages M/s. H S Udupa and Co. Chartered Accountants, Bangalore, (Firm Regn. No.004447S) as its Internal Auditors. During the year, the Company continued to implement their suggestions and recommendations to improve the control environment. Their scope of work includes review of business processes as prescribed by the exchanges and the regulators, for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed and acted upon and suitable corrective actions taken as per the directions of the Board on an ongoing basis to improve efficiency in operations.

THE DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company currently follows adequate internal control mechanisms.

HOLDING COMPANY

Manipal Education and Medical Group India Private Limited (formerly Manipal Integrated Service Private Limited) holds 25,50,966 Equity Shares of Rs. 10/- each aggregating to 71.69% of the paid-up capital of the Company and is therefore the Holding Company of the Company.

INDIAN ACCOUNTING STANDARDS

The Ministry of Corporate Affairs (MCA), vide its notification in the Official Gazette dated February 16, 2015 notified the Indian Accounting Standards (Ind AS) applicable to certain classes of companies. Ind AS has replaced the existing Indian GAAP prescribed under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014. IND AS is applicable to the Holding Company and as per Rule 4 of the Companies (Indian Accounting Standards) Rules 2015 the same is applicable to its Subsidiary, Joint venture or Associate Company also.
In view of this, the Company, being a subsidiary of Medical Group India Private Limited (formerly Manipal Integrated Service Private Limited), is also subject to IND – AS. Thus Ind AS is applicable to your Company w.e.f. 1st April, 2017 and the Accounts have been prepared accordingly.

DEPOSITS

Your Company has not accepted any deposits during the year in terms of the Act. No deposits remained unpaid or unclaimed as at the end of the year and there were no default in repayment of deposits or payment of interest thereon during the year.

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

There has been no significant material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

RISK MANAGEMENT POLICY

Section 177(4)(vii) requires every listed company and/or class of companies prescribed to have a risk management policy evaluated by their Audit Committee and reflect in their internal control mechanisms.

Since the Company does not fall under these criteria, this section is not applicable.

DISCLOSURES/ REQUIREMENTS MANDATED UNDER THE PREVENTION OF SEXUAL HARRASSEMENT ACT

Your Company is committed to provide and promote safe, healthy and congenial atmosphere irrespective of gender, caste, creed or social class of the employees.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SCETION 186

As per section 186 of the Companies Act, 2013 the Company has not granted nor obtained loans, guarantee or investments during the year under review.

SHARE CAPITAL OF THE COMPANY

The Authorised Share Capital of your Company as on 31 March, 2019 stands at Rs. 10,00,00,000/- divided into 1,00,00,000 equity shares of Rs.10/- each.
The issued, subscribed and paid-up share capital of your Company is Rs.3,55,83,320/- divided into 35,58,332 equity shares of Rs.10/- each.

During the year under review, the shareholders in the 23rd Annual General Meeting held on 26th September, 2018 had approved the private placement scheme for issue and allotment of 41,668 equity shares of Rs. 10/- each at a price of Rs. 14.70/- including a premium of Rs. 4.70/-) per equity shares aggregating to Rs. 6,12,520/- (rounded off from 6,12,519.60) to M/s. Manipal Integrated Services Private Limited on preferential basis.

The Company has not allotted any shares during the year under review. It has neither issued any shares with differential voting rights, Employee Stock Options nor Sweat Equity Shares and does not have any scheme to fund its employees to purchase the shares of the Company.

The consolidation of the Authorised, Issued, Subscribed and Paid up equity shares capital of the Company from the existing Face value of Rs. 10/- per share to Rs. 20,00,000/- per share pursuant to Section 61(1)(b) of the Companies Act, 2013 was approved by the Shareholders in the 23rd Annual General Meeting held on 26th September, 2018.

The Company has filed a petition with the National Company Law Tribunal, Bengaluru Bench for consolidation of the Authorised, Issued, Subscribed and Paid up equity shares capital of the Company from the existing Face value of Rs. 10/- per share to Rs. 20,00,000/- per share pursuant to Section 61(1)(b) of the Companies Act, 2013 and Rule 71 of the National Company Law Tribunal Rules, 2016 with effect from the "Record Date" to be determined by the Board on approval of the petition by the Hon'ble National Company Law Tribunal, Bengaluru

Bench. The company is awaiting out come for the said NCLT petition from the Hon'ble National Company Law Tribunal, Bengaluru Bench to move further in this matter of Face value Consolidation.

EXTRACT OF THE ANNUAL RETURN

The extract of Annual Return prepared pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is placed in the Company's website www.memgsecurities.com as per Section 134 of the Companies Act, 2013.

BOARD MEETING DURING THE YEAR UNDER REVIEW

The Company held six Board meeting during the year under review as follows:

Period	**Date of the Board Meeting**
April 1, 2018 – June 30, 2018 (Q1)	May 3rd ,2018
July 1, 2018– September 30, 2018 (Q2)	July 30th, 2018, August 20th 2018, September 28th, 2018
October 1, 2018 – December 31, 2018 (Q3)	November 3rd, 2018
January 1, 2019 – March 31, 2019 (Q4)	5th February, 2019

GENERAL MEETING DURING THE PERIOD UNDER REVIEW

Type of Meeting	**Date of the Meeting**
Annual General Meeting	September 26th, 2018

DISCLOSURES ABOUT CORPORATE SOCIAL RESPONSIBILITY POLICY

The provisions of section 135 of Companies Act, 2013 is not applicable to the Company and hence no disclosures have been made.

DIRECTOR'S RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility statement:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period.
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- the directors had prepared the annual accounts on a going concern basis.
- The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

PARTICULARS OF EMPLOYEES

During the year under review, the Company had no employees whose remuneration exceeded the limit prescribed pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

ACKNOWLEDGEMENT

Your Directors take this opportunity to place on record their appreciation of the support extended by the Shareholders, the Stock Exchanges, Customers, Banks and Members of Staff of the Company during the year under report.

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

Place : Bengaluru	**D Sreepathi**	**G S Shridhar**
Date: 26.08.2019	Whole-Time-Director	Whole-Time-Director
	DIN: 00958235	DIN: 00106780

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, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information.

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, as amended ('the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its loss including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs), as 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 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 there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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.

Other Matters

The Standalone Financial Statements of the Company for the year ended March 31, 2018 were audited by M/s Chaturvedi & Shah, Chartered Accountants, who expressed an unmodified opinion on those Standalone Financial Statements on August 20, 2018.

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 Annual 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.

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

Responsibilities of Management 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 and presentation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements 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 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are 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.

- 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the 'Annexure A', a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:
    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
    b) 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 books of account;
    d) in our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
    e) on the basis of the written representations received from the directors as on March 31, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and
    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 information and explanations given to us, the remuneration paid by the Company to its managerial personnel during the year is in accordance with the provisions of Section 197 of the Act.
    h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
        i. the Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer note no. 27 to the Standalone Financial Statements.
        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note No. 28 to the Ind AS financial statements;
        iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Sudhir Prabhu K
Partner
Membership Number: 209589
UDIN: 19209589AAAAAK5038
Place: Bengaluru
Date: 26.08.2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ('the Act')

i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipments (PPE).

b) All the PPE of the Company have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and the nature of its assets. As explained to us, no 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 immovable properties are held in the name of the Company.

ii) The Company does not carry any inventories at any time during the year. Accordingly, clause 3(ii) of the Order is not applicable.

iii) As per the information and explanation given to us, the Company during the year has not granted any loans, secured or unsecured to companies, firms, LLP's or other parties listed in the register maintained under Section 189 of the Act. Consequently requirements of clauses 3(iii)(a), (b) and (c) of the order are not applicable to the Company.

iv) As per the information and explanation given to us, the Company during the year, has not granted any loan, made investment and provided guarantees and securities to the parties covered under section 185 and section 186 of the Act. Accordingly, clause 3(iv) of the Order is not applicable.

v) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits within the meaning of Section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, provision of clause 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 Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Act for 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 generally been regular in depositing the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, goods and service tax, sales tax, service tax, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance, duty of Customs and duty of Excise.

According to the information and explanations given to us, no undisputed statutory dues were outstanding for a period of more than six months, as on the last day of the financial year.

b) According to the information and explanation given to us and records of the Company, there are no dues of income tax, goods and service tax, sales tax, service tax, value added tax or cess or other material statutory dues which have not been deposited on account of any dispute.

viii) According to the information and explanation given to us and records of the Company, the Company has neither taken any loans or borrowings from financial institutions, banks and Government nor has issued any debentures to any party. Accordingly the question of default doesn't arise.

ix) According to the information and explanation given to us and records of the Company, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year. Accordingly clause 3(ix) of the Order is not applicable.

x) During the course of examination of books of account and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have not come across with any material fraud by the Company or any fraud on Company by its officers or employees, noticed or reported during the year, nor have been informed of such case by the Management.

xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the adequate approvals mandated by the provisions of section 197 read with Schedule V to the Act.

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

xiii) 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) According to the information and explanations given to us and based on our examination of the records of the Company, the Company, during the year has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, clause 3(xiv) of the Order is not applicable.

xv) 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 non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of the Order is not applicable.

xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

for PATHAK H D & ASSOCIATES
Chartered Accountants
Firm Registration Number : 107783W

Sudhir Prabhu K
Partner
Membership Number: 209589
UDIN: 19209589AAAAAK5038
Place: Bengaluru
Date: 26.08.2019

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 over financial reporting of **MEMG SECURITIES LIMITED** ("the Company") as of March 31, 2019 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting 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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for PATHAK H D & ASSOCIATES
Chartered Accountants
Firm Registration Number : 107783W

Sudhir Prabhu K
Partner
Membership Number: 209589
UDIN: 19209589AAAAAK5038

Place: Bengaluru
Date: 26.08.2019

MEMG Securities Limited
CIN : U65110KA1995PLC017907

BALANCE SHEET AS AT MARCH 31, 2019

			Amount in Rupees
Particulars	**Notes**	**March 31, 2019**	**March 31, 2018**
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	12,285,110	13,064,591
Intangible assets	3	32,608	4,252
Financial assets			
Investments	4	243,152	204,650
Loans	5	14,649,900	11,677,783
Other financial assets	6	25,600,000	25,600,000
Other non-current assets	7	152,920	43,470
Income tax asset (net)	16	2,061,894	1,726,473
Total		**55,025,584**	**52,321,219**
Current Assets			
Financial assets			
Investments	4	15,953,140	13,953,249
Trade receivables	8	16,161,718	1,683,633
Cash and cash equivalents	9	6,328,595	16,151,091
Other current assets	7	710,476	598,408
Total		**39,153,929**	**32,386,381**
TOTAL ASSETS		**94,179,513**	**84,707,600**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	35,583,320	35,583,320
Other equity	11	28,056,878	28,222,220
Total		**63,640,198**	**63,805,540**
Liabilities			
Non-Current Liabilities			
Deferred tax liabilities (net)	16	886,238	806,596
Total		**886,238**	**806,596**
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	27,560,193	18,045,594
Other financial liabilities	13	1,000,653	544,945
Other current Liabilities	14	312,234	1,039,962
Provisions	15	779,997	464,963
Total		**29,653,077**	**20,095,464**
TOTAL EQUITY AND LIABILITIES		**94,179,513**	**84,707,600**
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
Chartered Accountants
Firm Registration No: 107783W

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

Sudhir Prabhu K
Partner
Membership No: 209589
Place : Bengaluru
Date: 26.08.2019

D Sreepathi
Whole-Time-Director
DIN: 00958235
Place : Bengaluru
Date: 26.08.2019

G S Shridhar
Whole-Time-Director
DIN: 00106780
Place : Bengaluru
Date: 26.08.2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(Amount in Rupees)

Particulars	Notes	March 31, 2019	March 31, 2018
INCOME			
Revenue from operations	17	10,340,177	13,593,310
Other operating revenue	18	4,595,303	3,013,661
Other income	19	2,268,808	887,594
TOTAL INCOME		**17,204,288**	**17,494,565**
EXPENSES			
Employees benefits expense	20	8,527,433	8,569,927
Depreciation and amortization expense	21	893,034	1,883,936
Finance costs	22	158,471	104,867
Other expenses	23	7,704,517	7,384,912
TOTAL EXPENSES		**17,283,455**	**17,943,642**
Profit/(loss) before tax		**(79,167)**	**(449,077)**
Tax expenses			
Current tax	16	-	-
Deferred tax expense (credit)	16	81,340	(251,619)
Income tax expense		**81,340**	**(251,619)**
Profit/(loss) for the year		**(160,507)**	**(197,458)**
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		(6,533)	192,100
Income tax effect - credit / (expense)		1,698	(50,002)
Other comprehensive income for the year (net of tax)		**(4,835)**	**142,098**
Total comprehensive income for the year		**(165,342)**	**(55,360)**
Earnings per equity share of face value of Rs. 10/- each	26		
Basic and Diluted (in Rupees)		(0.05)	(0.06)
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
Chartered Accountants
Firm Registration No: 107783W

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

Sudhir Prabhu K
Partner
Membership No: 209589
Place : Bengaluru
Date: 26.08.2019

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Whole-Time-Director
DIN: 00958235
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G S Shridhar
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DIN: 00106780
Place : Bengaluru
Date: 26.08.2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(Amount in Rupees.)

Particulars	Equity share capital	Other equity			Total equity
		General Reserve	Securities Premium	Retained earnings	
Balance as at April 1, 2017	**35583320**	**10,042,529**	**21,579,910**	**(3,344,859)**	**63,860,900**
Changes in equity for the year ended March 31, 2018					
Profit / (loss) for the year	-	-	-	(197,458)	**(197,458)**
Other comprehensive income					
Re-measurement gains/(loss) on defined benefit plans (net of tax)	-	-	-	142,098	**142,098**
Balance as at March 31, 2018	**35,583,320**	**10,042,529**	**21,579,910**	**(3,400,219)**	**63,805,540**
Changes in equity for the year ended MARCH 31, 2019					
Profit/(loss)fortheyear	-	-	-	(160,507)	**(160,507)**
Other comprehensive income					
Re-measurement gains/(loss) on defined benefit plans (net of tax)	-	-	-	(4,835)	**(4,835)**
Balance as at MARCH 31, 2019	**35,583,320**	**10,042,529**	**21,579,910**	**(3,565,561)**	**63,640,198**

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

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

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

Sudhir Prabhu K
Partner
Membership No: 209589
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Place : Bengaluru
Date: 26.08.2019

STATEMENT OF CASH FLOW'S FOR THE PERIOD ENDED MARCH 31, 2019

(Amount in Rupees.)

Particulars	March31,2019	March31,2018
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	**(79,167)**	**(449,077)**
Adjustments for :		
Depreciation	893,034	1,883,936
(Profit)/ loss on sale of asset	-	297,418
Interest expenses	158,471	104,867
Interest income	(1,822,793)	(1,894,496)
Dividend income	(32,435)	(19,856)
Net gain on fair valuation of Investments	1,728,478	(800,621)
Re-measurement of defined benefit plans	(6,533)	192,100
Provision no longer required written back	(135,904)	-
Operating profit/(loss) before working capital changes	**703,151**	**(685,729)**
Adjustments for :		
Decrease /(increase) in trade receivables and others	(17,671,720)	10,789,653
Increase /(decrease) in trade and other payables	9,693,517	(178,636)
Cash from / (used in) operating activities before tax	**(7,275,052)**	**9,925,288**
Income Tax (paid)/refund (net)	(335,421)	45,003
Net cash from / (used in) operating activities	**(7,610,473)**	**9,970,291**

CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(141,909)	(50,400)
Proceeds from sale of property, plant and equipment	-	1,731,003
Decrease /(increase) in investments	(3,766,871)	(3,500,000)
Dividend received	32,435	19,856
Interest received	1,822,793	1,894,496
Net cash from (used in) investing activities	**(2,053,552)**	**94,955**
CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(decrease) in borrowings	-	(8,745)
Interest paid	(158,471)	(104,867)
Net cash from (used in) financing activities	**(158,471)**	**(113,612)**
Net increase/ (decrease) in cash and cash equivalents	(9,822,496)	9,951,634
Add: Cash and cash equivalent as at beginning of the year	16,151,091	6,199,457
Cash and cash equivalent as at end of the year	**6,328,595**	**16,151,091**
Break-up of cash and cash equivalents		
Cash on hand	10,476	4,696
Balances with banks: in current accounts	6,318,119	16,146,395
Cash and cash equivalent as at end of the year	**6,328,595**	**16,151,091**

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 **Changes in liabilities arising from financing activities**

Amount in Rupees

Particulars	**March 31, 2019**	**March 31, 2018**
Short Term Borrowings		
Opening Balance	-	8,745
Proceeds / (repayment) of short term borrowings (net)	-	(8,745)
Non-cash fair value changes	-	-
Closing balance	-	-

3 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
Chartered Accountants
Firm Registration No: 107783W

Sudhir Prabhu K
Partner
Membership No: 209589
Place : Bengaluru
Date: 26.08.2019

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

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Whole-Time-Director
DIN: 00958235
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DIN: 00106780
Place : Bengaluru
Date: 26.08.2019

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.

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, 2019 were authorised for issue in accordance with a resolution of the Board of Directors on August 26, 2019.

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.

1.3 SUMMERY 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.

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 service 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.

Revenue from operations for the year ended March 31, 2019 and March 31, 2018 are as follows:

Amount in Rupees

Particulars	March 31, 2019	March 31, 2018
Brokerage income	9,825,950	12,564,850
Service charges received	514,227	1,028,460
Profit from trading in securities	2,740,075	1,117,909

Disaggregate revenue information:

The Company has presented disaggregated revenue from contracts with customers for the year ended March 31, 2019 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:

Particulars	March 31, 2019
Revenue by contract-type	
Brokerage income	
Stock broking	8,576,867
Mutual Fund and others	1,249,083
Service charges received	514,227
Profit from trading in securities	2,740,075

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

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. The Company during the year has applied the practical expedient given in Ind AS 115 for the disclosure of remaining performance obligations and based on its analysis of all the contracts outstanding as on March 31, 2019 has not identified any remaining performance obligations and accordingly 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.

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, 2015 ('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.

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.

Remeasurements 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.

(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.

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 FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 25 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.

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.

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 currency

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.

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.

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).

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

Key actuarial assumptions used for actuarial valuation.

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 FVOCI debt instruments.

v. Property, plant and equipment

Useful life of asset.

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 analyzing 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.

1.5 New and amended Ind AS effective as on April 1, 2018

As per Companies (Indian Accounting Standards) Amendment Rules, 2018, the Company has adopted following amendments made to Ind AS for annual periods beginning on or after 1st April, 2018:

i. "Ind AS 115, 'Revenue from Contracts with Customers':

This Accounting standard replaced the Ind AS 18, 'Revenue'. The Company has applied the Accounting Standard for the first time during the year, using the cumulative catch-up transition method for 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"."

The impact on account of applying the erstwhile Ind AS18 'Revenue', instead of Ind AS 115 'Revenue from Contract with Customers', on the statement of profit and loss of the Company for the year ended and as at March 31, 2019 is insignificant.

ii. **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. There is no impact on account of adoption of this amendment.

iii. "Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses:

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. These amendments apply retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. There is no impact on account of adoption of this amendment."

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

i. Ind AS 116 Leases: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit and Loss. The Standard also contains enhanced disclosure requirements for lessees.

Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or

- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods.

The Company continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on leases resulting from the application of Ind AS 116 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Company's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. The Company has established an implementation team to implement Ind AS 116 related to leases and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary.

A reliable estimate of the quantitative impact of Ind AS 116 on the financial statements will only be possible once the implementation project has been completed.

ii. Amendment to Ind AS 19 – plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The company is evaluating the impact of the amendment on the financial position, results of operation and cash flow.

iii. Ind AS 12 Appendix C: Uncertainty over Income Tax Treatments : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition –

a. Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and

b. Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The company is evaluating the impact of the amendment on the financial position, results of operation and cash flow.

iv. Amendment to Ind AS 12 – Income taxes: On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in statement of profit and loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the financial statements.

v. Prepayment Features with Negative Compensation, Amendments to Ind AS 109, Financial Instruments :

This amendment enables entities to measure certain pre-payable financials assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit and loss. Negative compensation arises where the contractual terms permit the borrower to prepay the instrument before its contractual maturity, but the prepayment amount could be less than unpaid amounts of principal and interest. However, to qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract'.

That is, when a financial liability measured at amortised cost is modified without this resulting in derecognition, a gain or loss should be recognised in statement of profit and loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate.

The interpretation is effective for annual periods beginning on or after April 1, 2019.

The company is evaluating the impact of the amendment on the financial position, results of operation and cash flow.

vi. Annual Improvements to Ind AS :

• Ind AS 23, 'Borrowing Cost'- clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

• Ind AS 103, 'Business Combination'- clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. The acquirer should re-measure its previously held interest in the joint operation at fair value at the acquisition date.

• Ind AS 111, 'Joint arrangements'- clarified that the party obtaining joint control of a business that is a joint operation should not measure its previously held interest in joint operation.

• Ind AS 12, 'Income Taxes'- clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised. These requirements apply to all income tax consequences of dividends.

Previously, it was unclear whether the income tax consequences of dividend should be recognised in statement of profit and loss, or in equity, and the scope of the existing guidance was ambiguous.

The interpretation is effective for annual periods beginning on or after April 1, 2019.

The company is evaluating the impact of the amendment on the financial position, results of operation and cash flow.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2019

2. Property, plant and equipment

(Amount in Rupees.)

Particulars	Building	Furniture & Fixture	Vehicles	Office Equipment	Computers & Peripherals	Electrical Equipment	Total
Gross block							
As at April 1, 2017	**12,647,837**	**18,908**	**1,549,432**	**1,198**	**5,314,341**	**158,418**	**19,690,134**
Additions	-	30,400	-	-	-	20,000	**50,400**
Disposals	-	-	1,549,432	-	2,210,400	-	**3,759,832**
As at March 31, 2018	**12,647,837**	**49,308**	**-**	**1,198**	**3,103,941**	**178,418**	**15,980,702**
Additions	-	11,864	-	63,983	22,191	13,859	**111,897**
Disposals	-	-	-	-	-	-	**-**
As at March 31, 2019	**12,647,837**	**61,172**	**-**	**65,181**	**3,126,132**	**192,277**	**16,092,599**
Accumulated Depreciation							
As at April 1, 2017	**265,019**	**3,320**	**282,840**	**-**	**2,190,502**	**39,768**	**2,781,449**
Charge for the year	265,019	33,720	204,165	-	1,333,724	29,444	**1,866,072**
Disposals	-	-	487,005	-	1,244,405	-	**1,731,410**
As at March 31, 2018	**530,038**	**37,040**	**-**	**-**	**2,279,821**	**69,212**	**2,916,111**
Charge for the year	265,019	3,780	-	6,730	586,609	29,240	**891,378**
Disposals	-	-	-	-	-	-	**-**
As at March 31, 2019	**795,057**	**40,820**	**-**	**6,730**	**2,866,430**	**98,452**	**3,807,489**
Net block							
As at March 31, 2018	**12,117,799**	**12,268**	**-**	**1,198**	**824,120**	**109,206**	**13,064,591**
As at March 31, 2019	**11,852,780**	**20,352**	**-**	**58,451**	**259,702**	**93,825**	**12,285,110**

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, 2015 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, 2015) which is considered as deemed cost.

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

3 Intangible assets

Amount in Rupees

Particulars	Computer Software	Total
Gross block		
As at April 1, 2017	**44,783**	**44,783**
Additions	-	**-**
Disposals	-	**-**
As at March 31, 2018	**44,783**	**44,783**
Additions	30,012	**30,012**
Disposals	-	**-**
As at March 31, 2019	**74,795**	**74,795**
Accumulated Depreciation		
As at April 1, 2017	**22,667**	**22,667**
Charge for the year	17,864	**17,864**
Disposals	-	**-**
As at March 31, 2018	**40,531**	**40,531**
Charge for the year	1,656	**1,656**
Disposals	-	**-**
As at March 31, 2019	**42,187**	**42,187**
Net block		
As at March 31, 2018	**4,252**	**4,252**
As at March 31, 2019	**32,608**	**32,608**

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.

4 Investments

Amount in Rupees

Particulars	**March 31, 2019**	**March 31, 2018**
Non-current balance		
Investments carried at fair value through profit or loss		
Investment in equity instruments of Body Corporates *		
Non-trade, Unquoted		
Computek Software Limited	300,000	300,000
[30,000 [March 31, 2018: 30,000] fully paid Equity Shares of Rs.10/- each]		
Bangalore Stock Exchange Limited	4,650	4,650
[4,650 [March 31, 2018: 4,650] fully paid Equity Share of Rs.1/- each]		
Trade, Unquoted		
BgSE Financials Limited	200,000	200,000
[20,000 [March 31, 2018 : 20,000] Fully Paid Shares of Rs.10/- each]		
Held to maturity		
Investment in Government Securities:		
Trade, Unquoted		
7.17% Government of India - Central Government Loan	18,948	-
[200 [March 31, 2018 : Nil] of face value Rs.100/- each with Date of redemption on January 8, 2028]		
7.37% Government of India - Central Government Loan	19,554	-
[200 [March 31, 2018 : Nil] of face value Rs.100/- each with Date of redemption on April 15, 2023]		
	543,152	**504,650**
Less: Provision for diminution in value of investments		
Computek Software Limited	300,000	300,000
Total(A)	**243,152**	**204,650**

* 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.

Current balance		
Investments carried at fair value through profit or loss		
Liquid mutual fund units		
Non-trade, Unquoted		
Mirae Asset Cash Management Fund - Direct Plan - Growth	2,835,907	2,012,903
[1,438.445 Units (March 31, 2018: 1,097.922 Units) of Rs. 1,971.5083 each]		
Indiabulls Liquid Fund -Growth	2,254,264	2,666,351
[1,234.958 Units (March 31, 2018: 1,570.060 Units) of Rs. 1,825.3771 each]		
Mirae Asset Savings Fund - Direct Plan -Growth	-	1,826,801
[Nil (March 31, 2018 : 1,172.646 Units) of Rs. 1,000 each]		
Reliance Liquid Fund Treasury Plan Direct Growth	2,837,426	1,711,830
[621.985 Units (March 31, 2018: 403.739) of Rs. 4,561.8889 each]		
Reliance Money Manager Fund - DIRECT Growth Plan Growth Option	-	2,098,936
[Nil Unit (March 31, 2018 : 860.682 Units) of Rs. 1,000 each]		
ICICI Prudential Liquid Plan-Direct-Growth	2,280,297	3,636,428
[8,249.498 Units (March 31, 2018: 14,142.013) of Rs. 276.4164 each]		
Investment in Money Market Instruments:		
Government of India - Treasury Bills [182 days T-Bills]	9,653	-
[100 Units (March 31, 2018: Nil) of face value Rs. 100 each with Date of redemption on April 19, 2019]		
Government of India - Treasury Bills [364 days T-Bills]	9,305	-
[100 Units (March 31, 2018: Nil) of face value Rs. 100 each with Date of redemption on October 18, 2019]		

Current balance			
Investments carried at fair value through profit or loss			
Held for trading			
Fixed Interest Bonds			
7.80% ICICI Bank Limited		975,100	-
[1 Units (March 31, 2018: Nil) of face value Rs. 1,000,000 each with date of maturity on December 30, 2020]			
7.22% Rural Electrification Corporation Limited (Tax-free)		597,887	-
[570 Units (March 31, 2018: Nil) of face value Rs. 1,000 each with date of maturity on December 19, 2022]			
9.04% Rural Electrification Corporation Limited		1,038,382	-
[1 Units (March 31, 2018: Nil) of face value Rs. 1,000,000 each with date of maturity on October 12, 2019]			
8.65% IDFC Bank Limited	-	2,081,466	-
[2 Units (March 31, 2018: Nil) of Rs. 1,000,000 each with date of maturity on May 24, 2020]			
10.50% Tata Capital Financial Services Limited		1,033,453	-
[1 Units (March 31, 2018: Nil) of Rs. 1,000,000 each with date of maturity on August 4, 2019]			
Total (B)		**15,953,140**	**13,953,249**
Break up of financial Investments			
Investments carried at			
Cost			
Amortised cost			
Fair value through other comprehensive income			
Fair value through profit or loss		16,196,292	14,157,899
Total		**16,196,292**	**14,157,899**
Aggregate amount of quoted investments		-	-
Market value of quoted investments		-	-
Aggregate amount of unquoted investments		243,152	204,650
Aggregate net asset value of mutual funds / bonds / MM Instruments		15,953,140	13,953,249
Aggregate amount of impairment in value of investments		(300,000)	(300,000)

5 LOANS (Amount in Rupees)

Particulars	**March31,2019**	**March31,2018**
Non-current balance		
Carried at amortised cost		
Loan Receivables – considered good - secured	-	-
Loan Receivables – considered good - unsecured	**-**	**-**
Deposits and margins with stock exchanges and clearing member	14,649,900	11,677,783
Loan Receivables which have significant increase in credit risk *		
Loan Receivables – credit impaired *		
Total	**14,649,900**	**11,677,783**

* - There are no loans receivables which are credit impaired or which have a significant increase in credit risk based on the information available with the Company.

The fair value of Non current and current loans are not materially different from the carrying value presented.

6 OTHER FINANCIAL ASSETS (Amount in Rupees)

Particulars	**March 31, 2019**	**March 31, 2018**
Non-current balance		
Unsecured, considered good		
Carried at amortised cost		
Fixed deposit with bank *	25,600,000	25,600,000
Total	**25,600,000**	**25,600,000**

* margin money deposits against bank guarantee and overdraft

7 OTHER ASSETS (Amount in Rupees)

Particulars	**March 31,2019**	**March 31,2018**
Non-current balance		
Unsecured, considered good		

Others		
Prepaid expenses	152,920	43,470
Total	**152,920**	**43,470**
Current balance		
Unsecured, considered good		
Advances recoverable in cash or kind		
Others	258,294	50,063
Others		
Prepaid expenses	169,505	161,422
LIC Group Gratuity Fund (net)	282,677	386,923
Total	**710,476**	**598,408**
Total Other Assets	**863,396**	**641,878**

8 TRADE RECEIVABLES

(Amount in Rupees)

Particulars	**March31,2019**	**March31,2018**
Trade Receivables – considered good - secured		
Trade Receivables – considered good - unsecured		
from stock exchanges (net)	10,192,438	21,768
from related parties [refer note (a) below]	-	26,791
from others	5,969,280	1,635,074
Trade Receivables which have significant increase in credit risk [refer note (b) below]	-	-
Trade Receivables – credit impaired [refer note (b) below]	-	-
Total	**16,161,718**	**1,683,633**

Note:

a) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person except for Rs. Nil (March 31, 2018 : Rs. 26,791/-). There are no trade or other receivables due from firms or private companies in which any director is a 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 information available with the Company.

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

9 Cash and cash equivalents

(Amount in Rupees)

Particulars	**March 31, 2019**	**March 31, 2018**
Cash on hand	10,476	4,696
Balances with banks:		
in current accounts	6,318,119	16,146,395
Total	6,328,595	16,151,091

10 EQUITY SHARE CAPITAL

(Amount in Rupees)

Particulars	**March 31, 2019**	**March 31, 2018**
Authorised Capital 10,000,000 [March 31, 2018: 10,000,000] equity shares of Rs. 10/- each.	100,000,000	100,000,000
	100,000,000	**100,000,000**
Issued, Subscribed and Paid-Up Capital 3,558,332 [March 31, 2018: 3,558,332] Equity Shares fully paid up of Rs. 10/- each.	35,583,320	35,583,320
Total	**35,583,320**	**35,583,320**

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

Particulars	**No of shares**	**Amount in Rs**
March 31, 2019		
Balance at the beginning of the year	3,558,332	35,583,320
Shares issued during the year	-	-
Balance at the end of the year	3,558,332	35,583,320
March 31, 2018		
Balance at the beginning of the year	3,558,332	35,583,320
Shares issued during the year	-	-
Balance at the end of the year	3,558,332	35,583,320

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	Amount in Rs
Equity shares at par value of Rs.10 each held by Holding Company		
March 31, 2019		
Manipal Education and Medical Group India Private Limited (formerly Manipal Integrated Services Private Limited)	2,550,966	25,509,660
March 31, 2018		
Manipal Education and Medical Group India Private Limited (formerly Manipal Integrated Services Private Limited)	2,550,966	25,509,660

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

Particulars	No of shares	Amount in Rs
March 31, 2019		
Manipal Education and Medical Group India Private Limited (formerly Manipal Integrated Services Private Limited)	2,550,966	71.69%
Investor Education And Protection Fund Authority (IEPF) - Ministry Of Corporate Affairs	182,869	5.14%
March 31, 2018		
Manipal Education and Medical Group India Private Limited (formerly Manipal Integrated Services Private Limited)	2,550,966	71.69%

f) The shareholders of the Company has accorded their consent to consolidate the Authorised, Issued, Subscribed and Paid up equity share capital of the Company having Face value of Rs. 10/- (Rupees Ten only) each fully paid-up to Rs. 20,00,000/-(Rupees Twenty Lakhs only) each fully paid-up. The application is filed before Hon'ble National Company Law Tribunal, Bengaluru Bench for their approval. In view of the pending approval of NCLT no effect has been given in the books of accounts.

11 OTHER EQUITY

(Amount in Rupees)

Particulars	March 31, 2019	March 31, 2018
a) General Reserve		
Balance at the beginning of the year	10,042,529	10,042,529
Adjustments for the year	-	-
Balance at the end of the year	10,042,529	10,042,529
b) Securities Premium		
Balance at the beginning of the year	21,579,910	21,579,910
Adjustments for the year	-	-
Balance at the end of the year	21,579,910	21,579,910
c) Retained earnings [Refer Note (i) below]		
Balance at the beginning of the year	(3,400,219)	(3,344,859)
Profit / (Loss) for the year	(160,507)	(197,458)
Remeasurements gains/(loss) on defined benefit plans, net of tax effect	(4,835)	142,098
Balance at the end of the year	**(3,565,561)**	**(3,400,0219)**
Total	**28,056,878**	**28,222,220**

Note: i) Capital reserve of Rs. 114,030/- has been transferred to retained earnings on April 1, 2016, the date of transition to Ind AS.

12 TRADE PAYABLES

(Amount in Rupees)

Particulars	March 31, 2019	March 31, 2018
Current balance		
Due to micro and small enterprises [refer note no. (b) below]	**-**	**-**
Due to others		
- stock exchanges	-	5,817,387
- others	27,560,193	12,228,207
Total	**27,560,193**	**18,045,594**

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.

13 OTHER FINANCIAL LIABILITIES

(Amount in Rupees)

Particulars	March 31, 2019	March 31, 2018
Current		
Salaries, Bonus and other Payables to Employees	168,893	168,916
Security Deposits	288,000	-
Other payables	543,760	376,029
Total	**1,000,653**	**544,945**

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.

14 OTHER LIABILITIES

(Amount in Rupees)

Particulars	March 31, 2019	March 31, 2018
Advance from customers	-	514,227
Other payable - Statutory dues	312,234	525,735
Total	**312,234**	**1,039,962**

15 PROVISIONS

(Amount in Rupees)

Particulars	March 31, 2019	March 31, 2018
Current Balance		
Provision for employee benefits	-	-
Provision for compensated absences	253,784	464,963
Provision for other employee benefits	526,213	-
Total	**779,997**	**464,963**

16 INCOME TAX

The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are:

16.01 INCOME TAX EXPENSE IN THE STATEMENT OF PROFIT AND LOSS COMPRISES:

(Amount in Rupees)

Particulars	March 31, 2019	March 31, 2018
Profit or loss section		
Current tax	-	
Deferred tax expense (credit)	81,340	(251,619)
Tax expense / (credit) to Statement of Profit and Loss	**81,340**	**(251,619)**
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	(1,698)	50,002
Tax expense / (credit) to Other Comprehensive Income	(1,698)	50,002
Tax expense / (credit) to Other Comprehensive Income	**79,642**	**(201,617)**

16.02 RECONCILIATION OF TAX EXPENSE AND THE ACCOUNTING PROFIT MULTIPLIED BY INDIA'S DOMESTIC TAX RATE FOR MARCH 31, 2019 AND MARCH 31, 2018:

(Amount in Rupees)

Particulars	March 31, 2019	March 31, 2018
Profit / (loss) before tax	(79,167)	(449,077)
Applicable tax rate	26.00%	25.75%
Tax effect of income / (loss)	(20,583)	(115,637)
Adjustments:		
Tax effect on non-taxable income (net)	(8,013)	(4,857)
Tax effect on non-deductible expenses (net)	109,936	5,731
Tax effect on sale of investments	-	-
Tax effect on set off of carry forward losses	-	(115,606)
Effect on tax rate changes	-	(9,788)
Tax expense / (credit) to Statement of Profit and Loss	**81,340**	**(251,619)**
Tax expense / (credit) to Other Comprehensive Income	(1,698)	50,002
Tax expense / (credit) to Other Comprehensive Income	**79,642**	**(201,617)**

16.03 NON-CURRENT TAX ASSETS (NET)

(Amount in Rupees)

Particulars	March 31, 2019	March 31, 2018
Opening Balance	1,726,473	1,771,476
Less: Current tax payable (including interest)	-	-
Less: Refund received during the year	-	(232,570)
Add: Current taxes paid	335,421	187,567
Closing balance of Non-current tax assets (net)	**2,061,894**	**1,726,473**
Breakup of Non-current tax assets and Provision for Income tax:		
Non-Current tax Assets	8,254,266	7,918,845
Provision for Income tax	(6,192,372)	(6,192,372)
Total	**2,061,894**	**1,726,473**

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:

(Amount in Rupees)

Particulars	For the year 2018-19	For the year 2017-18	As at March 31, 2019	As at March 31, 2018
Deferred tax assets				
Provision for employee benefits	(52,677)	87,868	69,547	122,224
Deductible expenses	43,884,	23,400	67,284	23,400
Unused depreciation	(577,514)	(171,980)	1,524,169	2,101,683
(a)	**(586,307)**	**(60,712)**	**1661000**	**2,247,307**
Deferred tax liabilities				
Accelerated depreciation for tax purpose	(30,156)	(544,640)	2,441,302	2,471,458
Fair value of Investments	(449,405)	210,794	32,440	481,845

Group gratuity fund (net of provision)	(27,104)	71,517	73,496	100,600
(b)	**(506,665)**	**(262,329)**	**2,547,238**	**3,053,903**
Deferred tax liability (net) [a-b]	**79,642**	**(201,617)**	**886,238**	**806,596**

Note: The Company has not recognised deferred tax assets amounting to Rs. 1,820,904/- [March 31, 2018: Rs. 1,820,904/-] 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: (Amount in Rupees)

Unused losses available	March 31, 2019	March 31, 2018
Upto financial year 2019-20 (AY 2020-21)	1,525,315	1,525,315
Upto financial year 2020-21 (AY 2021-22)	5,478,162	5,478,162
Total	**7,003,477**	**7,003,477**

16.06 RECONCILIATIONS OF DEFERRED TAX LIABILITIES /(ASSETS) (Amount in Rupees)

Particulars	March 31, 2019	March 31, 2018
Opening balance	806,596	1,008,213
Tax income/(expense) during the period recognised in profit or loss	79,642	(211,405)
Effect of tax rate changes recognised in profit or loss	1,698	(40,214)
Tax income/(expense) during the period recognised in OCI	-	-
Effect of tax rate changes recognised in OCI	(1,698)	50,002
Amount recognised directly in retained earning	-	-
Closing balance	**886,238**	**806,596**

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2019

17 REVENUE FROM OPERATIONS (Amount in Rupees)

Particulars	March 31, 2019	March 31, 2018
Brokerage income from		
Stock broking	8,576,867	11,868,513
Mutual fund and others	1,249,083	696,337
Service charges received	514,227	1,028,460
Total	**10,340,177**	**13,593,310**

18 OTHER OPERATING REVENUE (Amount in Rupees)

Particulars	March 31, 2019	March 31, 2018
Profit on trading in securities	2,740,075	1,117,909
Interest received from fixed deposit	1,822,793	1,875,896
Dividend from long term investments	32,435	19,856
Total	**4,595,303**	**3,013,661**

19 OTHER INCOME (Amount in Rupees)

Particulars	March 31, 2019	March 31, 2018
Interest on Income Tax refund	-	18,600
Profit on sale of Investments	705,755	67,841
Net gain on fair valuation of Investments	124,771	800,621
Rental Income	1,296,000	-
Miscellaneous Income	6,378	532
Provision no longer required written back	135,904	-
Total	**2,268,808**	**887,594**

20 EMPLOYEE BENEFITS EXPENSE (Amount in Rupees)

Particulars	March 31, 2019	March 31, 2018
Salaries and allowances	7,637,207	7,173,579
Contribution to provident and other funds	497,452	426,347
Gratuity	97,713	109,059
Leave encashment	-	539,258
Stipend and training expenses	-	8,000
Staff welfare expenses	295,061	313,684
Total	**8,527,433**	**8,569,927**

21 DEPRECIATION AND AMORTISATION EXPENSE (Amount in Rupees)

Particulars	March 31, 2019	March 31, 2018
Depreciation on property, plant and equipment	891,378	1,866,072
Depreciation on intangible assets	1,656	17,864
Total	**893,034**	**1,883,936**

22 FINANCE COSTS (Amount in Rupees)

Particulars	March 31,2019	March 31,2018
Interest on overdraft facility from bank	158,471	104,758
Other Interest	-	109
Total	**158,471**	**104,867**

23 OTHER EXPENSES (Amount in Rupees)

Particulars	March 31, 2019	March 31, 2018
Stock exchange charges	469,922	28,370
Transaction charges (net)	167,465	190,723
Demat charges	275,989	330,018
Rent	300,462	304,044
Rates and taxes	202,142	166,633
Professional and consultancy charges	2,995,418	2,831,148
Software maintenance charges	847,219	572,138
Travelling and conveyance	337,816	380,994
Printing and stationery	152,338	172,864
Communication expenses	409,992	358,464
Insurance	98,251	148,336
Electricity and water charges	278,343	310,815
Auditors' Remuneration:		
Statutory Audit fees	250,000	250,000
Tax audit fees	50,000	50,000
Office maintenance	356,569	429,482
Repairs and maintenance - others	19,416	160,260
Business promotion	56,368	28,184
Loss on sale of assets	-	297,418
Bank guarantee commission and other bank charges	436,207	373,189
Miscellaneous expenses	600	1,832
Total	**7,704,517**	**7,384,912**

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24 FINANCIAL INSTRUMENTS

24.01 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 (Amount in Rupees)

Particulars	March 31, 2019	March 31, 2018
Financial assets carried at cost	**-**	**-**
Financial assets carried at amortised cost		
Trade Receivables	16,161,718	1,683,633
Cash and Cash equivalents	6,328,595	16,151,091
Bank balances other than above	-	-
Loans	14,649,900	11,677,783
Other financial assets	25,600,000	25,600,000
Financial assets carried at fair value through profit or loss		
Investments in mutual funds	10,207,894	13,953,249
Investments in Government bonds and money market	57,460	-
Investments in fixed interest bonds	5,726,288	-
Investment in equity instruments of Body Corporate	204,650	204,650
Total	**78,936,505**	**69,270,406**
Financial liabilities carried at amortised cost		
Borrowings	-	-
Trade payables	27,560,193	18,045,594
Other financial liabilities	1,000,653	544,945
Total	**28,560,846**	**18,590,539**

24.02 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; (Amount in Rupees)

Particulars	Level	March31, 2019	March 31, 2018
Assets measured at fair value through profit or loss:			
Investments in mutual funds	Level 1	10,207,894	13,953,249
Investments in Government bonds and money market and fixed interest bonds	Level 2	5,783,748	-
Investment in equity instruments of Body Corporate	Level 3	204,650	204,650
Liabilities measured at fair value through profit or loss:		-	-

During the year ended March 31, 2019 and March 31, 2018 there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

The fair value of liquid mutual funds is based on net asset value quoted price. 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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25 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.

25.01 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.

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.

25.02 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 (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

No credit limits were exceeded during the reporting period other than those under litigation, 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 (Amount in Rupees)

Particulars	March 31, 2019	March 31, 2018
Upto 3 months	16,161,718	1,683,633
3 to 6 months	-	-
More than 6 months	-	-
Total	16,161,718	1,683,633

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units for a specified time period.

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. Hence the Group believes no impairment is necessary in respect of the above financial instruments.

25.03 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 undrawn borrowing facility, 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 (Amount in Rupees)

Particulars	Gross Amount	Repayable on demand	Due within 1 year	Due between 1 to 5 years
As at March 31, 2019				
Borrowings	-	-	-	-
Trade payables	27,560,193	25,538,266	2,021,927	-
Other financial liabilities	1,000,653	-	1,000,653	-
Total	**28,560,846**	**25,538,266**	**3,022,580**	**-**
As at March 31, 2018				
Borrowings	-	-	-	-
Trade payables	18,045,594	16,214,907	1,830,687	-
Other financial liabilities	544,945	-	544,945	-
Total	**18,590,539**	**16,214,907**	**2,375,632**	**-**

25.04 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, 2019 and March 31, 2018.

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26 CALCULATION OF EARNING PER SHARE (Amount in Rupees)

Sl.	Particulars	March 31, 2019	March 31, 2018
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.)	3,558,332	3,558,332
c.	Profit/(loss) attributable to equity holders of the Company for basic earnings (Amount in Rupees)	(160,507)	(197,458)
d.	Basic/Diluted Earning per share of Rs 10/- each (in Rs.) [(c)/(b)]	(0.05)	(0.06)

27 Contingent liabilities as at March 31, 2019 is Rs. Nil except for below: (March 31, 2018: Rs. Nil)

Particulars	March 31, 2019	March 31, 2018
Contingent liabilities - Refer Note No. (i) below	-	-
Capital Commitment	-	-

i) The Supreme Court 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 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 in view of which the University is not able to estimate the provident fund liability arising in view of the order. The Company further is of the view that the liability payable on account of retrospective effect if any will be accounted and paid on clarification if any provided by the Provident Fund Authorities and the impact if any may not 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 :

Particulars	March 31, 2019	March 31, 2018
Provident and pension fund	313,032	335,893

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, 2019 and March 31, 2018:

Particulars	March 31, 2019	March 31, 2018
i) Change in defined benefit obligation		
Defined benefit at the beginning	1,700,145	1,846,760
Current Service Cost	126,926	124,794
Interest expenses	123,932	131,313
Re-measurement - Actuarial loss / (gain)	(2,063)	(187,683)
Benefits paid	(117,315)	(215,039)
Defined benefit at the end	**1,831,625**	**1,700,145**
Current obligation	*85,634*	*99,220*
Non-current obligation	*1,745,991*	*1,600,925*
ii) Change in fair value of plan assets:		

Fair value of Plan Assets at the beginning	2,087,068	1,959,702
Expected return on plan assets	153,145	147,048
Actuarial gains/ (losses)	(8,596)	4,417
Contributions by employer	-	190,940
Benefits paid	(117,315)	(215,039)
Fair value of plan assets at the end	**2,114,302**	**2,087,068**
iii) Amount Recognized in the Balance Sheet		
Present Value of Obligation as at year end	1,831,625	1,700,145
Fair Value of plan assets at year end	2,114,302	2,087,068
Net (asset) / liability recognised	**(282,677)**	**(386,923)**
iv) Amount recognized in the Statement of Profit and Loss under employee benefit expenses.		
Current Service Cost	126,926	124,794
Net interest on net defined benefit liability / (asset)	(29,213)	(15,735)
Total expense	**97,713**	**109,059**
v) Recognised in other comprehensive income for the year		
Actuarial changes arising from changes in demographic assumptions	723	-
Actuarial changes arising from changes in financial assumption	-	(73,810)
Actuarial changes arising from changes in experience adjustments	(2,786)	(113,873)
Return on plan assets excluding interest income	8,596	(4,417)
Recognised in other comprehensive income	**6,533**	**(192,100)**
vi) Expected benefit payments for the year ending		
March 31, 2020	90,439	
March 31, 2021	257,776	
March 31, 2022	599,034	
March 31, 2023	65,465	
March 31, 2024	188,738	
March 31, 2025 to March 31, 2029	409,426	
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	(98,345)	(97,374)
(ii) one percentage point decrease in discount rate	110,171	108,924
(iii) one percentage point increase in salary escalation rate	109,948	107,141
(iv) one percentage point decrease in salary escalation rate	(99,782)	(97,333)
(v) one percentage point increase in employee turnover rate	4,420	4,881
(vi) one percentage point decrease in employee turnover rate	(4,733)	(5,250)
(vii) ten percentage increase in mortality rate	319	439

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.

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. 61,887 to the gratuity fund during FY 2019-20.

x) Actuarial Assumptions

Discount rate (p.a.)	7.55%	7.55%
Salary escalation	6.0%	6.0%
Weighted average duration of defined benefit obligation	10 Years	10 Years
Rate of employee turnover	5.00%	5.00%
Retirement age	60 years	60 years

Mortality rate during employment — Indian Assured Lives Mortality (2006-08) ultimate

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. 253,784/- as at March 31, 2019 [March 31, 2018: Rs. 464,963/-].

30 OPERATING LEASE :

The Company has entered into certain cancellable operating lease agreements mainly for office premises. The details of lease rentals debited to statement of profit and loss are as follows :

Particulars	March 31, 2019	March 31, 2018
Lease rentals under cancellable lease	300,462	304,044

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 Integrated Services Private Limited (on merger with Manipal Education and Medical Group India Private Limited)
Key Management Personnel (KMP)	:	D Sreepathi - Whole-time Director
		G S Shridhar - Whole-time Director

Details of the transactions *:

Sl	Particulars	March 31, 2019	March 31, 2018
a.	*Equity Shares held by*		
	Manipal Education and Medical Group India Private Limited (formerly Manipal Integrated Services Private Limited)	25,509,660	25,509,660
	Sri. D Sreepathi	2,000	2,000
	Sri. G S Shridhar	3,010	3,010
b.	*Brokerage and other charges received from KMP*		
	D Sreepathi	16,454	20,007
	G S Shridhar	1,381	114
c.	*Remuneration to KMP*		
	D Sreepathi	2,018,800	1,824,311
	G S Shridhar	1,804,702	1,708,349
d.	*Balances due to KMP*		
	D Sreepathi	35,270	184,878
e.	*Balances due from KMP*		
	G S Shridhar	-	23,129

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

** - The related party disclosures for opening balances as at April 01, 2016 given above are only with regard to Balance Sheet items and does not include transactions taken place during the Financial Year 2015-16.

32 Unhedged foreign currency exposure as on balance sheet date is Rs. Nil (March 31, 2018 : Rs. Nil).

33 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. 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. Revenues attributed to countries on the basis of the customer's location is given below. (Amount in Rupees)

Particulars	Country	March 31, 2019	March 31, 2018
Revenue	Mauritius	514227	1,028,460
Other non-current assets	Mauritius	-	-

The Company's only segment being stock broking has two customers who has contributed 10% or more of the revenue during the year amounting to Rs. 1,869,808/- (March 31, 2018: one customer amounting to Rs. 1,496,627/-).

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

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

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

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

Sudhir Prabhu K
Partner
Membership No: 209589
Place : Bengaluru
Date: 26.08.2019

D Sreepathi
Whole-Time-Director
DIN: 00958235
Place : Bengaluru
Date: 26.08.2019

G S Shridhar
Whole-Time-Director
DIN: 00106780
Place : Bengaluru
Date: 26.08.2019

NOTES:

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N115, Manipal Centre, Dickenson Road,
Bangalore – 560042
www.memgsecurities.com