



BgSE Properties and Securities Limited

(formerly known as Bangalore Stock Exchange Ltd)

CIN : U70102KA1937PLC001292

59th Annual Report 2021-2022



**Stock Exchange Towers,
51, 1st Cross, J.C. Road, Bengaluru - 560027**



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BOARD OF DIRECTORS

Independent Directors

Mr. Ramesh Chandra Mishra
Mr. N R Srinivas
Mr. Raghavan Venkata Raman

Shareholder Directors

Mr. M Gowtham Chand
Mr. Shiva Mohan B
Mr. R Babu
Mr. Sanjay V Sakariya
Mr. K M Sivaraman

EXECUTIVE DIRECTOR

Mr. Vinod G Jain

AUDITORS

M/s. Deepak Niraj & Associates
Chartered Accountants

LEGAL ADVISORS

M/s. Holla&Holla

REGISTRARS & SHARE TRANSFER AGENTS

M/s. BgSE Financials Limited - RTA Division
Stock Exchange Towers
No: 51, 1st Cross, J. C. Road, Bengaluru - 560027
E-Mail- Id: avp_rta@bfsl.co.in

BANKERS

Canara Bank
IDFC First Bank

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DIRECTORS' REPORT

To,
The Members,
Your Directors have pleasure in presenting their Fifty Ninth Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2022.

1. FINANCIAL PERFORMANCE OF THE COMPANY :

(INR in Lakhs)

FINANCIAL HIGHLIGHTS	Standalone		Consolidated	
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
Particulars				
INCOME:				
Rentals	167.00	192.79	167.00	192.79
Interest	27.29	29.11	41.12	42.12
Dividend	43.44	42.29	43.44	42.29
Other Operating Income	25.27	27.00	25.27	27.00
Other Non-operating Income	10.33	21.56	10.33	21.57
Total	273.33	312.75	287.16	325.77
EXPENSES:				
Employee Benefit Expenses	55.16	42.05	55.16	42.05
Other Administrative Expenses	102.92	99.29	106.21	100.08
Total	158.08	141.34	161.37	142.13
Profit before Depreciation	115.25	171.41	125.79	183.64
Depreciation for the year	16.84	15.92	16.84	15.92
Profit before taxes and prior period items	98.41	155.49	108.95	167.72
Add/ (Less)				
Income Tax - Current Year	-18.20	-33.70	-20.70	-36.73
Deferred Tax Liabilities	0.60	3.13	0.40	2.93
MAT Credit Entitlement	0	0	0	0
(Excess)/Short Income tax provision of PY	0	0	0	0
Profit After Tax & before Apportionment of Dividend	80.81	124.92	88.65	133.92



Brief Description of the Company

Standalone

The Company has made a Net Profit of Rs.80.81 Lakhs in the year 2021-22 as against the Net Profit of Rs.124.92 Lakhs in the year 2020-21. With no other regular business, the Company continues to depend on the rental Income. During the year few tenants have vacated from the premises, hence the reduction in rental Income. With rental and interest rate declining, the revenue and profits continue to be under pressure.

Consolidated

The Company has made a Net Profit of Rs.88.65 Lakhs in the year 2021-22 as against the Net Profit of Rs.133.92 Lakhs in the year 2020-21. It is to be noted that the Consolidated Financial performance includes Profit, arising out of our Subsidiary Company. With rental and interest rate declining, the revenue and profits continue to be under pressure.

2. Dividend:

The Board has recommended a final dividend of Rs. 0.20 per fully paid equity shares of Rs. 1/- each for the financial year 2021-22.

3. Reserves:

Company has not transferred any Amount to General Reserve.

4. Extract of the annual return:

Pursuant to sub-section (3) (a) of Section 134 and sub-section (3) of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, an Annual Return as at 31st March, 2022 is available at company website www.bgse.co.in

5. Change in the nature of business, if any:

The Company during the year has not changed the Nature of Business.

6. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report:

There are no material changes or commitments affecting the financial position of the Company which have occurred after March 31, 2022 till the date of this report.

7. 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:

No such orders have been passed by the regulators or courts or tribunals in the current year and till the date of the Directors' Report which could impact the going concern status and company's operations in future.

8. Details of Subsidiary / Joint Ventures/Associate Companies:

The company has wholly owned subsidiary company, BgSE Finance Limited incorporated on 25th November 2019.

Pursuant to section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of Subsidiaries/Associate Companies/Joint Ventures is given in Form AOC-1 and forms an integral part of this Report.

RBI registration of the company is still pending.

9. Consolidated Financial Statement:

The Consolidated Financial Statement have been prepared in accordance with the principles and procedures as set out in the Accounting Standard on Consolidated Financial Statements (AS 21) and AS-23 as notified under the Companies' Accounting Standard Rules, 2006 (as amended). The Audited Consolidated Financial Statement together with Auditors' Report forms part of the Annual Report.

10. Deposits:

Your Company has not accepted any deposits which are required to be disclosed under Chapter V of the Companies Act, 2013.

11. Statutory Auditors:

M/s. Deepak Niraj Chartered Accountants, hold office until the conclusion of the Annual General Meeting to be held in the year 2025, and have confirmed their eligibility and willingness to accept the office of the Auditors.

12. Auditors' Report:

Your directors are pleased to inform you that, there are no qualifications in the audit report and the auditors of the company have issued an unqualified audit report on the financial statements of the company. Regarding the auditor's observation in respect of delay in transferring the final dividend amount (for FY 20-21) to a separate dividend account within 5 days from the



date of approval in the AGM, your directors clarify that the delay in transferring the final dividend was on account of procedural delays on the part of the bankers in opening the dividend account. Upon opening of the bank account by the bankers the company has immediately deposited the dividend to the dividend account and dividends were paid to the shareholders within 17 days of the AGM which is within the timelines specified under the Companies Act, 2013.

13. Share Capital:

Authorised Share Capital

During the year under review, the Authorized Share Capital of your Company is 10,00,00,000 Equity shares of Rupee 1 (one) each amounting to Rs.10,00,00,000 (Rupees Ten Crores).

Paid Up Share Capital

During the year under review the paid-up Equity of the Company is Rs.3,66,91,850 equity shares of Rupee 1 (one) each aggregating to Rs. 3,66,91,850 (Rupees Three Crores Sixty Six Lakh and Ninety One Thousand Eight Hundred and Fifty only).

There is no increase in the share capital of the Company during the year in terms of equity shares or in any other form.

The list of Directors as on 31st March 2022 is here as under:

Full Name	DIN	Designation	Date of Appointment
Mr. Sanjay V Sakariya	02050364	Director	02/06/2015
Mr. M Gowtham Chand	00248239	Director	02/05/2019
Mr. Shiva Mohan B	01604155	Director	08/06/2019
Mr. R Babu	01417999	Director	08/06/2019
Mr. K M Sivaraman	02961895	Director	02/05/2019
Mr. Ramesh Chandra Mishra	00206671	Independent Director	18/10/2021
Mr. N R Srinivas	09089367	Independent Director	18/10/2021
Mr. Raghavan Venkata Raman	09110989	Independent Director	18/10/2021
Mr. Vinod G Jain	00248275	Executive Director	02/05/2019

Mr. Sanjay Vasantlal Sakariya, Mr. Radhakrishna Babu and Mr. Shiva Badavide Mohan, who are due for retirement by rotation in the 59th AGM and not offering themselves for re-appointment. The Board of Directors would like to place on record and express their Appreciation of Excellent Services, Guidance and Valuable contribution rendered by Mr. Sanjay Vasantlal Sakariya, Mr. Radhakrishna Babu and Mr. Shiva Badavide Mohan.

14. Conservation of energy, technology absorption and foreign exchange earnings and outgo:

Your Company's operations are not power or technology intensive. However, there is a continuous effort to conserve and optimize use of energy. Your Company has not entered into any transactions involving Foreign Exchange.

15. Corporate Social Responsibility (CSR) :

The CSR is applicable to every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year and since the Company has not come under the limit specified above read with section 135 of the Companies Act, 2013 and rules made thereunder, compliance with the provisions of Section 135 of the Act does not arise.

16. Directors:

There were changes among the Composition of Board of Directors.

Mr. Ramesh Chandra Mishra, Mr. N.R. Srinivas and Mr. Raghavan Venkata Raman have been appointed as Independent Directors of the Company in the 58th Annual General Meeting.

**17. Number of meetings of the Board of Directors:**

The Company held 4 (Four) meetings of the Board of Directors during the year under review, as follows

Number of Board meeting	Date of board meeting	Weather Physically /Video conference
35th Board meeting	19-07-2021	Video conference
36th Board meeting	18-10-2021	Physically
37th Board meeting	11-02-2022	Video conference
38th Board meeting	31-03-2022	Physically

The attendance details of the Board of Directors are as follows:

Sl. No	Name of Director	Designation	Induction / Cessation	No. of Board Meetings held during the year	No. of Board Meetings attended	Directorship in other companies	Attendance in last AGM
1	Mr. Sanjay V Sakariya	Shareholder Director	-	4	4	1	Yes
2	Mr. M Gowtham Chand	Shareholder Director	-	4	4	5	Yes
3	Mr. Shiva Mohan B	Shareholder Director	-	4	4	0	Yes
4	Mr. R Babu	Shareholder Director	-	4	4	0	Yes
5	Mr. K M Sivaraman	Shareholder Director	-	4	4	1	Yes
6	Mr. Ramesh Chandra Mishra	Independent Director	-	3	3	6	Yes
7	Mr. N R Srinivas	Independent Director	-	3	2	0	Yes
8	Mr. Raghavan Venkata Raman	Independent Director	-	3	3	0	Yes
9	Mr. Vinod G Jain	Executive Director	-	4	4	4	Yes

18. Particulars of loans, guarantees or investments under section 186:

The Company has not given any loan or guarantee to any person or other body corporate or made any investments during the year 2021-22 which are required to be disclosed under Section 186 of the Companies Act, 2013.

19. Particulars of contracts or arrangements with related parties:

Particulars of contracts or arrangements with related parties referred to in Section 188 (1) of the Companies Act, 2013 in the prescribed Form AOC-2 is appended as Annexure '3' which forms part of this Report.

Related party transactions

None of the transactions with any of the related parties was in conflict with the interests of the Company. Details of transactions between the Company and its subsidiaries, fellow subsidiaries, joint ventures, associates during 2021-22 are given in note no.12 (h) to the annual accounts. All related party transactions are negotiated on an arm's length basis and are in the interests of the Company.

20. Remuneration to Key Management Persons and Directors:

Mr. Vinod G Jain, Executive Director : Rs. 25,30,718

Remuneration (sitting fee) to other Directors: Rs. 2,80,000

Sl. No.	Name	Sitting Fee Amount (Rs.)
1	Mr. Sanjay V Sakariya	40,000
2	Mr. M Gowtham Chand	40,000
3	Mr. Shiva Mohan B	40,000
4	Mr. R Babu	40,000
5	Mr. K M Sivaraman	40,000
6	Mr. Ramesh Chandra Mishra	30,000
7	Mr. N R Srinivas	20,000
8	Mr. Raghavan Venkata Raman	30,000
	Total	2,80,000



21. Particulars of Employees:

There are no employees of the Company who draw remuneration as set out in Section 179 Rule 5.

22. Risk management policy:

The Company has adequate internal and audit controls to minimize the risk in its business operations.

23. Disclosures under Sexual Harassment of the Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Company follows the provisions of POSH. The Company has complied with the provisions relating to the constitutions of internal complaints under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, during the year under review.

24. Transfer amounts to Investor Education & Protection Fund:

Pursuant to the provisions of Section 124 of the Companies Act, 2013 as may be applicable, relevant amounts which remained unpaid or unclaimed for a period of seven years have been transferred by the Company, from time to time on due dates, to Investor Education & Protection Fund.

Pursuance to the provisions of Section 124 of the Companies Act, 2013, the Company have transferred the unclaimed First Interim Dividend for the Financial Year 2014-15 - Rs. 87,129.60/- transferred to Investor Education and Protection Fund (IEPF) Account.

Pursuant to the provisions, the Company has reported the details of unpaid and unclaimed amounts lying with the Company as on November 18, 2021 (AGM Date) with the Ministry of Corporate Affairs.

25. Directors' Responsibility Statement:

Pursuant to Section 134 (3)(c) of the Companies Act, 2013, the Board of Directors confirm:

- i) That in the preparation of the Annual Accounts of your Company, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- ii) that 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 your Company as at March 31, 2022 and of the profits of your Company for the year ended March 31, 2022.
- iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your Company and for preventing and detecting frauds and other irregularities;
- iv) that the Directors had prepared the annual accounts on a "going concern" basis.
- v) That proper systems have been devised to ensure compliance with the Provisions of all applicable laws and that such systems were adequate and operating effectively.

26. Acknowledgements:

Your Directors would like to express their appreciation and gratitude to all the Shareholders, Banks, Legal counsels, Auditors and Professional consultants, Regulatory Authorities, Vendors, Executives and Staff of the Company during the year under review.

Place : Bengaluru
Date : 15th July 2022

Enclosure

1. Annexure A :- AOC - 1
2. Annexure B :- AOC - 2

**For and on behalf of the Board of Directors
BgSE Properties and Securities Limited**

Sd/-
M Gowtham Chand
Chairman
DIN: 00248239

Sd/-
Vinod G Jain
Executive Director
DIN: 00248275



Form AOC-1

Annexure A

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	BGSE Finance Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.
4.	Share capital	3,00,00,000
5.	Reserves & surplus	16,08,964
6.	Total assets	3,17,33,740
7.	Total Liabilities	3,17,33,740
8.	Investments	NIL
9.	Turnover	13,82,722
10.	Profit before taxation	10,53,673
11.	Provision for taxation (including deferred tax)	2,69,892
12.	Profit after taxation	7,83,781
13.	Proposed Dividend	NIL
14.	% of shareholding	100%

There are no Associates or Joint ventures to report pursuant to Section 129 (3) of the Companies Act, 2013.

For and on behalf of the Board of Directors
BGSE PROPERTIES AND SECURITIES LIMITED

Sd/-

Vinod G Jain
Executive Director
DIN: 00248275

Place : Bengaluru
Date : 15th July 2022

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.



Annexure B

FORM NO. AOC -2

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

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a.	Name (s) of the related party & nature of relationship	N.A.
b.	Nature of contracts/arrangements/transaction	N.A.
c.	Duration of the contracts/arrangements/transaction	N.A.
d.	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A.
e.	Justification for entering into such contracts or arrangements or transactions	N.A.
f.	Date of approval by the Board	N.A.
g.	Amount paid as advances, if any	N.A.
h.	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	N.A.

2. Details of contracts or arrangements or transactions at Arm's length basis.
Table 2. A

SL. No.	Particulars	Transaction 1	Transaction 2
a.	Name (s) of the related party & nature of relationship	Vinod G Jain Executive Director	M Gowtham Chand Shareholder Director
b.	Nature of contracts/arrangements/transaction	Managerial remuneration paid	Sitting fees
c.	Duration of the contracts / arrangements / transaction	Through out the year	1 year
d.	Salient terms of the contracts or arrangements or transaction including the value, if any	25,30,718	40,000
e.	Date of approval by the Board	18.10.2021	As per AOA
f.	Amount paid as advances, if any	Not Applicable	Not Applicable



Table 2. B

SL. No.	Particulars	Transaction 3	Transaction 4
a.	Name (s) of the related party & nature of relationship	BgSE Financials Limited Entities significantly influenced by KMP	BgSE Financials Limited Entities significantly influenced by KMP
b.	Nature of contracts/arrangements/transaction	RTA, Deputation and service charges paid to BgSE Financials Limited	Rental income & Maintenance charges received from BgSE Financials Limited
c.	Duration of the contracts/arrangements/transaction	Through out the year	Through out the year
d.	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 1,34,725/-	Rs. 40,15,707/-
e.	Date of approval by the Board	09.07.2020	09.07.2020
f.	Amount paid as advances, if any	Not applicable	Not applicable

For and on behalf of the Board of Directors
BGSE PROPERTIES AND SECURITIES LIMITED

Sd/-

Vinod G Jain
Executive Director
DIN: 00248275

Place : Bengaluru

Date : 15th July 2022



INDEPENDENT AUDITORS' REPORT

TO
THE MEMBERS OF
BGSE PROPERTIES AND SECURITIES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the standalone financial statements of BgSE Properties and Securities Limited ("the Company"), which comprise the balance sheet as at 31st March 2022, and the statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the 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 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, 2022, and its profit, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, 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 opinion.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the standalone financial statements and our auditor's report thereon. The Board's report 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 do 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 the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the Board's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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.



Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 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 Companies Act, 2013, 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020, issued by the Central Government of in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we enclose in Annexure - A a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by Section 197(16) of the Act, we report that:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
3. 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 21(b) to the financial statements;
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There have been no delays by the Company in making transfer of funds to the Investor Education and Protection Fund.
 - (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether

recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. With respect to dividends, we report that
- In respect of final dividend proposed in the previous year, declared and paid by the Company during the year except for not transferring amount of dividend to separate bank account within the timeline specified in sub-section (4) of section 123 of the Act, declaration and payment of dividend is in accordance with section 123 of the Companies Act 2013.
 - The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

for Deepak Niraj & Associates
Chartered Accountants
FRN: 014707S

Sd/-
Deepak Chopra
Partner
Membership No. 227144

UDIN: 22227144AMZNQC7570

Place: Bangalore
Date : 15th July 2022



“Annexure A” to the Independent Auditors' Report

Annexure referred to in Independent Auditor's report to the members of Error! Reference source not found. ('the Company') on the standalone financial statements for the year ended 31 March 2022.

In terms of the information and explanations sought by us and given by company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report the following:

- (i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a) [A] The Company has maintained reasonable records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
 - [B] The company does not own any Intangible Assets and therefore Paragraph 3(1)(a)(B) of the order is not applicable.
 - (b) The major assets have been physically verified by the management on a sample basis during the year and in our opinion, the frequency of verification is reasonable. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) The title deeds of immovable properties are held in the name of the Company;
 - (d) The Company has not revalued its property, plant & equipment and intangible assets during the year.
 - (e) No proceedings have been initiated nor are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.
- (iii) During the year, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, and therefore Paragraphs 3 (iii)(a),(c),(d) (e) and (f) of the order are not applicable to the company. In terms of Paragraphs 3 (iii)(b) With regards the investments made during the year we report that the Investments made during the year are not prejudicial to the company's interest.
- (iv) The Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans, investments and guarantees made.
- (v) The company has not accepted any deposits or amounts which are deemed to be deposits to which the provisions of S. 73 to 76 or any other relevant provisions of the Act and the rules framed there under and the directions issued by the RBI are applicable. Hence paragraph 3 (v) of the order is not applicable to the company.
- (vi) No cost records have been prescribed under section 148(1) of the Companies Act, 2013 in respect of products manufactured / any of the services rendered / items traded by the company. Thus paragraph 3(vi) of the order is not applicable to the company.
- (vii) (a) Amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities on timely basis. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.
No undisputed amounts payable in respect of Goods and Service Tax, provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us, there are no dues that have not been deposited with the concerned authorities on account of dispute.
- (viii) There were no instances of transactions not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income tax Act, 1961.
- (ix) The Company has not availed any loans / other borrowings from any lender & therefore Paragraph 3(ix) of the order is not applicable to the Company.
- (x) (a) The Company has not raised any moneys by way of Initial Public Offer or Further Public Offer (including debt instruments) during the year. Paragraph 3(x)(a) of the order is therefore not applicable to the Company.
(b) The Company has not made any preferential allotment or private placement of shares or Convertible Debentures during the year and therefore Para 3(x) (b) of the Order is not applicable to the Company.



- (xi) (a) No material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit and therefore Para 3(xi) (a) and (b) of the Order is not applicable to the Company.
- (c) As represented to us by the management, there are no whistle blower complaints lows received by the company during the year.
- (xii) The Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) 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 financial statements as required by the applicable accounting standards.
- (xiv) (a) The internal audit system of the company is commensurate with the size and nature of its business;
- (b) We report that we have considered the reports of the Internal Auditors for the period under audit.
- (xv) The Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.
- (b) The company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of Indian Act, 1934.
- (c) The company is a not core investment company (CIC) as defined in the regulations made by the Reserve Bank of India. Para 3(xvi) (c) and (d) of the Order is therefore not applicable to the Company.
- (xvii) The company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xviii) There was no resignation of the statutory auditors during the year under Audit. Hence, paragraph 3(xviii) of CARO is not applicable to the company.
- (xix) The financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) The provisions of Sec. 135 of the Companies Act 2013 regarding Corporate Social Responsibility are not applicable to the Company. Hence, paragraph 3(xx) of CARO is not applicable to the company.

for Deepak Niraj & Associates
Chartered Accountants
FRN: 014707S

Sd/-
Deepak Chopra
Partner
Membership No. 227144

UDIN: 22227144AMZNQC7570

Place: Bangalore
Date : 15th July 2022



“ANNEXURE B” TO THE AUDITORS’ REPORT

Annexure referred to in Independent Auditor's report to the members of Error! Reference source not found. ('the Company') on the standalone financial statements for the year ended 31 March 2022.

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 BgSE Properties and Securities Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, 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 Deepak Niraj & Associates
Chartered Accountants
FRN: 014707S

Sd/-

Deepak Chopra
Partner

Membership No. 227144

UDIN: 22227144AMZNQC7570

Place: Bangalore

Date : 15th July 2022



1. Corporate information

BgSE Properties and Securities Limited (formerly known as Bangalore Stock Exchange Limited) was incorporated under the Companies Act, 1956 on 29th May 1937 as a Limited Company.

The Company commenced business as an Exchange on 28th May 1963. It soon became one of the premier Stock exchanges of India and largest in the Southern India.

The Company received permission to "Exit" as a Stock Exchange from SEBI vide Exit order no: WTM/RKA/MRD/165/2014 dated December 26, 2014. Consequently, the Company discontinued the stock exchange business. However, it is continuing as a Public Limited company with change in business objects and with change in name to BgSE Properties and Securities Limited. Pursuant to change in name, the Registrar of Companies, Bangalore issued a new certificate of incorporation to the Company on May 14, 2015. Presently the principal business of the company is leasing of immovable property.

2. Significant accounting policies

2.1 Basis of preparation of consolidated financial statements

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified). 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. The financial statements are prepared and presented in Indian Rupees (rounded to Rs in 1000s) unless otherwise stated.

The Company is a Small and Medium Sized Company ('SMC') as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 1956 read with Section 133 of the Companies Act, 2013 ('Act') and Rule 7 of the Companies (Accounts) Rules, 2014. Accordingly, the Company has complied with the Accounting Standards applicable to a SMC.

2.2 Use of estimates

The preparation of financial statements in conformity with the Generally Accepted Accounting Principles ('GAAP') in India requires management to make estimates and assumptions that affect the reported amounts of income and expenses for the year, assets and liabilities and disclosures relating to contingent liabilities as on the date of the consolidated financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

2.3 Current and non - current classification

All assets and liabilities are classified into current and non - current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realised within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non - current financial assets.

All other assets are classified as non - current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be settled within 12 months after the reporting date; or



- d. The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counter party, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of non - current financial liabilities.

All other liabilities are classified as non - current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realizations in cash or cash equivalents.

2.4 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. When there is uncertainty as to measurement or ultimate collect ability revenue recognition is postponed until such uncertainty is resolved.

Lease rentals are recognized on accrual basis over the lease term. The Company presents revenues net of indirect taxes in its statement of profit and loss. Dividend income is recognized when the right to receive payment is established. Interest income is recognized using the time proportion method, based on the transactional interest rates.

2.5 Property, plant and equipment and depreciation

Property, plant and equipment:

Property, plant and equipment are carried at cost of acquisition (including directly attributable costs such as freight, installation, etc.) or construction less accumulated depreciation and impairment. Borrowing costs directly attributable to acquisition or construction of those Property, plant and equipment, which necessarily take a substantial period of time to get ready for their intended use, are capitalised.

Depreciation:

Depreciation on fixed assets is provided on written down value method over the useful lives of the assets. Depreciation for assets purchased / sold during a period is proportionately charged.

Useful life of the assets considered for the purpose of charging depreciation :

Asset classification	Useful life
Building	50 years
Electrical Fittings	10 years
Plant & Equipment	15 years
Furniture & Fixtures	10 years
Office Equipments	5 years
Computer & Peripherals	3 years
Two Wheelers	10 years

Property, plant and equipment individually costing Rs 5,000 or less are fully depreciated in the year of purchase/ installation.

Capital work-in-progress

Capital work-in-progress comprises the cost of fixed assets that are not ready for their intended use at the reporting date.

2.6 Investments

Investments that are readily realizable and are intended to be held for not more than a year are classified as current investments. All other investments are classified as non-current investments,. Non-current investments are carried at cost less provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment. Current investments are valued at lower of cost and fair market value determined on an individual investment basis.

2.7 Retirement benefits

Gratuity, a defined benefit for employees of the Indian entity, is accrued based on an actuarial valuation at the balance sheet date, carried out by an independent actuary. The Company has an employees' gratuity fund managed by the Life Insurance Corporation of India ('LIC'). Provision for gratuity liabilities, pending remittance to the fund, is carried in the balance sheet. Actuarial gains and losses are charged to the profit and loss account.

Contributions payable to the recognized provident fund are charged to the profit and loss account.



2.8 Provisions and contingent liabilities

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

2.9 Taxation

Tax expense comprises current and deferred 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 enacted in India. 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 directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The current income tax charge is determined in accordance with the relevant tax regulations applicable to the Company.

2.10 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

2.11 Impairment of assets

The Company assesses at each balance sheet date, whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

2.12 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for effects of transactions of non-cash nature, any deferrals, or accruals of past or future operating cash receipts or payments and items of expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The Company all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

2.13 Leases

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income is recognized in the statement of profit and loss. Costs, including depreciation are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.



Balance Sheet

(Amount in Rs. Thousands, unless otherwise stated)

	Notes	31 March 2022	31 March 2021
Equity and liabilities			
Shareholders' funds			
Share capital	3	36,691.850	36,691.850
Reserves and surplus	4	2,32,713.972	2,33,805.862
		2,69,405.822	2,70,497.712
Non-current liabilities			
Deferred tax liability (net)	5	2,134.119	2,194.05
		2,134.119	2,194.051
Current liabilities			
Trade payables	6		
Outstanding dues of micro enterprises & small enterprises		-	-
Creditors other than micro enterprises & small enterprises		69.927	14.855
Other current liabilities	7	14,850.543	16,245.397
Short-term provisions	8	1,089.176	1,386.021
		16,009.646	17,646.273
TOTAL		2,87,549.586	2,90,338.037
Assets			
Non-current assets			
Property, plant & equipment	9	77,613.634	79,111.120
Non-current investments	10	1,14,103.301	1,13,549.936
Long-term loans and advances	11	44,766.264	43,980.761
Other non-current assets	12	41,633.203	13,327.459
		2,78,116.402	2,49,969.276
Current assets			
Trade receivables	13	515.477	1,425.914
Cash and bank balances	14	6,851.055	33,842.707
Short-term loans and advances	15	170.740	131.423
Other current assets	16	1,895.912	4,968.716
		9,433.185	40,368.761
TOTAL		2,87,549.586	2,90,338.037
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements
This is the Balance Sheet referred to in our report of even date

For Deepak Niraj & Associates
Chartered Accountants
FRN: 014707S

Sd/-
Deepak Chopra
M.No.: 227144
Partner
Bangalore
Date 15th July 2022

**For and on behalf of the Board of Directors of
BgSE Properties and Securities Limited**

Sd/-
Vinod G Jain
DIN : 00248275
Whole time Director
Bangalore
Date 15th July 2022

Sd/-
Sanjay V Sakariya
DIN: 02050364
Director
Bangalore
Date 15th July 2022

Sd/-
B Shiva Mohan
DIN : 01604155
Director
Bangalore
Date 15th July 2022



Statement of Profit And Loss Account

(Amount in Rs. Thousands, unless otherwise stated)

	Notes	31 March 2022	31 March 2021
Income			
Revenue from operations (Gross)	17	19,227.317	21,979.348
Other income	18	8,106.518	9,296.627
Total income (I)		27,333.835	31,275.975
Expenses			
Employee benefits expense	19	5,516.850	4,205.390
Depreciation and amortization expense	9	1,684.327	1,591.756
Other expenses	20	10,291.275	9,929.245
Total expenses (II)		17,492.451	15,726.391
Profit / (Loss) before exceptional and extraordinary items and tax: III = (I-II)		9,841.383	15,549.584
Exceptional and extraordinary items (IV)		-	-
Profit / (Loss) before tax V: (III-IV)		9,841.383	15,549.584
Tax expenses			
Current tax expense for current year		1,820.244	3,370.165
Deferred tax		(59.933)	(313.476)
Total tax expenses		1,760.311	3,056.689
Profit/ (Loss) after tax		8,081.072	12,492.894
Basic and diluted earnings per share (in Rs.)	21(a)	0.22	0.34
Summary of significant accounting policies	2		

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

This is the statement of Profit and Loss referred to in our report of even date

For Deepak Niraj & Associates
Chartered Accountants
FRN: 014707S

Sd/-

Deepak Chopra
M.No.: 227144
Partner
Bangalore
Date 15th July 2022

**For and on behalf of the Board of Directors of
BgSE Properties and Securities Limited**

Sd/-

Vinod G Jain
DIN : 00248275
Whole time Director
Bangalore
Date 15th July 2022

Sd/-

Sanjay V Sakariya
DIN: 02050364
Director
Bangalore
Date 15th July 2022

Sd/-

B Shiva Mohan
DIN : 01604155
Director
Bangalore
Date 15th July 2022



Notes on Accounts

(Amount in Rs. Thousands, unless otherwise stated)

3. Share capital

Authorised shares

10,00,00,000 Equity Shares of Rs 1 each

Issued, subscribed and fully paid-up shares

3,66,91,850 Equity Shares of Rs 1 each

	31 March 2022	31 March 2021
	10,00,00,000	10,00,00,000
	3,66,91,850	3,66,91,850
	3,66,91,850	3,66,91,850

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period.

Particulars	31 March 2022		31 March 2021	
	Number	Amount	Number	Amount
At the beginning of the period	3,66,91,850	3,66,91,850	3,66,91,850	3,66,91,850
Issued during the period	Nil	Nil	Nil	Nil
Bonus during the period	Nil	Nil	Nil	Nil
ESOP during the period	Nil	Nil	Nil	Nil
Conversion during the period	Nil	Nil	Nil	Nil
Bought back during the period	Nil	Nil	Nil	Nil
Outstanding at the end of the period	3,66,91,850	3,66,91,850	3,66,91,850	3,66,91,850

b. Details of shareholders holding more than 5% shares in the company

Equity shares of Rs.1 each fully paid.

	31 March 2022		31 March 2021	
	Number	% holding	Number	% holding
BgSE Financials Limited	72,51,646	19.76%	72,51,646	19.76%
Goodwill Management P Ltd	32,34,630	8.82%	32,34,630	8.82%

As per records of the company, including its register of shareholders/members, the above shareholding represents both legal and beneficial ownership of shares.

c. The Company has only one class of equity shareholders. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

d. Details of share holding of promoters

Promoter name / Class of share	31 Mar 2022		31 Mar 2021		% of change during the year
	Number	% holding	Number	% holding	
Equity Shares:					
Vinod G Jain	4,14,001	1.13%	4,39,101	1.20%	-5.72%



...contd...

(Amount in Rs. Thousands, unless otherwise stated)

4. Reserves and surplus

	31 March 2022	31 March 2021
(a) Capital reserve		
Opening balance	13,500	13,500
Closing balance	13,500	13,500
(b) Securities premium account		
Opening balance	2,07,253	2,07,253
Closing balance	2,07,253	2,07,253
(c) Revaluation reserve		
Opening balance	-	16,57,44,750
Less: reversed during the year	-	(16,57,44,750)
Closing balance	-	-
(d) General reserve		
Opening balance	2,22,034.153	2,08,557.578
Add: Transferred from surplus in Statement of Profit and Loss	-	13,476.575
Closing balance	2,22,034.153	2,22,034.153
(e) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	11,550.957	10,161.089
Add: Profit / (Loss) for the year	8,081.072	12,492.894
Add: Reversal of interest of defaulter's account	-	9,711.918
Amounts transferred from/(to):		
General reserve	-	(13,476.575)
Less: Final dividend	(9,172.963)	(7,338.370)
Closing balance	10,459.066	11,550.957
Total	2,32,713.972	2,33,805.862

5. Deferred tax Liability/ (Asset)

Tax effect of items constituting deferred tax liability

On difference between book balance and tax balance of fixed assets **2,437.127** **2,477.237**

Tax effect of items constituting deferred tax liability **2,437.127** **2,477.237**

Tax effect of items constituting deferred tax assets

Provision for compensated absences, gratuity and other employee benefits (303.009) (283.186)

Tax effect of items constituting deferred tax assets (303.009) (283.186)

Net deferred tax (liability) / asset **2,134.119** **2,194.051**

6. Trade payables

Trade payables (other than dues to micro enterprises and small enterprises) 69.927 14.855

Trade payables (dues to micro enterprises and small enterprises) **69.927** **14.855**



...contd...

Ageing Schedule of trade payables due for payment as on 31 Mar 2022 (Amount in Rs. Thousands, unless otherwise stated)

	Particulars			
Outstanding for following periods from due date of payment	MSME	Others	Disputed dues - MSME	Disputed dues - Others
Less than 1 yr	-	69.927	-	-
1-2 yrs	-	-	-	-
2-3 yrs	-	-	-	-
> 3 Yrs	-	-	-	-
Total trade payables due	-	69.927	-	-
Trade payables not due for payment	-	-	-	-
Unbilled payables	-	-	-	-
Total trade payables	-	69.927	-	-

Ageing Schedule of trade payables due for payment as on 31 Mar 2021

	Particulars			
Outstanding for following periods from due date of payment	MSME	Others	Disputed dues - MSME	Disputed dues - Others
Less than 1 yr	-	14,855	-	-
1-2 yrs	-	-	-	-
2-3 yrs	-	-	-	-
> 3 Yrs	-	-	-	-
Total trade payables due	-	14,855	-	-
Trade payables not due for payment	-	-	-	-
Unbilled payables	-	-	-	-
Total trade payables	-	14,855	-	-

7. Other current liabilities

Rental deposits from tenants	2,456.070	2,560.070
Unpaid dividends	5,720.894	5,847.318
Other payables		
Statutory remittances	326.211	421.353
Dues to employees	372.806	399.860
Expenses payable	390.877	399.667
Payable to erstwhile members of Stock Exchange	5,583.685	6,617.128

31 March 2022

31 March 2021

14,850.543

16,245.397

8. Short term provision

(a) Provision - Others:		
(i) Provision for income tax	-	296.845
(ii) Provision for other liabilities	1,089.176	1,089.176

31 March 2022

31 March 2021

1,089.176

1,386.021



...contd...

BgSE PROPERTIES AND SECURITIES LIMITED
Notes on accounts for the year ended 31 March 2022
9. Property, plant and equipment

...contd...

(Amount in Rs. Thousands, unless otherwise stated)

Description	Gross Block			Accumulated Depreciation			Net Block	
	Balance as at 1 April 2021	Additions/ (Disposals)	Balance as at 31 Mar 2022	Balance as at 1 April 2021	Depreciation charge for the year	On disposals	Balance as at 31 Mar 2022	Balance as at 1 April 2021
Property, plant and equipment								
Land	62,415.250	-	62,415.250	-	-	-	-	62,415.250
Building	61,905.097	-	61,905.097	48,850.095	917.928	-	49,768.023	13,055.002
Plant & Equipment	3,146.041	-	3,146.041	370.390	502.493	-	872.883	2,775.651
Electrical Fittings	1,196.104	-	1,196.104	951.874	60.311	-	1,012.185	244.230
Furniture & Fixtures	15,176.223	17.500	15,193.723	14,706.609	122.217	-	14,828.826	469.614
Office Equipments	1,598.427	30.086	1,628.514	1,561.149	17.525	-	1,578.674	37.278
Computer & Peripherals	142.598	139.255	281.853	109.464	42.895	-	152.359	33.134
Two Wheelers	101.201	-	101.201	20.240	20.958	-	41.198	80.961
Total	1,45,680.941	186.841	1,45,867.782	66,569.821	1,684.327	-	68,254.148	79,111.120
Previous year	3,07,608.406	(1,61,927.464)	1,45,680.941	64,978.065	1,591.756	-	66,569.821	2,42,630.341
								79,111.120



(Amount in Rs. Thousands, unless otherwise stated)

		31 March 2022	31 March 2021
10. Non-current investments			
Non Trade Investments			
Investment in shares			
(a) Quoted equity shares - at Cost	A	34,524.783	34,524.783
(b) Unquoted equity / preference shares - at Cost			
Inter-Connected Enterprises Limited		578.518	25.153
(10,56,424 equity shares of face value Re 1 each; PY: 5,03,059 equity shares of face value Re 1 each)			
Preference shares of BgSE Financials Ltd		49,000.000	49,000.000
(49,00,000 8% Redeemable non cumulative preference shares of face value Rs10/- each)			
	B	49,578.518	49,025.153
(c) Investment in shares of wholly owned subsidiary -			
unquoted - at Cost			
Equity shares of BgSE Finance Ltd		30,000.000	30,000.000
(CY:30,00,000 equity shares of Rs.10 each)			
(PY:30,00,000 equity shares of Rs.10 each)	C	30,000.000	30,000.000
Total Investments (A+B+C)		1,14,103.301	1,13,549.936
Less: Provision for diminution in value of investments		-	-
Total		1,14,103.301	1,13,549.936
Aggregate amount of quoted investments		34,524.783	34,524.783
Aggregate market value of listed and quoted investments		75,867.690	47,644.562
Aggregate amount of unquoted investments		79,578.518	79,025.153
11. Long-term loans and advances			
(Unsecured, considered good)			
(a) MAT credit entitlement		40,090.441	40,372.496
(b) Balances with government authorities			
(i) Income tax refund receivable		4,675.823	3,608.265
Total		44,766.264	43,980.761
12. Other non-current assets			
(a) Security deposits			
Unsecured, considered good		2,370.132	2,370.132
(b) Others			
Fixed Deposits of more than 12 months maturity*		39,263.071	10,957.327
Total		41,633.203	13,327.459
*Deposit to the extent of Rs 91,28,931/- (previous year Rs.1,09,57,327) have been earmarked towards liabilities.			
13. Trade receivables			
Unsecured, considered good		515.477	1,425.914
Unsecured, considered doubtful		-	-
		515.477	1,425.914
Less: Provision for doubtful trade receivables		-	-
		515.477	1,425.914



...contd...

Ageing schedule of trade receivables as on 31 Mar 2022

(Amount in Rs. Thousands, unless otherwise stated)

Outstanding for following periods from due date of payment	Disputed trade receivables		Undisputed trade receivables	
	Considered good	Considered doubtful	Considered good	Considered doubtful
Less than 6 months	-	-	515.477	-
6 months - 1yr	-	-	-	-
1-2 yrs	-	-	-	-
2-3yrs	-	-	-	-
more than 3 yrs	-	-	-	-
Total trade receivables that are due	-	-	515.477	-

Ageing schedule of trade receivables as on 31 Mar 2021

Outstanding for following periods from due date of payment	Disputed trade receivables		Undisputed trade receivables	
	Considered good	Considered doubtful	Considered good	Considered doubtful
Less than 6 months	-	-	1,425.914	-
6 months - 1yr	-	-	-	-
1-2 yrs	-	-	-	-
2-3yrs	-	-	-	-
more than 3 yrs	-	-	-	-
Total trade receivables that are due	-	-	1,425.914	-

Note: Trade receivables include debts due from:Companies in which any director is a director or member
[refer note 21(k)]

219.775	606.880
219.775	606.880

14. Cash and bank balances

(a) Cash & cash equivalents

Cash on hand

Balances with banks

(i) In current accounts

(ii) In deposit accounts

(b) Other Bank balances

(i) Fixed deposits *

(ii) Current accounts earmarked for Unclaimed Dividend

Total

31 March 2022	31 March 2021
571.044	1,852.383
570.846	650.000
1,141.890	2,502.383
-	25,494.219
5,709.165	5,846.105
5,709.165	31,340.324
6,851.055	33,842.707

*Deposit to the extent of Rs.Nil (previous year Rs.26,21,911) have been earmarked towards liabilities.



...contd...

(Amount in Rs. Thousands, unless otherwise stated)

	31 March 2022	31 March 2021
15. Short-term loans and advances		
<i>Unsecured, considered good</i>		
(a) Loans and advances to employees	25.000	-
(b) Prepaid expenses	59.138	27.486
(c) Balances with government authorities		
(i) GST Input Credit	86.602	103.938
	86.602	103.938
Total	170.740	131.423
16. Other current assets		
(a) Accruals		
(i) Interest accrued on deposits	1,315.876	4,376.118
(b) Others		
(i) Gratuity Plan Assets [Refer Note 21(i)]	580.036	592.412
(ii) Dividend receivable	-	0.186
	1,895.912	4,968.716
17. Revenue from operations		
Lease rentals	16,699.772	19,279.282
Other operating revenues	2,527.545	2,700.066
	19,227.317	21,979.348
18. Other income		
(a) Interest income		
Interest on bank deposits	2,476.771	2,910.765
Interest on income tax refund	148.529	-
Interest on BESCOM deposit	103.385	-
(b) Dividend income:		
from non-current investments	4,343.665	4,229.080
(c) Net gain on sale of:		
current investments	0.725	-
(d) Other non-operating income		
Liabilities / provisions no longer required written back	1,033.443	2,150.818
Miscellaneous income	-	5.964
Total	8,106.518	9,296.627
19. Employee benefits expense		
Salaries and wages *	3,625.445	3,408.940
Ex-gratia paid to Ex-Executive Director	900.000	-
Contribution to provident and other funds	568.402	532.448
Gratuity expense (net) [Refer Note 21(i)]	12.376	23.885
Staff welfare expenses	410.627	240.117
	5,516.850	4,205.390
	2,530.718	2,205.116

* includes remuneration to Directors



...contd...

(Amount in Rs. Thousands, unless otherwise stated)

20. Other expenses

	31 March 2022	31 March 2021
Advertisement	78.549	90.617
Bank Charges	19.427	9.059
Power and fuel charges (net)	633.304	1,159.396
Water charges	45.275	51.155
Sundry business expenses	1,035.061	395.010
Repairs and maintenance		
- Buildings	4,328.268	3,787.997
- Others	343.713	307.170
Insurance	122.250	120.023
Rates and taxes	2,260.846	2,133.156
Communication expenses	52.250	32.874
Traveling and conveyance	27.257	87.029
Printing and stationery	40.435	73.363
Sitting fees to directors	280.000	430.000
Legal and professional	737.500	959.694
Payments to auditors [Refer Note 21(c)]	100.000	110.000
Bad trade written off	38.321	-
Meeting and Seminar Expenses	89.777	98.280
Demat and RTA charges	59.027	84.422
Round off	0.014	-
Total	10,291.275	9,929.245

(Amount in Rs. Thousands, unless otherwise stated)

31 March 2022 31 March 2021

21. Additional information to the financial statements

(a) Earnings per share (EPS)

The computation of earnings per share is set out below:

Particulars	For the year ended 31 Mar 2022	
	Basic EPS	Diluted EPS
Net profit/ (loss) attributable to equity shareholders [A]	8,081.072	8,081.072
Weighted average number of equity shares outstanding during the year [B]	3,66,91,850	3,66,91,850
Earnings/ (loss) per share (in Rs.) = [A]/[B]	0.22	0.22
Particulars	For the year ended 31 Mar 2021	
	Basic EPS	Diluted EPS
Net profit/ (loss) attributable to equity shareholders [A]	12,492.894	12,492.894
Weighted average number of equity shares outstanding during the year [B]	3,66,91,850	3,66,91,850
Earnings/ (loss) per share (in Rs.) = [A]/[B]	0.34	0.34

**(b) Contingent liabilities and commitments (to the extent not provided for)**

(Amount in Rs. Thousands, unless otherwise stated)
31 Mar 2022 **31 Mar 2021**

(i) Contingent liabilities

(a) Claims against company not acknowledged as debts:

(i) The Company is involved in certain legal proceedings and claims in relation to civil matters. These legal proceedings are currently pending adjudication before various courts and tribunals. Based on a review of the relevant facts and judicial precedents and as advised by its legal counsels, management is confident of succeeding in these litigations and consequently no provision has been made in the financial statements. In the event of Company losing these cases, liability that will have to be discharged by the company on a best estimate basis would be Rs. 5,89,22,729 (PY: Rs.4,13,55,521/-).

(ii) For the Assessment year 2017-18 the Income tax department has passed an order u/s 143(3) by disallowing certain expenditure claimed by the Company resulting in reduction of MAT Credit amounting to Rs.30,79,717/-. The Company is contesting the order and the Management, including its tax advisors, believes that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the reduction in MAT credit. The Management believes that the ultimate out come of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.

(iii) For the AY 2020-21, the company's return of income has been processed u/s 143(1). In the intimation certain additions have been made resulting in a reduction of refund to the tune of Rs. 3,15,279/-. In respect of the additions made and additional tax computed the company has not recognised any expense and the company has filed an appeal before CIT(A). Management, including its tax advisors, believes that its position will likely be upheld in the appellate process. The Management believes that the ultimate out come of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.

(ii) Commitments**Nil****Nil****(c) Payments to the auditors comprises:**

As auditors - statutory audit	100.000	100.000
For taxation matters	-	10.000
	100.000	110.000

(d) Value of imports on a CIF basis**Nil****Nil****(e) Expenditure in foreign currency****Nil****Nil****(f) Earnings in foreign exchange****Nil****Nil****(g) Disclosure on Micro, Small and Medium Enterprises**

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2009 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 Mar 2022 has been made in the financial statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.



...contd...

Particulars	Year ended 31 Mar 2022	Year ended 31 Mar 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	Nil	Nil
The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year;	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	Nil	Nil
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	Nil	Nil
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	Nil	Nil

(h) The Company has only one reportable segment (viz. renting and maintenance of immovable property) under Accounting Standard 17 - 'Segment Reporting' as specified in Companies Accounting Standard Rules, 2006. No further disclosures are required to comply with the said standard.

(i) Gratuity

The Company has a gratuity plan, which is a defined benefit scheme. Every employee who has completed 5 years or more of service is eligible for gratuity on separation, which is worked out at One month's Basic Pay plus DA upto 30th September, 2006 and at 10% of annual Basic Pay plus DA (last drawn salary) from 1st October 2006 onwards for each completed year of service. The Company provides the gratuity benefit through annual contribution to a fund managed by the Life Insurance Corporation of India (LIC). Under this plan, the settlement obligation remains with the Company, although the LIC administers the plan and determines the contribution premium required to be paid by the Company.

(a) Present value of defined benefit obligation

Balance at the beginning of the year	213.459	151.048
Current service cost	58.167	58.239
Interest cost	15.284	10.181
Actuarial loss/(gain)	(6.600)	(6.009)
Benefits paid	-	-
Balance at the end of the year	280.310	213.459

(b) Fair value of plan asset

Balance at the beginning of the year	805.871	502.103
Expected return on plan assets	57.700	42.780
Contributions by employer	-	265.243
Actuarial loss/(gain)	(3.226)	(4.255)
Benefits paid	-	-
Balance at the end of the year	860.345	805.871



...contd...

(Amount in Rs. Thousands, unless otherwise stated)

(c) Assets and liabilities recognised in the balance sheet

Present value of defined benefit obligation

Less: Fair value of plan asset

Net Liability/(Asset)

(d) Expenses recognised in statement of profit & loss

Current service cost

Interest cost

Expected return on plan assets

Actuarial loss (net)

Expenses recognised in the statement of profit & loss

(e) Principal assumptions

Discount rate per annum

Expected salary increase per annum

Attrition rate

Expected return on assets

Retirement age (in years)

280.310	213.459
(860.345)	(805.871)
(580.035)	(592.412)
58.167	58.239
15.284	10.181
(57.700)	(42.780)
(3.374)	(1.754)
12.377	23.886
7.14%	7.16%
6.00%	6.00%
3.00%	3.00%
7.16%	6.74%
60	60

The estimate of future salary increase considered in actuarial valuation take into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The overall expected rate of return on assets is determined based on the market prices prevailing on that day, applicable to the period over which the obligation is to be settled. The change in expected rate of return on asset is due to change in market scenarios.

(f) Amount recognised in current year and previous four years

	31 Mar 2022	31 Mar 2021	31 Mar 2020	31 Mar 2019
Defined benefit obligation	280.310	213.459	151.048	1,709.916
Plan assets	860.345	805.871	502.013	1,945.960
(Deficit)	580.035	592.412	351.055	236.044
Experience loss/(gain) adjustments in:				
plan liabilities	(7.074)	3.425	(171.286)	-
plan assets	3.226	4.255	53.683	-

(j) Proposed Dividend

Amount of dividend proposed to be distributed to equity share holders

@ 0.20/- paise per equity share

@ 0.25/- paise per equity share

31 Mar 2022

31 Mar 2021

73,38,370

91,72,963

(k) Related party transactions

(a) Names of related parties and description of relationship

(i) Key managerial persons (KMP)

(ii) Relatives of KMP

(iii) Wholly owned Subsidiaries

(iv) Entities significantly influenced by KMP with which transactions have taken place during the year

Vinod Gowthamchand Jain

Motilal Jain Gowtham Chand

BgSE Finance Limited

BgSE Financials Limited



...contd...

(b) Transactions with related parties during the year

Transaction

Managerial remuneration paid to Vinod G Jain
Sitting fee paid to Motilal Jain Gowtham Chand
Fixed assets bought from BgSE Financials Limited
RTA, Deputation and service charges paid to BgSE Financials Limited
Rental income & Maintenance charges received from BgSE Financials Limited

31 Mar 2022

2,530.718
40.000
-
134.725
4,015.707

31 Mar 2021

2,205.116
65.000
500.000
522.586
4,739.298

Note:

- 1) The provision for gratuity is made on the basis of actual valuation for all the employees of the Company, including for the managerial personnel. Proportionate amount of gratuity is not included in the above disclosure, since the exact amount is not ascertainable.
- 2) Transactions with related parties shown above are excluding Goods and Service Tax.

(c) Balance as on balance sheet date

Credit Balances

Trade Payable

BgSE Financials Limited

2.575

2.360

Lease deposit received from

BgSE Financials Limited

1,500.000

1,500.000

Debit Balances

Trade Receivable

BgSE Financials Limited

219.775

606.880

- (l) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company.
- (m) No funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (n) The following are analytical ratios for the year ended 31 Mar 2022 and 31 Mar 2021

Particulars	31 Mar 2022	31 Mar 2021	Variance
Current ratio = Current assets / Current liabilities	0.59	2.29	-74.24%
Debt : Equity Ratio = Total Borrowings / Shareholder's fund	Not applicable as there are no borrowings in the company.		
Earnings available for debt service / Debt Service			



...contd...

Return on equity = Net Profits after taxes / Average Shareholder's Equity	0.03	0.05	-36.96%
Inventory turnover = Sales / Average Inventory	Not applicable as there are no inventories		
Trade receivables turnover = Revenue / Average trade receivable	19.81	14.01	41.41%
Trade payables turnover = Purchases and other expenses / Average Trade payable	242.77	32.88	638.30%
Net capital turnover = Revenue / Working Capital	(2.92)	0.97	-402.25%
Net profit ratio = Net Profits after taxes / Sales	0.42	0.57	-26.06%
Return on capital employed = Earning before interest and taxes / Capital Employed	0.04	0.06	-36.44%
Return on investment (quoted) ⁽¹⁾ = $\frac{\{MV(T1) - MV(T0) - \text{Sum } [C(t)]\}}{\{MV(T0) + \text{Sum } [W(t) * C(t)]\}}$	0.60	0.70	-14.61%
Return on investment (un-quoted) ⁽¹⁾ = Income generated from investments / Time weighted average investments	0.05	0.05	-0.70%

⁽¹⁾ ROI: MV(T1) = Market value at end of period
MV(T0) = Market value at beg of period
C(t) = Cash inflow, cash outflow (net)
W(t) = Weight of the net cash flow

Explanation to changes in ratios by more than 25%

- (i) **Current Asset Ratio:** Change in current asset ratio is on account of significant decrease in current assets during FY 21-22
- (ii) **Return in equity Ratio:** Changes in profits has resulted in lower return on equity in FY 21-22
- (iii) **Trade receivable turnover Ratio:** Reduction in trade receivables as on 31.03.2022 vis a vis 31.03.2021 has resulted in increase in ratios
- (iv) **Trade payable turnover Ratio:** Reduction in trade payables as on 31.03.2022 vis a vis 31.03.2021 has resulted in increase in ratios
- (v) **Net capital turnover Ratio:** Reduction in current assets as on 31.03.2022 vis a vis 31.03.2021 has resulted in reduction in ratios
- (vi) **Net profit Ratio:** Reduction in sales as on 31.03.2022 vis a vis 31.03.2021 has resulted in reduction in ratios
- (vii) **Return on capital employed Ratio:** Changes in profit as on 31.03.2022 vis a vis 31.03.2021 has resulted in reduction in ratios
- (o) **Other disclosures:**
 - i) There are no transactions with struck off companies under section 248 or 560
 - ii) No charges or satisfaction is yet to be registered with Registrar of Companies beyond the statutory period.
 - iii) There is no Scheme of Arrangements that has been approved in terms of sections 230 to 237



...contd...

- iv) The Company has complied with the no. of layers prescribed u/s 2(87) read with the applicable Rules.
- v) There are no transactions that are not recorded in the books of account to be surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- vi) The company is not covered under section 135.
- vii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year
- (p) The figures of the previous year have been regrouped/recast, where necessary, to conform to the current year classification.

For Deepak Niraj & Associates
Chartered Accountants
FRN: 014707S

Sd/-

Deepak Chopra
M.No.: 227144
Partner
Bangalore
Date 15th July 2022

**For and on behalf of the Board of Directors of
BgSE Properties and Securities Limited**

Sd/-

Vinod G Jain
DIN : 00248275
Whole time Director
Bangalore
Date 15th July 2022

Sd/-

Sanjay V Sakariya
DIN: 02050364
Director
Bangalore
Date 15th July 2022

Sd/-

B Shiva Mohan
DIN : 01604155
Director
Bangalore
Date 15th July 2022



Cash Flow Statement

(Amount in Rs. Thousands, unless otherwise stated)

	31 March 2022	31 March 2021
Cash flows from operating activities		
Net Profit / (Loss) before extraordinary items and tax	9,841.383	15,549.584
<u>Adjustments to reconcile profit before tax to cash generated by operating activities</u>		
Depreciation and amortisation	1,684.327	1,591.756
Interest income	(2,580.156)	(2,910.765)
Dividend income	(4,343.665)	(4,229.080)
Operating cash flows before working capital changes	4,601.889	10,001.495
Changes in working capital:		
<u>Adjustments for (increase) / decrease in operating assets:</u>		
Trade receivables	910.438	286.458
Short-term loans and advances	(39.317)	255.030
Other current assets	12.561	(267.595)
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Trade payables	55.072	(574.217)
Other current liabilities	(1,394.854)	(5,427.581)
Short-term provisions	-	(101.523)
	(456.100)	(5,829.429)
Cash flow from extraordinary items	-	-
Cash generated from operations	4,145.789	4,172.066
Net income tax (paid) / refunds	(2,902.592)	(2,230.446)
Net cash provided by operating activities a	1,243.197	1,941.620
Cash flows from investing activities		
Capital expenditure on fixed assets, including capital advances	(186.841)	(1,163.671)
Withdrawals / (Investments in)		
-Bank balances not considered as Cash and cash equivalents	25,631.159	(8,451.320)
-Fixed deposits (net of interest accruals)	(25,245.502)	12,571.411
(Purchase) of long-term investments		
- Subsidiaries	-	(0.060)
- Others	(553.365)	(5,162.913)
Interest received	2,580.156	2,910.765
Dividend received	4,343.665	4,229.080
Net cash (used in) investing activities b	6,569.272	4,933.291
Cash flows from financing activities		
Dividends paid	(9,172.963)	(7,338.370)
Net cash provided by/ (used in) by financing activities c	(9,172.963)	(7,338.370)
Net increase in cash and cash equivalents a+b+c	(1,360.493)	(463.459)
Cash and cash equivalents at the beginning of the year (note: 14)	2,502.383	2,965.842
Cash and cash equivalents at the end of the year (note: 14)	1,141.890	2,502.383

This is the cash flow statement referred to in our report attached

For Deepak Niraj & Associates

Chartered Accountants

FRN: 014707S

Sd/-

Deepak Chopra

M.No.: 227144

Partner

Bangalore

Date 15th July 2022

**For and on behalf of the Board of Directors of
BgSE Properties and Securities Limited**

Sd/-

Vinod G Jain

DIN : 00248275

Whole time Director

Bangalore

Date 15th July 2022

Sd/-

Sanjay V Sakariya

DIN: 02050364

Director

Bangalore

Date 15th July 2022

Sd/-

B Shiva Mohan

DIN : 01604155

Director

Bangalore

Date 15th July 2022



INDEPENDENT AUDITOR'S REPORT

To,
The Members of BgSE Properties and Securities Limited, Bangalore.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of BgSE PROPERTIES AND SECURITIES LIMITED (hereinafter referred to as the 'Holding Company') and its subsidiary (Holding Company and its subsidiary together referred to as "the Group") which comprise the consolidated Balance Sheet as at March 31, 2022, and the consolidated statement of Profit and Loss and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at March 31, 2022, of consolidated profit and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated

financial statements in term of the requirements of the Companies Act, 2013 (the Act) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 consolidated 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 Companies Act, 2013, 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 ability of the Group and its associates and jointly controlled entities 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 consolidated 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 Group and its associates and jointly controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled

entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books



and the reports of the other auditors.

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, none of the directors of the Group companies is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 21(i) to the consolidated financial statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts,

required to be transferred, to the Investor Education and Protection.

- iv. (a) The respective Managements of the Holding Company and its subsidiary company, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The respective Managements of the Holding Company and its subsidiary company have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of such subsidiary from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company and its subsidiary, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. With respect to dividends, we report that



- In respect of final dividend proposed in the previous year, declared and paid by the Holding Company during the year except for not transferring amount of dividend to separate bank account within the timeline specified in sub-section (4) of section 123 of the Act, declaration and payment of dividend is in accordance with section 123 of the Companies Act 2013.
 - The Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
2. With respect to the matters specified in paragraphs 3

(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Holding Company and its subsidiary included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

for Deepak Niraj & Associates
Chartered Accountants
FRN: 014707S

Sd/-
Deepak Chopra
Partner
Membership No. 227144

UDIN: 22227144AMZMAF9685

Place: Bangalore
Date : 15th July 2022



ANNEXURE TO THE AUDITOR'S REPORT

Annexure referred to in Independent Auditor's report to the members of **BgSE PROPERTIES AND SECURITIES LIMITED** ('the Company') on the Consolidated Financial Statements for the year ended 31 March 2022.

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 BgSE PROPERTIES AND SECURITIES LIMITED (hereinafter referred to as the 'Holding Company') and its subsidiary (Holding Company and its subsidiaries together referred to as "the Group") as of March 31, 2022 in conjunction with our audit of the Consolidated Financial Statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary company are responsible for establishing and maintaining internal financial controls based on, "internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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 Consolidated 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 Consolidated 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 Consolidated Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and the Subsidiary have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the respective companies 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 Deepak Niraj & Associates
Chartered Accountants
FRN: 014707S

Sd/-
Deepak Chopra
Partner
Membership No. 227144

UDIN: 22227144AMZMAF9685

Place: Bangalore
Date : 15th July 2022



1. Corporate information

BgSE Properties and Securities Limited ('the Holding Company' and formerly known as Bangalore Stock Exchange Limited) was incorporated under the Companies Act, 1956 on 28th May 1937 as a Limited Company.

The Holding Company commenced business as an Exchange on 28th May 1963. It soon became one of the premier Stock exchanges of India and largest in the Southern India.

The Holding Company received permission to "Exit" as a Stock Exchange from SEBI vide Exit order no: WTM/RKA/MRD/165/2014 dated December 26, 2014. Consequently, the Holding Company discontinued the stock exchange business. However, it is continuing as a Public Limited company with change in business objects and with change in name to BgSE Properties and Securities Limited. Pursuant to change in name, the Registrar of Companies, Bangalore issued a new certificate of incorporation to the Company on May 14, 2015. Presently the principal business of the Holding Company is leasing of immovable property.

BGSE Finance Limited ('the Subsidiary Company') was incorporated on 25th November, 2019 with the object to carry on the business of lending and advancing money. The company is in the process of registering with RBI as a Non-Banking Finance Company.

2. Significant accounting policies

2.1 Basis of preparation of consolidated financial statements

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified). 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. The financial statements are prepared and presented in Indian Rupees unless otherwise stated.

The Company is a Small and Medium Sized Company ('SMC') as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 1956 read with Section 133 of the Companies Act, 2013 ('Act') and Rule 7 of the Companies (Accounts) Rules, 2014. Accordingly, the Company has complied with the Accounting Standards applicable to a SMC.

2.2 Principles of consolidation

- (i) These consolidated financial statements have been prepared by consolidation of the financial statements of the Company and its subsidiaries on a line-by-line basis after fully eliminating the inter-company transactions.

The excess / deficit of cost to the holding company of its investment in the subsidiaries over its portion of equity at the respective dates on which investment in such entities were made is recognised in the consolidated financial statements as goodwill / capital reserve. The holding company's portion of equity in such entities is determined on the basis of the book values of asset and liabilities as per the financial statements of such entities as on the date of investment and if not available, the financial statements for the immediately preceding period adjusted for the effect of significant transactions, up to the date of investment.

Minority interest in the net assets of consolidated subsidiaries consists of:

- a) the amount of equity attributable to the minorities at the dates on which investment is made; and
- b) the minorities share of movements in equity since the date of holding-subsidiary relationship came into existence.

Minority interest in share of net result for the year is identified and adjusted against the profit after tax. Excess of loss, if any, attributable to the minority over and above the minority interest in the equity of the subsidiaries is absorbed by the Company.

The Consolidated financial statements are presented to the extent possible, in the same format as adopted by the holding company for its separate financial statements.



2.3 Use of estimates

The preparation of consolidated financial statements in conformity with the Generally Accepted Accounting Principles ('GAAP') in India requires management to make estimates and assumptions that affect the reported amounts of income and expenses for the year, assets and liabilities and disclosures relating to contingent liabilities as on the date of the consolidated financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

2.4 Current and non - current classification

All assets and liabilities are classified into current and non - current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realised within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non - current financial assets.

All other assets are classified as non - current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be settled within 12 months after the reporting date; or
- The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of non - current financial liabilities.

All other liabilities are classified as non - current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realizations in cash or cash equivalents.

2.5 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. When there is uncertainty as to measurement or ultimate collectability revenue recognition is postponed until such uncertainty is resolved.

Lease rentals are recognized on accrual basis over the lease term. The Company presents revenues net of indirect taxes in its statement of profit and loss. Dividend income is recognized when the right to receive payment is established. Interest income is recognized using the time proportion method, based on the transactional interest rates. Profit on sale of investments is recorded on transfer of title from the Company and is determined as the difference between the sale price and carrying value of the investment.

2.6 Property, plant and equipment and depreciation

Property, plant and equipment:

Property, plant and equipment are carried at cost of acquisition (including directly attributable costs such as freight, installation, etc.) or construction less accumulated depreciation and impairment. Borrowing costs directly attributable to acquisition or construction of those Property, plant and equipment, which necessarily take a substantial period of time to get ready for their intended use, are capitalised.

Depreciation:

Depreciation on fixed assets is provided on written down value method over the useful lives of the assets. Depreciation for assets purchased / sold during a period is proportionately charged.



Useful life of the asset considered for the purpose of charging depreciation:

Asset classification	Useful life
Electrical Fittings	10 years
Plant & Equipment	15 years
Furniture & Fixtures	10 years
Office Equipments	5 years
Computer & Peripherals	3 years
Two Wheelers	10 years

Property, plant and equipment individually costing Rs 5,000 or less are fully depreciated in the year of purchase/ installation.

Capital work-in-progress

Capital work-in-progress comprises the cost of fixed assets that are not ready for their intended use at the reporting date.

2.7 Investments

Investments that are readily realizable and are intended to be held for not more than a year are classified as current investments. All other investments are classified as non-current investments,. Non-current investments are carried at cost less provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment. Current investments are valued at lower of cost and fair market value determined on an individual investment basis.

2.8 Retirement benefits

Gratuity, a defined benefit for employees of the Indian entity, is accrued based on an actuarial valuation at the balance sheet date, carried out by an independent actuary. The Company has an employees' gratuity fund managed by the Life Insurance Corporation of India ('LIC'). Provision for gratuity liabilities, pending remittance to the fund, is carried in the balance sheet. Actuarial gains and losses are charged to the profit and loss account.

Contributions payable to the recognized provident fund are charged to the profit and loss account.

2.9 Provisions and contingent liabilities

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

2.10 Taxation

Tax expense comprises current and deferred 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 enacted in India. 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 directly in equity is recognized in equity and not in the statement of profit and loss.



Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The current income tax charge is determined in accordance with the relevant tax regulations applicable to the Company.

2.11 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

2.12 Impairment of assets

The Company assesses at each balance sheet date, whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

2.13 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for effects of transactions of non-cash nature, any deferrals, or accruals of past or future operating cash receipts or payments and items of expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The Company all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

2.14 Leases

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income is recognized in the statement of profit and loss. Costs, including depreciation are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

**Consolidated Balance Sheet**

(Amount in Rs. Thousands, unless otherwise stated)

	Notes	31 March 2022	31 March 2021
Equity and liabilities			
Shareholders' funds			
Share capital	3	36,691.850	36,691.850
Reserves and surplus	4	2,34,322.936	2,34,631.045
		2,71,014.786	2,71,322.895
Non-current liabilities			
Deferred tax liability (net)	5	2,094.831	2,135.120
		2,094.831	2,135.120
Current liabilities			
Trade payables	6		
Outstanding dues of micro enterprises & small enterprises		-	-
Creditors other than micro enterprises & small enterprises		69.927	14.855
Other current liabilities	7	14,863.343	16,259.697
Short-term provisions	8	1,201.152	1,587.953
		16,134.422	17,862.505
TOTAL		2,89,244.039	2,91,320.521
Assets			
Non-current assets			
Property, plant & equipment	9	77,613.634	79,111.120
Non-current investments	10	84,103.301	83,549.936
Long-term loans and advances	11	44,766.264	43,980.761
Other non-current assets	12	41,633.203	13,327.459
		2,48,116.402	2,19,969.276
Current assets			
Trade receivables	13	515.477	1,425.914
Cash and bank balances	14	38,206.179	64,552.982
Short-term loans and advances	15	170.740	131.423
Other current assets	16	2,235.241	5,240.925
		41,127.637	71,351.245
TOTAL		2,89,244.039	2,91,320.521

Summary of significant accounting policies 2

The accompanying notes are an integral part of the consolidated financial statements

This is the Consolidated Balance Sheet referred to in our report of even date

For Deepak Niraj & Associates

Chartered Accountants

FRN: 014707S

Sd/-

Deepak Chopra

M.No.: 227144

Partner

Bangalore

Date 15th July 2022

For and on behalf of the Board of Directors of**BgSE Properties and Securities Limited**

Sd/-

Vinod G Jain

DIN : 00248275

Whole time Director

Bangalore

Date 15th July 2022

Sd/-

Sanjay V Sakariya

DIN: 02050364

Director

Bangalore

Date 15th July 2022

Sd/-

B Shiva Mohan

DIN : 01604155

Director

Bangalore

Date 15th July 2022



Statement of Consolidated Profit and Loss Account

(Amount in Rs. Thousands, unless otherwise stated)

	Notes	31 March 2022	31 March 2021
Income			
Revenue from operations (Gross)	17	19,227.317	21,979.348
Other income	18	9,489.240	10,598.095
Total income (I)		28,716.557	32,577.443
Expenses			
Employee benefits expense	19	5,516.850	4,205.390
Depreciation and amortization expense	9	1,684.327	1,591.756
Other expenses	20	10,620.324	10,007.557
Total expenses (II)		17,821.500	15,804.703
Profit / (Loss) before exceptional and extraordinary items and tax: III = (I-II)		10,895.056	16,772.740
Exceptional and extraordinary items (IV)		-	-
Profit / (Loss) before tax V: (III-IV)		10,895.056	16,772.740
Tax expenses			
Current tax expense for current year		2,070.492	3,673.983
Deferred tax		(40.289)	(293.832)
Total tax expenses		2,030.203	3,380.151
Profit/ (Loss) after tax		8,864.853	13,392.589
Basic and diluted earnings per share (in Rs.)	21(a)	0.24	0.37
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the consolidated financial statements.

This is the statement of Consolidated Profit and Loss referred to in our report of even date

For Deepak Niraj & Associates
Chartered Accountants
FRN: 014707S

Sd/-

Deepak Chopra

M.No.: 227144

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Sd/-

B Shiva Mohan

DIN : 01604155

Director

Bangalore

Date 15th July 2022



Notes on Consolidated Accounts

(Amount in Rs. Thousands, unless otherwise stated)

3. Share capital

Authorised shares

10,00,00,000 Equity Shares of Rs 1 each

Issued, subscribed and fully paid-up shares

3,66,91,850 Equity Shares of Rs 1 each

31 March 2022	31 March 2021
10,00,00,000	10,00,00,000
3,66,91,850	3,66,91,850
3,66,91,850	3,66,91,850

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period.

Particulars	31 March 2022		31 March 2021	
	Number	Amount	Number	Amount
At the beginning of the period	3,66,91,850	3,66,91,850	3,66,91,850	3,66,91,850
Issued during the period	Nil	Nil	Nil	Nil
Bonus during the period	Nil	Nil	Nil	Nil
ESOP during the period	Nil	Nil	Nil	Nil
Conversion during the period	Nil	Nil	Nil	Nil
Bought back during the period	Nil	Nil	Nil	Nil
Outstanding at the end of the period	3,66,91,850	3,66,91,850	3,66,91,850	3,66,91,850

b. Details of shareholders holding more than 5% shares in the company

Equity shares of Rs.1 each fully paid.

	31 March 2022		31 March 2021	
	Number	% holding	Number	% holding
BgSE Financials Limited	72,51,646	19.76%	72,51,646	19.76%
Goodwill Management Private Limited	32,34,630	8.82%	32,34,630	8.82%

As per records of the company, including its register of shareholders/members, the above shareholding represents both legal and beneficial ownership of shares.

- c. The Company has only one class of equity shareholders. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

d. Details of share holding of promoters

Promoter name / Class of share	31 Mar 2022		31 Mar 2021		% of change during the year
	Number	% holding	Number	% holding	
Equity Shares:					
Vinod G Jain	4,14,001	1.13%	4,39,101	1.20%	-5.72%



...contd...

(Amount in Rs. Thousands, unless otherwise stated)

4. Reserves and surplus

	31 March 2022	31 March 2021
(a) Capital reserve		
Opening balance	13.500	13.500
Closing balance	13.500	13.500
(b) Securities premium account		
Opening balance	207.253	207.253
Closing balance	207.253	207.253
(c) Revaluation reserve		
Opening balance	-	1,65,744.750
Less: reversed during the year	-	(1,65,744.750)
Closing balance	-	-
(d) General reserve		
Opening balance	2,22,034.153	2,08,557.578
Add: Transferred from surplus in Statement of Profit and Loss	-	13,476.575
Closing balance	2,22,034.153	2,22,034.153
(e) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	12,376.140	10,086.578
Add: Profit / (Loss) for the year	8,864.853	13,392.589
Add: Reversal of interest of defaulter's account	-	9,711.918
Amounts transferred from/(to):		
General reserve	-	(13,476.575)
Less: Final dividend	(9,172.963)	(7,338.370)
Closing balance	12,068.030	12,376.140
Total	2,34,322.936	2,34,631.045

5. Deferred tax Liability/ (Asset)

Tax effect of items constituting deferred tax liability

On difference between book balance and tax balance of fixed assets

Tax effect of items constituting deferred tax liability

Tax effect of items constituting deferred tax assets

Provision for compensated absences, gratuity and other employee benefits

Disallowance under Section 35D of the Income Tax Act, 1961

Tax effect of items constituting deferred tax assets

Net deferred tax (liability) / asset

	31 Mar 2022	31 Mar 2021
On difference between book balance and tax balance of fixed assets	2,437.127	2,477.237
Tax effect of items constituting deferred tax liability	2,437.127	2,477.237
Provision for compensated absences, gratuity and other employee benefits	(303.009)	(283.186)
Disallowance under Section 35D of the Income Tax Act, 1961	(39.287)	(58.931)
Tax effect of items constituting deferred tax assets	(342.296)	(342.117)
Net deferred tax (liability) / asset	2,094.831	2,135.120

6. Trade payables

Trade payables (other than dues to micro enterprises and small enterprises)

Trade payables (dues to micro enterprises and small enterprises)

	31 Mar 2022	31 Mar 2021
Trade payables (other than dues to micro enterprises and small enterprises)	69.927	14.855
Trade payables (dues to micro enterprises and small enterprises)	69.927	14.855



...contd...

Ageing Schedule of trade payables due for payment as on 31 Mar 2022 (Amount in Rs. Thousands, unless otherwise stated)

	Particulars			
Outstanding for following periods from due date of payment	MSME	Others	Disputed dues - MSME	Disputed dues - Others
Less than 1 yr	-	69.927	-	-
1-2 yrs	-	-	-	-
2-3 yrs	-	-	-	-
> 3 Yrs	-	-	-	-
Total trade payables due	-	69.927	-	-
Trade payables not due for payment	-	-	-	-
Unbilled payables	-	-	-	-
Total trade payables	-	69.927	-	-

Ageing Schedule of trade payables due for payment as on 31 Mar 2021

	Particulars			
Outstanding for following periods from due date of payment	MSME	Others	Disputed dues - MSME	Disputed dues - Others
Less than 1 yr	-	14,855	-	-
1-2 yrs	-	-	-	-
2-3 yrs	-	-	-	-
> 3 Yrs	-	-	-	-
Total trade payables due	-	14,855	-	-
Trade payables not due for payment	-	-	-	-
Unbilled payables	-	-	-	-
Total trade payables	-	14,855	-	-

7. Other current liabilities

Rental deposits from tenants

Unpaid dividends

Other payables

Statutory remittances

Dues to employees

Expenses payable

Payable to erstwhile members of Stock Exchange

31 Mar 2022

2,456.070

5,720.894

327.211

372.806

402.677

5,583.685

14,863.343

31 Mar 2021

2,560.070

5,847.318

421.353

399.860

413.967

6,617.128

16,259.697

8. Short term provision

(a) Provision - Others:

(i) Provision for income tax

(ii) Provision for other liabilities

31 Mar 2022

111.976

1,089.176

1,201.152

31 Mar 2021

498.777

1,089.176

1,587.953



BgSE Properties And Securities Limited
Notes on consolidated accounts for the year ended 31 March 2022
9. Property, plant and equipment

...contd...
(Amount in Rs. Thousands, unless otherwise stated)

Description	Gross Block			Accumulated Depreciation			Net Block	
	Balance as at 1 April 2021	Additions/ (Disposals)	Balance as at 31 Mar 2022	Balance as at 1 April 2021	Depreciation charge for the year	On disposals	Balance as at 31 Mar 2022	Balance as at 1 April 2021
Property, plant and equipment								
Land	62,415.250	-	62,415.250	-	-	-	-	62,415.250
Building	61,905.097	-	61,905.097	48,850.095	917.928	-	49,768.023	13,055.002
Plant & Equipment	3,146.041	-	3,146.041	370.390	502.493	-	872.883	2,775.651
Electrical Fittings	1,196.104	-	1,196.104	951.874	60.311	-	1,012.185	244.230
Furniture & Fixtures	15,176.223	17.500	15,193.723	14,706.609	122.217	-	14,828.826	469.614
Office Equipments	1,598.427	30.086	1,628.514	1,561.149	17.525	-	1,578.674	37.278
Computer & Peripherals	142.598	139.255	281.853	109.464	42.895	-	152.359	33.134
Two Wheelers	101.201	-	101.201	20.240	20.958	-	41.198	80.961
Total	1,45,680.941	186.841	1,45,867.782	66,569.821	1,684.327	-	68,254.148	79,111.120
Previous year	3,07,608.406	(1,61,927.464)	1,45,680.941	64,978.065	1,591.756	-	66,569.821	2,42,630.341
								77,613.634
								79,111.120



...contd...

(Amount in Rs. Thousands, unless otherwise stated)

	31 Mar 2022	31 Mar 2021
10. Non-current investments		
<u>Non Trade Investments</u>		
Investment in shares		
(a) Quoted equity shares - at Cost	34,524.783	34,524.783
(b) Unquoted equity / preference shares - at Cost		
Inter-Connected Enterprises Limited	578.518	25.153
(10,56,424 equity shares of face value Re 1 each;PY: 5,03,059 equity shares of face value Re 1 each)		
Preference shares of BgSE Financials Ltd	49,000.000	49,000.000
(49,00,000 8% Redeemable non cumulative preference shares of face value Rs10/- each)		
Total Investments (A+B)	84,103.301	83,549.936
Less: Provision for diminution in value of investments	-	-
Total	84,103.301	83,549.936
Aggregate amount of quoted investments	34,524.783	34,524.783
Aggregate market value of listed and quoted investments	75,867.690	47,644.562
Aggregate amount of unquoted investments	49,578.518	49,025.153
11. Long-term loans and advances	31 Mar 2022	31 Mar 2021
(Unsecured, considered good)		
(a) MAT credit entitlement	40,090.441	40,372.496
(b) Balances with government authorities		
(i) Income tax refund receivable	4,675.823	3,608.265
Total	44,766.264	43,980.761
12. Other non-current assets	31 Mar 2022	31 Mar 2021
(a) Security deposits		
Unsecured, considered good	2,370.132	2,370.132
(b) Others		
Fixed Deposits of more than 12 months maturity*	39,263.071	10,957.327
Total	41,633.203	13,327.459
*Deposit to the extent of Rs 91,28,931/- (previous year Rs.1,09,57,327) have been earmarked towards liabilities.		
13. Trade receivables	31 Mar 2022	31 Mar 2021
Unsecured, considered good	515.477	1,425.914
Unsecured, considered doubtful	-	-
	515.477	1,425.914
Less: Provision for doubtful trade receivables	-	-
	515.477	1,425.914



...contd...

Ageing schedule of trade receivables as on 31 Mar 2022

(Amount in Rs. Thousands, unless otherwise stated)

Outstanding for following periods from due date of payment	Disputed trade receivables		Undisputed trade receivables	
	Considered good	Considered doubtful	Considered good	Considered doubtful
Less than 6 months	-	-	515.477	-
6 months - 1yr	-	-	-	-
1-2 yrs	-	-	-	-
2-3yrs	-	-	-	-
more than 3 yrs	-	-	-	-
Total trade receivables that are due	-	-	515.477	-

Ageing schedule of trade receivables as on 31 Mar 2021

Outstanding for following periods from due date of payment	Disputed trade receivables		Undisputed trade receivables	
	Considered good	Considered doubtful	Considered good	Considered doubtful
Less than 6 months	-	-	1,425.914	-
6 months - 1yr	-	-	-	-
1-2 yrs	-	-	-	-
2-3yrs	-	-	-	-
more than 3 yrs	-	-	-	-
Total trade receivables that are due	-	-	1,425.914	-

Note: Trade receivables include debts due from:

Companies in which any director is a director or member

[refer note 21(f)]

219.775	606.880
219.775	606.880

14. Cash and bank balances

(a) Cash & cash equivalents

Cash on hand

Balances with banks

(i) In current accounts

(ii) In deposit accounts

(b) Other Bank balances

(i) Fixed deposits *

(ii) Current accounts earmarked for Unclaimed Dividend

Total

	31 Mar 2022	31 Mar 2021
	0.542	0.917
	625.626	1,861.903
	570.846	15,723.030
	1,197.014	17,585.850
	31,300.000	41,121.027
	5,709.165	5,846.105
	37,009.165	46,967.132
	38,206.179	64,552.982

*Deposit to the extent of Rs.Nil (previous year Rs.26,21,911) have been earmarked towards liabilities.



...contd...

(Amount in Rs. Thousands, unless otherwise stated)

15. Short-term loans and advances

Unsecured, considered good

(a) Loans and advances to employees

(b) Prepaid expenses

(c) Balances with government authorities

(i) GST Input Credit

Total

16. Other current assets

(a) Accruals

(i) Interest accrued on deposits

(b) Others

(i) Gratuity Plan Assets [Refer Note 21(d)]

(ii) Dividend receivable

17. Revenue from operations

Lease rentals

Other operating revenues

18. Other income

(a) Interest income

Interest on bank deposits

Interest on income tax refund

Interest on BESCOM deposit

(b) Dividend income:

from non-current investments

(c) Net gain on sale of: current investments

(d) Other non-operating income

Liabilities / provisions no longer required written back

Miscellaneous income

Total

19. Employee benefits expense

Salaries and wages *

Ex-gratia paid to Ex-Executive Director

Contribution to provident and other funds

Gratuity expense (net) [Refer Note 21(d)]

Staff welfare expenses

* includes remuneration to Directors

	31 Mar 2022	31 Mar 2021
	25.000	-
	59.138	27.486
	86.602	103.938
	170.740	131.423
	31 Mar 2022	31 Mar 2021
	1,655.205	4,648.327
	580.036	592.412
	-	0.186
	2,235.241	5,240.925
	16,699.772	19,279.282
	2,527.545	2,700.066
	19,227.317	21,979.348
	3,859.493	4,212.233
	148.529	-
	103.385	-
	4,343.665	4,229.080
	0.725	-
	1,033.443	2,150.818
	-	5.964
	9,489.240	10,598.095
	3,625.445	3,408.940
	900.000	-
	568.402	532.448
	12.376	23.885
	410.627	240.117
	5,516.850	4,205.390
	2,530.718	2,205.116



...contd...

(Amount in Rs. Thousands, unless otherwise stated)

20. Other expenses

Advertisement	78.549	90.617
Bank Charges	19.988	9.125
Power and fuel charges (net)	633.304	1,159.396
Water charges	45.275	51.155
Sundry business expenses	1,035.061	395.010
Repairs and maintenance		
- Buildings	4,328.268	3,787.997
- Others	343.713	307.170
Insurance	122.250	120.023
Rates and taxes	2,343.833	2,135.669
Communication expenses	52.625	32.874
Travelling and conveyance	156.083	130.962
Printing and stationery	40.435	73.363
Sitting fees to directors	280.000	450.000
Legal and professional	842.000	959.694
Payments to auditors [Refer Note 21]	111.800	121.800
Bad trade written off	38.321	-
Meeting and Seminar Expenses	89.777	98.280
Demat and RTA charges	59.027	84.422
Round off	0.014	-
Total	10,620.324	10,007.557

(Amount in Rs. Thousands, unless otherwise stated)

31 March 2022

31 March 2021

21. Additional information to the financial statements**(a) Earnings per share (EPS)**

The computation of earnings per share is set out below:

Particulars	For the year ended 31 Mar 2022	
	Basic EPS	Diluted EPS
Net profit/ (loss) attributable to equity shareholders [A]	8,864,853	8,864,853
Weighted average number of equity shares outstanding during the year [B]	3,66,91,850	3,66,91,850
Earnings/ (loss) per share (in Rs.) = [A]/[B]	0.24	0.24
Particulars	For the year ended 31 Mar 2021	
	Basic EPS	Diluted EPS
Net profit/ (loss) attributable to equity shareholders [A]	13,392,589	13,392,589
Weighted average number of equity shares outstanding during the year [B]	3,66,91,850	3,66,91,850
Earnings/ (loss) per share (in Rs.) = [A]/[B]	0.37	0.37



...contd...

(b) Contingent liabilities and commitments (to the extent not provided for)*(Amount in Rs. Thousands, unless otherwise stated)***31 Mar 2022 31 Mar 2021****(i) Contingent liabilities****(a) Claims against group not acknowledged as debts:**

(i) The group is involved in certain legal proceedings and claims in relation to civil matters. These legal proceedings are currently pending adjudication before various courts and tribunals. Based on a review of the relevant facts and judicial precedents and as advised by its legal counsels, management is confident of succeeding in these litigations and consequently no provision has been made in the financial statements. In the event of group losing these cases, liability that will have to be discharged by the group on a best estimate basis would be Rs. 5,89,22,729 (PY: Rs.4,13,55,521/-)

(ii) For the Assessment year 2017-18 the Income tax department has passed an order u/s 143(3) by disallowing certain expenditure claimed by the group resulting in reduction of MAT Credit amounting to Rs.30,79,717/-. The group is contesting the order and the Management, including its tax advisors, believes that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the reduction in MAT credit. The Management believes that the ultimate out come of this proceeding will not have a material adverse effect on the group's financial position and results of operations.

(iii) For the AY 2020-21, the group's return of income has been processed u/s 143(1). In the intimation certain additions have been made resulting in a reduction of refund to the tune of Rs. 3,15,279/-. In respect of the additions made and additional tax computed the group has not recognised any expense and the group has filed an appeal before CIT(A). Management, including its tax advisors, believes that its position will likely be upheld in the appellate process. The Management believes that the ultimate out come of this proceeding will not have a material adverse effect on the group's financial position and results of operations.

(ii) Commitments**Nil****Nil****(c) Disclosure on Micro, Small and Medium Enterprises**

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2009 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 Mar 2022 has been made in the financial statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

Particulars	Year ended 31 Mar 2022	Year ended 31 Mar 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	Nil	Nil
The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year;	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	Nil	Nil
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	Nil	Nil
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	Nil	Nil



...contd...

(d) Gratuity

The Company has a gratuity plan, which is a defined benefit scheme. Every employee who has completed 5 years or more of service is eligible for gratuity on separation, which is worked out at One month's Basic Pay plus DA upto 30th September, 2006 and at 10% of annual Basic Pay plus DA (last drawn salary) from 1st October 2006 onwards for each completed year of service. The Company provides the gratuity benefit through annual contribution to a fund managed by the Life Insurance Corporation of India (LIC). Under this plan, the settlement obligation remains with the Company, although the LIC administers the plan and determines the contribution premium required to be paid by the Company.

(a) Present value of defined benefit obligation

Balance at the beginning of the year
Current service cost
Interest cost
Actuarial loss/(gain)
Benefits paid
Balance at the end of the year

213.459	151.048
58.167	58.239
15.284	10.181
(6.600)	(6.009)
-	-
280.310	213.459

(b) Fair value of plan asset

Balance at the beginning of the year
Expected return on plan assets
Contributions by employer
Actuarial loss/(gain)
Benefits paid
Balance at the end of the year

805.871	502.103
57.700	42.780
-	265.243
(3.226)	(4.255)
-	-
860.345	805.871

(c) Assets and liabilities recognised in the balance sheet

Present value of defined benefit obligation
Less: Fair value of plan asset
Net Liability/(Asset)

280.310	213.459
(860.345)	(805.871)
(580.035)	(592.412)

(d) Expenses recognised in statement of profit & loss

Current service cost
Interest cost
Expected return on plan assets
Actuarial loss (net)
Expenses recognised in the statement of profit & loss

58.167	58.239
15.284	10.181
(57.700)	(42.780)
(3.374)	(1.754)
12.377	23.886

(e) Principal assumptions

Discount rate per annum
Expected salary increase per annum
Attrition rate
Expected return on assets
Retirement age (in years)

7.14%	7.16%
6.00%	6.00%
3.00%	3.00%
7.16%	6.74%
60	60

The estimate of future salary increase considered in actuarial valuation take into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The overall expected rate of return on assets is determined based on the market prices prevailing on that day, applicable to the period over which the obligation is to be settled. The change in expected rate of return on asset is due to change in market scenarios.



...contd...

(f) Amount recognised in current year and previous four years

	31 Mar 2022	31 Mar 2021	31 Mar 2020	31 Mar 2019
Defined benefit obligation	280.310	213.459	151.048	1,709.916
Plan assets	860.345	805.871	502.013	1,945.960
(Deficit)	580.035	592.412	351.055	236.044
Experience loss/(gain) adjustments in:				
plan liabilities	(7.074)	3.425	(171.286)	-
plan assets	3.226	4.255	53.683	-

(e) Proposed Dividend

	31 Mar 2022	31 Mar 2021
Amount of dividend proposed to be distributed to equity share holders		
@ 0.20/- paise per equity share	73,38,370	
@ 0.25/- paise per equity share		91,72,963

(f) Related party transactions**(a) Names of related parties and description of relationship**

(i) Key managerial persons (KMP)	Vinod Gowthamchand Jain
(ii) Relatives of KMP	Motilal Jain Gowtham Chand
(iii) Entities significantly influenced by KMP with which transactions have taken place during the year	BgSE Financials Limited

(b) Transactions with related parties during the year

<u>Transaction</u>	31 Mar 2022	31 Mar 2021
Managerial remuneration paid to Vinod G Jain	2,530.718	2,205.116
Sitting fee paid to Motilal Jain Gowtham Chand	40.000	75.000
Sitting fee paid to ST Ramachandra	-	10.000
Fixed assets bought from BgSE Financials Limited	-	500.000
RTA, Deputation and service charges paid to BgSE Financials Limited	134.725	522.586
Rental income & Maintenance charges received from BgSE Financials Limited	4,015.707	4,739.298

Note:

- 1) The provision for gratuity is made on the basis of actual valuation for all the employees of the Company, including for the managerial personnel. Proportionate amount of gratuity is not included in the above disclosure, since the exact amount is not ascertainable.
- 2) Transactions with related parties shown above are excluding Goods and Service Tax.

(c) Balance as on balance sheet date**Credit Balances****Trade Payable**

BgSE Financials Limited

2.575

2.360

Lease deposit received from

BgSE Financials Limited

1,500.000

1,500.000

Debit Balances**Trade Receivable**

BgSE Financials Limited

219.775

606.880



...contd...

- (g) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group .
- (h) No funds have been received by the group from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the group shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (i) **Other disclosures:**
- i) There are no transactions with struck off companies under section 248 or 560
 - ii) No charges or satisfaction is yet to be registered with Registrar of Companies beyond the statutory period.
 - iii) There is no Scheme of Arrangements that has been approved in terms of sections 230 to 237
 - iv) The group has complied with the no. of layers prescribed u/s 2(87) read with the applicable Rules
 - v) There are no transactions that are not recorded in the books of account to be surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
 - vi) The group has not traded or invested in Crypto currency or Virtual Currency during the financial year
- (j) Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013.

31 Mar 2021

Name of the Entity	Net Assets		Share in Profit	
	% of Consolidated Net Assets	Amount in INR	% of Consolidated Profit and Loss	Amount in INR
BGSE PROPERTIES AND SECURITIES LIMITED	89.77%	27,04,97,712	93.28%	1,24,92,894
BGSE FINANCE LIMITED	10.23%	3,08,25,183	6.72%	8,99,695
	100.00%	30,13,22,895	100.00%	1,33,92,589
Adjustment arising out of consolidation		(3,00,00,000)		-
		27,13,22,895		1,33,92,589



...contd...

31 Mar 2022

Name of the Entity	Net Assets		Share in Profit	
	% of Consolidated Net Assets	Amount in INR	% of Consolidated Profit and Loss	Amount in INR
BGSE PROPERTIES AND SECURITIES LIMITED	89.50%	26,94,05,822	91.16%	80,81,072
BGSE FINANCE LIMITED	10.50%	3,16,08,964	8.84%	7,83,781
	100.00%	30,10,14,786	100.00%	88,64,853
Adjustment arising out of consolidation		(3,00,00,000)		-
		27,10,14,786		88,64,853

(k) The figures of the previous year have been regrouped/recast, where necessary, to conform to the current year classification.

For Deepak Niraj & Associates
Chartered Accountants
FRN: 014707S

Sd/-
Deepak Chopra
M.No.: 227144
Partner
Bangalore
Date 15th July 2022

**For and on behalf of the Board of Directors of
BgSE Properties and Securities Limited**

Sd/-
Vinod G Jain
DIN : 00248275
Whole time Director
Bangalore
Date 15th July 2022

Sd/-
Sanjay V Sakariya
DIN: 02050364
Director
Bangalore
Date 15th July 2022

Sd/-
B Shiva Mohan
DIN : 01604155
Director
Bangalore
Date 15th July 2022

**Consolidated Cash Flow Statement**

(Amount in Rs. Thousands, unless otherwise stated)

	March 31, 2022	March 31, 2021
Cash flows from operating activities		
Net Profit / (Loss) before extraordinary items and tax	10,895.056	16,772.740
<u>Adjustments to reconcile profit before tax to cash generated by operating activities</u>		
Depreciation and amortisation	1,684.327	1,591.756
Interest income	(3,962.878)	(4,212.233)
Dividend income	(4,343.665)	(4,229.080)
Operating cash flows before working capital changes	4,272.840	9,923.183
Changes in working capital:		
<u>Adjustments for (increase) / decrease in operating assets:</u>		
Trade receivables	910.438	286.458
Short-term loans and advances	(39.317)	255.030
Other current assets	12.561	(267.595)
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Trade payables	55.072	(574.217)
Other current liabilities	(1,396.354)	(5,427.581)
Short-term provisions	-	(101.523)
	(457.600)	(5,829.429)
Cash flow from extraordinary items	-	-
Cash generated from operations	3,815.241	4,093.754
Net income tax (paid) / refunds	(3,242.796)	(2,351.809)
Net cash provided by operating activities	572.444	1,741.945
Cash flows from investing activities		
Capital expenditure on fixed assets, including capital advances	(186.841)	(1,163.671)
Withdrawals / (Investments in)		
-Bank balances not considered as Cash and cash equivalents	9,957.967	(24,078.128)
-Fixed deposits (net of interest accruals)	(25,312.622)	12,365.203
(Purchase) of long-term investments		
- Subsidiaries	-	-
- Others	(553.365)	(5,162.973)
Interest received	3,962.878	4,212.233
Dividend received	4,343.665	4,229.080
Net cash (used in) investing activities	(7,788.318)	(9,598.257)
Cash flows from financing activities		
Dividends paid	(9,172.963)	(7,338.370)
Net cash provided by/ (used in) by financing activities	(9,172.963)	(7,338.370)
Net increase in cash and cash equivalents	(16,388.836)	(15,194.682)
Cash and cash equivalents at the beginning of the year (note: 14)	17,585.850	32,780.532
Cash and cash equivalents at the end of the year (note: 14)	1,197.014	17,585.850

This is the consolidated cash flow statement referred to in our report attached

For Deepak Niraj & Associates

Chartered Accountants

FRN: 014707S

Sd/-

Deepak Chopra

M.No.: 227144

Partner

Bangalore

Date 15th July 2022

For and on behalf of the Board of Directors of**BgSE Properties and Securities Limited**

Sd/-

Vinod G Jain

DIN : 00248275

Whole time Director

Bangalore

Date 15th July 2022

Sd/-

Sanjay V Sakariya

DIN: 02050364

Director

Bangalore

Date 15th July 2022

Sd/-

B Shiva Mohan

DIN : 01604155

Director

Bangalore

Date 15th July 2022

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