



BgSE Properties and Securities Limited

(formerly known as Bangalore Stock Exchange Ltd)

CIN : U70102KA1937PLC001292

58th Annual Report 2020-2021



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



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BOARD OF DIRECTORS

Independent Directors

Dr. S T Ramachandra (*upto 06.02.2021*)

Shareholder Directors

Mr. Kumar Vinod P Nadagouda (*upto 04.09.2020*)

Mr. K Ishwara Bhat (*upto 04.09.2020*)

Mr. M Gowtham Chand

Mr. Shiva Mohan B

Mr. R Babu

Mr. Sanjay V Sakaria

Mr. K M Sivaraman

EXECUTIVE DIRECTOR

Mr. Vinod G Jain

AUDIT COMMITTEE

Mr. Shiva Mohan B

(Chairman of the Audit Committee)

Dr. S T Ramachandra (*upto 06.02.2021*)

Mr. Kumar Vinod P Nadagouda (*upto 04.09.2020*)

Mr. Sanjay V Sakaria

Mr. R Babu

Mr. M Gowtham Chand

Mr. Vinod G Jain

AUDITORS

M/s. Deepak Niraj & Associates

Chartered Accountants

LEGAL ADVISORS

M/s. Holla & Holla

M/s. J. Sagar Associates

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: vp_rta@bfsi.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 Eighth Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2021.

1. FINANCIAL PERFORMANCE OF THE COMPANY :

(INR in Lakhs)

FINANCIAL HIGHLIGHTS	Standalone		Consolidated	
	31-03-2021	31-03-2020	31-03-2021	31-03-2020
Particulars				
INCOME :				
Rentals	192.79	242.07	192.79	242.07
Interest	29.11	82.11	42.12	85.51
Dividend	42.29	0	42.29	0
Other Operating Income	27.00	30.26	27.00	30.26
Other Non-operating Income	21.56	19.99	21.57	19.99
Total	312.75	374.43	325.77	377.83
EXPENSES:				
Employee Benefit Expenses	42.05	31.77	42.05	31.77
Other Administrative Expenses	99.29	182.64	100.08	187.04
Total	141.34	214.41	142.13	218.81
Profit before Depreciation	171.41	160.02	183.64	159.02
Depreciation for the year	15.92	16.04	15.92	16.04
Profit before taxes and prior period items	155.49	143.98	167.72	142.98
Add/ (Less)				
Income Tax - Current Year	-33.70	-48.04	-36.73	-48.58
Deferred Tax Liabilities	3.13	4.09	2.93	4.88
MAT Credit Entitlement	0	371.00	0	371.00
(Excess)/Short Income tax provision of PY	0	21.68	0	21.68
Profit After Tax & before Apportionment of Dividend	124.92	492.71	133.92	491.96



Brief Description of the Company

Standalone

The Company has made a Net Profit of Rs.124.92 Lakhs in the year 2020-21 as against the Net Profit of Rs.492.71 Lakhs in the year 2019-20 (In the previous year the MAT credit of Rs.371.00 Lakhs was considered). 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.133.92 Lakhs in the year 2020-21 as against the Net Profit of Rs.491.96 Lakhs in the year 2019-20. 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. 0.25 per fully paid equity shares of Rs. 1/- each for the financial year 2020-21.

3. Reserves :

The Board of directors decided to transfer to the general reserve a sum of Rs.134.76 lac from surplus account.

4. Extract of the annual return :

The extract of the annual return in Form MGT - 9 is furnished as Annexure-1 to the Board's report.

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 :

Nil

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.

A statement containing salient features of the financial statements of the Subsidiary Company in Form AOC 1 is annexed as Annexure -2.

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), 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 & Associates has been appointed as statutory auditors of the company for a period of five years till the conclusion of Annual General Meeting to be held in the year 2025.

12. Auditors' Report :

Your Directors are pleased to inform you that there are no qualifications in the Auditors' Report of the Annual Accounts of the Company for FY 2020-21.

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.



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. K Ishwara Bhat and Mr. Kumar Vinod P Nadagouda were retired from Directorship on September 04th, 2020 and Dr. S T Ramachandra, Independent Director has resigned from Directorship on February 06th, 2021. The Board of Directors would like to place on record and express their Appreciation of excellent services, guidance and valuable contribution rendered by Sri K Ishwara Bhat, Sri Kumar Vinod P Nadagouda and Sri Dr. S T Ramachandra.

The new updated list of Directors as on 31st March 2021 is here as under:

Full Name	DIN	Designation	Date of Appointment
Mr. Sanjay V Sakaria	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. Vinod G Jain	00248275	Executive Director	02/05/2019

17. Number of meetings of the Board of Directors:

The Company held 6 (Six) meetings of the Board of Directors during the year under review, i.e. 23/05/2020, 31/07/2020, 02/09/2020, 14/12/2020, 26/02/2021, 26/03/2021. 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. Kumar Vinod P Nadagouda	Shareholder Director	Cessation w.e.f 04.09.2020	6	3	0	Yes
2	Mr. K Ishwara Bhat	Shareholder Director	Cessation w.e.f 04.09.2020	6	3	1	Yes
3	Mr. Sanjay V Sakaria	Shareholder Director	-	6	6	2	Yes
4	Mr. M Gowtham Chand	Shareholder Director	-	6	6	4	Yes
5	Mr. Shiva Mohan B	Shareholder Director	-	6	6	0	Yes
6	Mr. R Babu	Shareholder Director	-	6	6	0	Yes
7	Mr. K M Sivaraman	Shareholder Director	-	6	6	1	Yes
8	Mr. Vinod G Jain	Executive Director	-	6	6	3	Yes
9	Dr. S T Ramachandra	Independent Director	Cessation w.e.f 06.02.2021	6	4	1	Yes

**18. Audit Committee:**

The Company held 1 (One) Audit Committee meetings during the year under review, i.e., 31/07/2020. The attendance details of the Audit Committee meetings from April 1, 2020 to March 31, 2021 are as follows:

Sl. No.	Name of Director	Designation	No. of Audit Committee Meeting held in FY 2020-21	No. of Audit Committee Meetings attended
1	Mr. Shiva Mohan B	Shareholder Director	1	1
2	Dr. S T Ramachandra	Independent Director	1	1
3	Mr. Kumar Vinod P Nadagouda	Shareholder Director	1	1
4	Mr. Sanjay V Sakaria	Shareholder Director	1	1
5	Mr. R Babu	Shareholder Director	1	1
6	Mr. M Gowtham Chand	Shareholder Director	1	1

19. 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 2020-21 which are required to be disclosed under Section 186 of the Companies Act, 2013.

20. Particulars of contracts or arrangements with related parties :

Form No.AOC-2 given as Annexure 3 forms part of the Directors' Report.

21. Remuneration to Key Management Persons and Directors :

Mr. Vinod G Jain, : Rs. 22,05,116/-
Executive Director
Remuneration : Rs. 4,30,000/-
(sitting fee) to other Directors

Sl. No.	Name	Sitting Fee Amount (Rs.)
1	Mr. Kumar Vinod P Nadagouda	35,000
2	Mr. K Ishwara Bhat	30,000
3	Mr. Sanjay V Sakaria	65,000
4	Mr. M Gowtham Chand	65,000
5	Mr. Shiva Mohan B	65,000
6	Mr. R Babu	65,000
7	Mr. K M Sivaraman	60,000
8	Dr. S T Ramachandra	45,000
	Total	4,30,000

22. Particulars of Employees :

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

23. Risk management policy :

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

24. 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.

25. Impact of COVID-19 Outbreak upon Business of the Company :

During the last quarter of the financial year 2020-21, there was an outbreak of COVID-19 pandemic not only in India also in worldwide resulted into a global social and financial crisis. In wake of ongoing outbreak of the COVID-19 pandemic, considering the health of the peoples and lockdowns imposed by both Central and State Governments throughout the Country, the business of all sectors has been affected.



The Board has taken remarkable measures wherever required like providing facility of work as per Covid -19 Protocol to employees, distribution of masks and office sanitization to employee etc.

Considering ongoing outbreak of Covid-19, Ministry of Corporate Affairs have come out with many circulars and notification giving relaxation in compliances burden under Companies Act, 2013 and other Corporate Laws.

26. 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.

Pursuant to the provisions, the Company has reported the details of unpaid and unclaimed amounts lying with the Company as on September 04th, 2020 (AGM Date) with the Ministry of Corporate Affairs.

27. 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, 2021 and of the profits of your Company for the year ended March 31, 2021.
- 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.

28. Acknowledgements :

The Board of Directors would like to express their appreciation and gratitude to all the Stakeholders, Bankers, Legal Counsels, Auditors and Professional Consultants, Regulatory Authorities, Vendors, Executives and Staff of the Company during the year under review.

Place : Bengaluru
Date : 18th October 2021

For and on behalf of the Board of Directors
Sd/-
M Gowtham Chand
(Chairman)



FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

Annexure 1

as on financial year ended on 31.03.2021
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014

I REGISTRATION & OTHER DETAILS:

i	CIN	U70102KA1937PLC001292
ii	Registration Date	28.05.1957
iii	Name of the Company	BgSE Properties and Securities Limited
iv	Category / Sub-category of the Company	Company Limited by Shares / Indian Non Government Company
v	Address of the Registered office & contact details	Stock Exchange Towers, No.51, 1st Cross, J.C.Road, Bengaluru - 560 027
vi	Whether listed company	No
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any	BgSE Financials Ltd, Stock Exchange Towers, No.51, 1st Cross, J.C. Road, Bengaluru - 560027. Phone No : 080-41329661 Email ID : vp_rta@bfsi.co.in

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated.

Sl. No.	Name & description of main products / services	NIC Code of the Product / Service	% to total turnover of the Company
1	Interest from investments with Banks	-	12%
2	Leasing premises on Rent	99721121	77%
3	Reimbursement of Electricity & Maintenance Charges	-	11%

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl No.	Name and address of the Company	CIN	Holding Subsidiary	% of Holding	Applicable Section
1	BGSE FINANCE LIMITED STOCK EXCHANGE TOWERS, NO.51, 1ST CROSS, J.C. ROAD, BANGALORE - 560027. KARNATAKA. INDIA.	U65929KA2019PLC129991	Subsidiary	100.00%	2 (87) (ii) of the Companies Act, 2013



MGT - 9 Continued

IV . (a) SHAREHOLDING PATTERN (Equity Share Capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year (01-04-2020)				No. of Shares held at the end of the year (31-03-2021)				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters	NOT APPLICABLE									
B. PUBLIC SHAREHOLDING										
(1) Institutions	23005	0	23005	0.06	23005	0	23005	0.06	0	0.00
(2) Non Institutions										
a) Bodies corporates										
i) Indian	16156055	888228	17044283	46.45	16817057	885728	17702785	48.25	658502	1.79
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	6007407	356192	6363599	17.34	5422492	286192	5708684	15.56	-654915	-1.78
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	11557290	422300	11979590	32.65	11553703	422300	11976003	32.64	-3587	-0.01
c) Others - NRI's	1281273	0	1281273	3.49	1281273	0	1281273	3.49	0	0.00
c) Others - Broker	0	0	0	0.00	0	0	0	0.00	0	0.00
c) Others - Trust	100	0	100	0.00	100	0	100	0.00	0	0.00
SUB TOTAL (B)(2):										
Total Public Shareholding (B)= (B)(1)+(B)(2)	35025130	1666720	36691850	100.00	35097630	1594220	36691850	100.00	0	0.00
C. Shares held by Custodian for GDRs & ADRs										
Grand Total (A+B+C)	35025130	1666720	36691850	100.00	35097630	1594220	36691850	100.00	0	0.00

for BgSE Properties and Securities Limited

Sd/-

Vinod G Jain

Executive Director

DIN: 00248275



(IV) (b) SHAREHOLDING OF PROMOTERS

SI No.	Promoters Name	Shareholding at the beginning of the year	Shareholding at the end of the year	% change in shareholding during the year
NOT APPLICABLE				

(iv) (c) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

SI. No	For Each of the Top 10 Shareholders at the end of year	Shareholding at the end of the year as on March 31, 2021		Shareholding at the end of the year as on March 31, 2020	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	BgSE Financials Limited	72,51,646	19.76%	78,92,496	21.51%
2	Goodwill Management Pvt. Ltd.	32,34,630	8.81%	32,34,630	8.82%
3	Mr. Omprakash Damani	18,36,250	5.00%	18,36,250	5.00%
4	Indostar Granites Pvt. Ltd.	11,09,529	3.00%	6,20,000	1.69%
5	Mr. Cheriyan Abraham	8,29,700	2.26%	8,29,700	2.26%
6	Mrs. Gowri R	8,05,750	2.20%	8,05,750	2.20%
7	Pramod Enterprises Pvt. Ltd.	7,71,150	2.10%	7,51,150	2.05%
8	Mr. Cothas Krishnaiah Sreenathan	7,61,250	2.07%	6,61,250	1.80%
9	Nataraj Traders Pvt. Ltd.	6,50,000	1.77%	-	-
10	Mr. Ramanathan Muthu	4,28,458	1.17%	4,28,458	1.17%

(IV) (d) Shareholding of Directors & KMP

SI. No	For Each of the Directors & KMP	Shareholding at the end of the year		Shareholding at the beginning of the year	
		No. of shares as on March 31, 2021	% of total shares of the Company	No. of shares as on March 31, 2020	% of total shares of the Company
	At the beginning of the year			4,79,975	1.31%
	Change in Promoters Share holding during the year	0	0%	0	0%
1	Mr. Kumar Vinod P Nadagouda	0	0.0%	40,500	0.1%
2	Mr. K Ishwara Bhat	0	0.0%	5,000	0.0%
3	Mr. Sanjay V Sakaria	2,000	0.0%	2,000	0.0%
4	Mr. K M Sivaraman	50	0.0%	50	0.0%
5	Mr. R Babu	61	0.0%	61	0.0%
6	Mr. Shiva Mohan B	50	0.0%	50	0.0%
7	Mr. M Gowtham Chand	1,57,713	0.4%	1,47,713	0.4%
8	Mr. Vinod G Jain	4,39,101	1.2%	2,84,601	0.8%
9	Dr. S T Ramachandra	0	0%	0	0%
	At the end of the year	5,98,975	1.61%	4,79,975	1.31%



V INDEBTEDNESS NIL

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

a. Remuneration to Mr. Vinod G Jain, Whole time Director

S.No.	Particulars	Amount (in Rs.)
1	Gross Salary	22,05,116

B. Remuneration to other Directors

S.No.	Name	Sitting Fee Amount (Rs.)
1	Mr. Kumar Vinod P Nadagouda	35,000
2	Mr. K Ishwara Bhat	30,000
3	Mr. Sanjay V Sakaria	65,000
4	Mr. M Gowtham Chand	65,000
5	Mr. Shiva Mohan B	65,000
6	Mr. R Babu	65,000
7	Mr. K M Sivaraman	60,000
8	Dr. S T Ramachandra	45,000

VII PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES NIL

for BgSE Properties and Securities Limited

Sd/-

Vinod G Jain
Executive Director
DIN: 00248275



Form AOC-1

Annexure 2

(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	NA
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA
4.	Share capital	3,00,00,000
5.	Reserves & surplus	8,25,183
6.	Total assets	3,10,41,415
7.	Total Liabilities	3,10,41,415
8.	Investments	NIL
9.	Turnover	NIL
10.	Profit before taxation	12,23,156
11.	Provision for taxation	3,23,462
12.	Profit after taxation	8,99,694
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 BgSE Properties and Securities Limited

Sd/-

Vinod G Jain

Executive Director

DIN: 00248275

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



Form No. AOC-2

Annexure 3

(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 transactions under third proviso thereto.

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

- Name(s) of the related party and nature of relationship - NA
- Nature of contracts/arrangements/transactions - NA
- Duration of the contracts / arrangements/transactions - NA
- Salient terms of the contracts or arrangements or transactions including the value, if any - NA
- Justification for entering into such contracts or arrangements or transactions - NA
- Date(s) of approval by the Board - NA
- Amount paid as advances, if any: NA
- Date on which the special resolution was passed in general meeting as required under first proviso to section 188 - NA

2. Details of material contracts or arrangement or transactions at arm's length basis:

- Name(s) of the related party and nature of relationship:
 - Key Managerial Personnel (KMP)
 - BgSE Finance Limited - Subsidiary, and
 - BgSE Financials Limited - Entities controlled /significantly influenced by KMP
- Nature of contracts/arrangements/transactions: Services Received
- Duration of the contracts / arrangements/ transactions: Throughout the year
- Salient terms of the contracts or arrangements or transactions including the value, if any:

Related Party	Particulars	Value Approximately
Entities controlled /significantly influenced by KMP	Fixed assets bought	Rs. 5,00,000/-
	RTA, Deputation and service charges paid	Rs. 5,22,586/-
	Rental income & Maintenance charges received	Rs. 47,39,298/-



Key management personnel -		
Mr. Vinod G Jain	Managerial Remuneration	Rs. 22,05,116/-
Mr. M Gowtham Chand	Sitting fee paid	Rs. 65,000/-
Mr. R Babu	Sitting fee paid	Rs. 65,000/-
Mr. Shiva Mohan B	Sitting fee paid	Rs. 65,000/-
Mr. Sanjay V Sakariya	Sitting fee paid	Rs. 65,000/-
Mr. K M Sivaraman	Sitting fee paid	Rs. 60,000/-
Mr. K Iswara Bhat (till 4th September 2020)	Sitting fee paid	Rs. 30,000/-
Mr. Kumar Vinod P Nadagowda (till 4th September 2020)	Sitting fee paid	Rs. 35,000/-
Dr. S T Ramachandra (till 6th February 2021)	Sitting fee paid	Rs. 45,000/-

(e) Amount paid as advances, if any: Nil

for BgSE Properties and Securities Limited

Sd/-

Vinod G Jain
Executive Director
DIN: 00248275



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Standalone 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 2021, 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, 2021, 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.

Other Matter

The financial statements of BGSE PROPERTIES AND SECURITIES LIMITED for the year ended March 31, 2020, were audited by another auditor who expressed an unmodified opinion on those statements on 31st July 2020.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India 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. 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.



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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls 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:
 - i. 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;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. The Company was not required to transfer any funds to the Investor Education and Protection Fund.

for Deepak Niraj & Associates
Chartered Accountants
FRN: 014707S

Sd/-
Deepak Chopra
Partner
Membership No. 227144

UDIN: 21227144AAAACS2650

Place: Bangalore
Date: 18 Oct 2021



“Annexure A” to the Independent Auditors' Report

Annexure referred to in Independent Auditor's report to the members of **BGSE PROPERTIES AND SECURITIES LIMITED** ('the Company') on the standalone financial statements for the year ended 31 March 2021.

We report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets; or
- (b) According to the information and explanations given to us, 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company;
- (ii) The Company does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013;
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the investments made.
- (v) The Company has not accepted any deposits from the public.
- (vi) In our opinion and according to the information and explanations given to us, 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.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including 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. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of 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 2021 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) The Company does not have any loans or borrowing from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, 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.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.



- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

for Deepak Niraj & Associates
Chartered Accountants
FRN: 014707S

Sd/-
Deepak Chopra
Partner
Membership No. 227144

UDIN: 21227144AAAACS2650

Place: Bangalore
Date: 18 Oct 2021



“ANNEXURE B” TO THE INDEPENDENT AUDITORS’ REPORT

Annexure referred to in Independent Auditor's report to the members of **BGSE PROPERTIES AND SECURITIES LIMITED** ('the Company') on the standalone financial statements for the year ended 31st March 2021.

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, 2021 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, 2021, 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: 21227144AAAACS2650

Place: Bangalore
Date: 18 Oct 2021



1. Corporate information

BgSE Properties and Securities Limited (formerly known as Bangalore Stock Exchange Limited) was incorporated under the Companies Act, 1956 on 28th May 1957 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 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
- 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.

2.4 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 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.

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 asset 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

(Amounts in INR)

	Notes	31 March 2021	31 March 2020
Equity and liabilities			
Shareholders' funds			
Share capital	3	3,66,91,850	3,66,91,850
Reserves and surplus	4	23,38,05,862	38,46,84,170
		27,04,97,712	42,13,76,020
Non-current liabilities			
Deferred tax liability (net)	5	21,94,051	25,07,527
		21,94,051	25,07,527
Current liabilities			
Trade payables	6		
Outstanding dues of micro enterprises & small enterprises		-	45,947
Creditors other than micro enterprises & small enterprises		14,855	5,43,125
Other current liabilities	7	1,62,45,397	3,13,84,896
Short-term provisions	8	13,86,021	35,94,099
		1,76,46,273	3,55,68,067
TOTAL		29,03,38,037	45,94,51,614
Assets			
Non-current assets			
Property, plant & equipment	9		
Property, plant and equipment		7,91,11,120	24,26,30,341
Capital work-in-progress		-	26,53,615
Non-current investments	10	11,35,49,936	10,83,86,962
Long-term loans and advances	11	4,63,50,893	4,54,41,180
Other non-current assets	12	1,09,57,327	2,54,94,219
		24,99,69,276	42,46,06,317
Current assets			
Trade receivables	13	14,25,914	17,12,372
Cash and bank balances	14	3,38,42,707	2,58,54,846
Short-term loans and advances	15	1,31,423	45,42,439
Other current assets	16	49,68,716	27,35,640
		4,03,68,761	3,48,45,297
TOTAL		29,03,38,037	45,94,51,614

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 audit report of even date

For Deepak Niraj & Associates
Chartered Accountants
FRN: 014707S

Sd/-
Deepak Chopra
M.No.: 227144
Partner
Bangalore
Date 18 Oct 2021

**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 18 Oct 2021

Sd/-
Sanjay V Sakariya
DIN: 02050364
Director
Bangalore
Date 18 Oct 2021

Sd/-
B Shiva Mohan
DIN : 01604155
Director
Bangalore
Date 18 Oct 2021



Statement of Profit And Loss Account

		(Amounts in INR)	
	Notes	31 March 2021	31 March 2020
Income			
Revenue from operations (gross)	17	2,19,79,348	2,72,33,099
Other income	18	92,96,627	1,02,10,305
Total Revenue (I)		3,12,75,975	3,74,43,404
Expenses			
Employee benefits expense	19	42,05,390	31,77,040
Depreciation and amortization expense	9	15,91,756	16,03,993
Other expenses	20	99,29,245	1,82,63,867
Total expenses (II)		1,57,26,391	2,30,44,900
Profit / (Loss) before exceptional and extraordinary items and tax: III = (I-II)		1,55,49,584	1,43,98,504
Exceptional and extraordinary items (IV)		-	-
Profit / (Loss) before tax V: (III-IV)		1,55,49,584	1,43,98,504
Tax expenses			
Current tax expense for current year		33,70,165	48,04,931
Less: MAT credit		-	(3,71,00,361)
Net current tax expense		33,70,165	(3,22,95,430)
Deferred tax		(3,13,476)	(4,09,099)
Current tax expense for prior years		-	(21,68,009)
Total tax expenses		30,56,689	(3,48,72,538)
Profit/ (Loss) after tax		1,24,92,894	4,92,71,042
Basic and diluted earnings per share (Rs.)	21(a)	0.34	1.34
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 audit report of even date

For Deepak Niraj & Associates
Chartered Accountants
FRN: 014707S

Sd/-
Deepak Chopra
M.No.: 227144
Partner
Bangalore
Date 18 Oct 2021

**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 18 Oct 2021

Sd/-
Sanjay V Sakariya
DIN: 02050364
Director
Bangalore
Date 18 Oct 2021

Sd/-
B Shiva Mohan
DIN : 01604155
Director
Bangalore
Date 18 Oct 2021



Notes on Accounts

(Amounts in INR)

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 2021	31 March 2020
10,00,00,000	10,00,00,000	10,00,00,000
3,66,91,850	3,66,91,850	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 2021		31 March 2020	
	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 2021		31 March 2020	
	Number	% holding	Number	% holding
BgSE Financials Limited	72,51,646	19.76%	78,92,496	21.51%
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.

(Amounts in INR)

4. Reserves and surplus

- (a) Capital reserve
Opening balance
Closing balance

- (b) Securities premium account
Opening balance
Closing balance

- (c) Revaluation reserve
Opening balance
Less: reversed during the year
Closing balance

	31 March 2021	31 March 2020
13,500	13,500	13,500
13,500	13,500	13,500
2,07,253	2,07,253	2,07,253
2,07,253	2,07,253	2,07,253
16,57,44,750	16,57,44,750	16,57,44,750
(16,57,44,750)	-	-
-	16,57,44,750	16,57,44,750



...contd...

(Amounts in INR)

	31 March 2021	31 March 2020
(d) General reserve		
Opening balance	20,85,57,578	16,55,99,665
Add: Transferred from surplus in Statement of Profit and Loss	1,34,76,575	4,29,57,913
Closing balance	22,20,34,153	20,85,57,578
(e) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	1,01,61,089	2,22,00,288
Add: Profit / (Loss) for the year	1,24,92,894	4,92,71,042
Add: Reversal of interest of defaulter's account [Note:21(g)]	97,11,918	37,64,657
Amounts transferred from/(to):		
General reserve	(1,34,76,575)	(4,29,57,913)
Less: Final dividend	(73,38,370)	(1,83,45,925)
Tax on dividend	-	(37,71,060)
Closing balance	1,15,50,957	1,01,61,089
Total	23,38,05,862	38,46,84,170
5. Deferred tax Liability/ (Asset)		
<u>Tax effect of items constituting deferred tax liability</u>		
On difference between book balance and tax balance of fixed assets	24,77,237	28,38,779
Tax effect of items constituting deferred tax liability	24,77,237	28,38,779
<u>Tax effect of items constituting deferred tax assets</u>		
Provision for compensated absences, gratuity and other employee benefits	(2,83,186)	(3,31,252)
Tax effect of items constituting deferred tax assets	(2,83,186)	(3,31,252)
Net deferred tax liability / (asset)	21,94,051	25,07,527
6. Trade payables		
Trade payables - dues to micro & small enterprises	-	45,947
Trade payables - other than dues to micro & small enterprises	14,855	5,43,125
	14,855	5,89,072



...contd...

(Amounts in INR)

7. Other current liabilities

Rental deposits from tenants	25,60,070	65,83,499
Unpaid dividends	58,47,318	50,47,692
Other payables		
Statutory remittances	4,21,353	1,28,210
Dues to employees	3,99,860	3,99,860
Expenses payable	2,97,917	6,74,148
Audit fees payable	1,01,750	99,000
Payable to erstwhile members of Stock Exchange	66,17,128	1,84,52,487
	1,62,45,397	3,13,84,896

8. Short term provision

(a) Provision - Others:		
(i) Provision for income tax	2,96,845	24,03,400
(ii) Provision for other liabilities	10,89,176	11,90,699
	13,86,021	35,94,099



BgSE PROPERTIES AND SECURITIES LIMITED
Notes on accounts for the year ended 31 March 2021
9. Property, plant and equipment

...contd...
(Amounts in INR)

Description	Gross Block		Accumulated Depreciation			Net Block	
	Balance as at 1 April 2020	Additions/ (Disposals)	Balance as at 31 Mar 2021	Balance as at 1 April 2020	Depreciation charge for the year	On disposals	Balance as at 31 Mar 2021
Tangible assets, owned							
Land*	22,81,60,000	(16,57,44,750)	6,24,15,250	-	-	-	6,24,15,250
Building	6,19,05,097	-	6,19,05,097	4,78,62,745	9,87,351	-	1,40,42,352
Plant & Equipment	-	31,46,041	31,46,041	-	3,70,390	-	27,75,651
Electrical Fittings	11,96,104	-	11,96,104	8,69,898	81,976	-	3,26,206
Furniture & Fixtures	1,46,47,973	5,28,250	1,51,76,223	1,46,30,847	75,761	-	17,126
Office Equipments	15,73,328	25,099	15,98,427	15,42,153	18,996	-	31,175
Computer & Peripherals	1,25,903	16,695	1,42,598	72,421	37,043	-	53,482
Two Wheelers	-	1,01,201	1,01,201	-	20,240	-	-
Total	30,76,08,406	(16,19,27,464)	14,56,80,941	6,49,78,065	15,91,756	-	6,65,69,821
Previous year	30,81,90,613	(5,82,207)	30,76,08,406	6,40,22,432	16,03,993	(6,48,359)	24,41,68,181

Note : All the above assets except two wheeler, computers and office equipments used for own use, have been let out under operating lease.

*Deduction of Rs. 16,57,44,750/- under land pertains to reversal of revaluation reserve. Refer Note 4(c).

Capital Work-in-progress

Description	Balance as at 1 April 2020	Additions F.Y.2020-21	Capitalised F.Y.2020-21	Balance as at 31 Mar 2021
Lift-Kone Elevator	18,98,305	4,74,576	23,72,881	-
Hydrant & Fire Alarm	7,55,310	17,850	7,73,160	-
Total	26,53,615	4,92,426	31,46,041	-

Description	Balance as at 1 April 2019	Additions F.Y.2019-20	Capitalised F.Y.2019-20	Balance as at 31 Mar 2020
Lift-Kone Elevator	-	18,98,305	-	18,98,305
Hydrant & Fire Alarm	-	7,55,310	-	7,55,310
Total	-	26,53,615	-	26,53,615



...contd...

(Amounts in INR)

		31 March 2021	31 March 2020
10. Non-current investments			
Non Trade Investments			
Investment in shares			
(a) Quoted equity shares - at Cost	A	3,45,24,783	2,93,61,869
(b) Unquoted equity / preference shares - at Cost			
Inter-Connected Enterprises Limited		25,153	25,153
(5,03,059 equity shares; PY: 5,03,059 equity shares)			
Preference shares of BgSE Financials Ltd		4,90,00,000	4,90,00,000
(49,00,000 8% Redeemable non cumulative preference shares of 10 each)			
	B	4,90,25,153	4,90,25,153
(c) Investment in shares of wholly owned subsidiary - unquoted - at Cost			
Equity shares of BgSE Finance Ltd		3,00,00,000	2,99,99,940
(CY:30,00,000 equity shares of Rs.10 each)			
(PY:29,99,994 equity shares of Rs.10 each)	C	3,00,00,000	2,99,99,940
Total	A+B+C	11,35,49,936	10,83,86,962
Aggregate amount of quoted investments		3,45,24,783	2,93,61,869
Aggregate market value of listed and quoted investments		4,76,44,562	2,40,54,153
Aggregate amount of unquoted investments		7,90,25,153	7,90,25,093
11. Long-term loans and advances			
<i>Unsecured, considered good</i>			
(a) Security deposits		23,70,132	23,70,132
(b) MAT credit entitlement		4,03,72,496	4,11,19,119
(c) Balances with government authorities			
(i) Income tax refund receivable		36,08,265	19,51,929
Total		4,63,50,893	4,54,41,180
12. Other non-current assets			
Fixed Deposits of more than 12 months maturity*		1,09,57,327	2,54,94,219
		1,09,57,327	2,54,94,219
*Deposit to the extent of Rs.1,09,57,327 (previous year Rs.1,14,37,137) have been earmarked towards liabilities.			
13. Trade receivables			
<i>Unsecured, considered good</i>			
Outstanding for a period less than six months		14,25,914	17,12,372
Outstanding for a period exceeding six months		-	-
Total		14,25,914	17,12,372



...contd...

(Amounts in INR)

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

* Company does not have any overdraft facility with the bank, negative balance in books is due to reconciliation items

**Deposit to the extent of Rs.26,21,911

(previous year Rs.1,78,41,330) have been earmarked towards liabilities.

15. Short-term loans and advances

Unsecured; considered good

(a) Prepaid expenses

(b) Balances with government authorities

(c) Advance paid to vendors

Total

16. Other current assets

(a) Accruals

(i) Interest accrued on deposits but not due

(b) Others

Gratuity Plan Assets [Refer Note 21(k)]

Dividend receivable

17. Revenue from operations

Lease rentals

Other operating revenues

Maintenance and car parking charges

18. Other income

(a) Interest income

Interest on bank deposits

Interest on income tax refund

(b) Dividend income:

from non-current investments

(c) Other non-operating income

Profit on sale of assets

Miscellaneous income

Liabilities / provisions no longer required written back

Total

31 March 2021	31 March 2020
-	30,012
18,52,383	(3,64,420)
6,50,000	33,00,249
25,02,383	29,65,842
2,54,94,219	1,78,41,330
58,46,105	50,47,674
3,13,40,324	2,28,89,004
3,38,42,707	2,58,54,846
27,486	13,217
1,03,938	45,17,272
-	11,950
1,31,423	45,42,439
43,76,118	24,10,637
5,92,412	3,25,003
186	-
49,68,716	27,35,64
1,92,79,282	2,42,06,704
27,00,066	30,26,395
2,19,79,348	2,72,33,099
29,10,765	82,10,831
-	12,85,615
42,29,080	-
-	2,53,101
5,964	4,39,221
21,50,818	21,537
92,96,627	1,02,10,305



...contd...

(Amounts in INR)

	31 March 2021	31 March 2020
19. Employee benefits expense		
Salaries and wages *	34,08,940	28,98,743
Contribution to provident and other funds	5,32,448	85,652
Gratuity expense (net) [Refer Note 21(k)]	23,885	(1,15,011)
Staff welfare expenses	2,40,117	3,07,656
	42,05,390	31,77,040
<i>* includes remuneration to Directors</i>	22,05,116	16,59,476
20. Other expenses		
Advertisement	90,617	11,623
Bank Charges	9,059	428
Power and fuel charges (net)	11,59,396	14,07,625
Water charges	51,155	62,356
Sundry business expenses	3,95,010	5,05,419
Repairs and maintenance expenses		
- Buildings	37,87,997	1,10,31,671
- Others	3,07,170	1,70,371
Insurance	1,20,023	50,871
Rates and taxes	21,33,156	21,45,183
Communication expenses	32,874	97,792
Travelling and conveyance expenses	87,029	3,09,934
Printing and stationery	73,363	94,651
Sitting fees to directors	4,30,000	5,25,000
Legal and professional charges	9,59,694	15,83,048
Payments to auditors [Refer Note 21(c)]	1,10,000	1,10,000
Meeting and Seminar Expenses	98,280	69,693
Demat and RTA charges	84,422	81,927
Miscellaneous expenses	-	6,274
Total	99,29,245	1,82,63,867
21. Additional information to the financial statements		
(a) Earnings per share (EPS)		
The computation of basic and diluted earnings per share is set out below:		
Net profit/ (loss) attributable to equity shareholders [A]	1,24,92,894	4,92,71,042
Weighted average number of equity shares outstanding during the year [B]	3,66,91,850	3,66,91,850
Earnings/ (loss) per share = [A]/[B]	0.34	1.34

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

(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. 4,13,55,521 (PY: 2,68,75,771/-)



...contd...

(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 outcome 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:		
As auditors - statutory audit	1,00,000	1,00,000
For taxation matters	10,000	10,000
	<u>1,10,000</u>	<u>1,10,000</u>
(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) Note on reversal of interest on defaulter's account		

In earlier years, out of distributable profits, company had provided for interest payment to defaulters. Management is of the opinion that as per bye laws of stock exchange there is no legal obligation on the company to pay interest on these balances and therefore these interests have been written back.

(h) 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 March 2021 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 March 2021	Year ended 31 March 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	Nil	45,947
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

- (i) 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.



...contd...

(j) Related party transactions**(a) Names of related parties and description of relationship****(i) Key managerial persons (KMP)**

Mr. M Gowtham Chand
Mr. Vinod G Jain
Mr. R Babu
Mr. Shiva Mohan B
Mr. Sanjay V Sakariya
Mr. K M Sivaraman
Mr. K Iswara Bhat (till 4th September 2020)
Mr. Kumar Vinod P Nadagowda (till 4th September 2020)
Dr. S T Ramachandra (till 6th February 2021)

(ii) Subsidiaries

BgSE Finance Limited

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

BgSE Financials Limited

(b) Transactions with related parties during the year**(Amounts in INR)**

Transaction	31 March 2021	31 March 2020
Managerial remuneration paid to KMP	22,05,116	16,59,476
Sitting fee paid to KMP	4,30,000	5,25,000
Fixed assets bought from entities controlled by KMP	5,00,000	-
RTA, Deputation and service charges paid to entity controlled by KMP	5,22,586	8,53,589
Rental income & Maintenance charges received from entities controlled by KMP	47,39,298	63,54,311

Note: 1) The provision for gratuity is made on the basis of actuarial 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**

Subsidiaries

Entities controller by KMP

Total**Lease deposit received from**

Entities controller by KMP

*Debit Balances***Trade Receivable**

Entities controlled by KMP

-	3,000
2,360	89,335
2,360	92,335
15,00,000	15,00,000
6,06,880	7,89,416

(k) 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	1,51,048	17,09,916
Current service cost	58,239	8,347
Interest cost	10,181	73,647
Actuarial loss/(gain)	(6,009)	(1,59,102)
Benefits paid	-	(14,81,760)
Balance at the end of the year	2,13,459	1,51,048



...contd...

(Amounts in INR)

	31 March 2021	31 March 2020
(b) Fair value of plan asset		
Balance at the beginning of the year	5,02,103	19,45,960
Expected return on plan assets	42,780	91,586
Contributions by employer	2,65,243	-
Actuarial loss/(gain)	(4,255)	(53,683)
Benefits paid	-	(14,81,760)
Balance at the end of the year	8,05,871	5,02,103
(c) Assets and liabilities recognised in the balance sheet		
Present value of defined benefit obligation	2,13,459	1,51,048
Less: Fair value of plan asset	(8,05,871)	(5,02,103)
Net Liability/(Asset)	(5,92,412)	(3,51,055)
(d) Expenses recognised in statement of profit & loss		
Current service cost	58,239	8,347
Interest cost	10,181	73,647
Expected return on plan assets	(42,780)	(91,586)
Actuarial loss (net)	(1,754)	(1,05,419)
Expenses recognised in the statement of profit & loss	23,886	(1,15,011)
(e) Principal assumptions		
Discount rate per annum	7.16%	6.74%
Expected salary increase per annum	6.00%	6.00%
Attrition rate	3.00%	3.00%
Expected return on assets	6.74%	7.60%
Retirement age (in years)	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 year

	31-Mar-21	31-Mar-20
Defined benefit obligation	2,13,459	1,51,048
Plan assets	8,05,872	5,02,013
(Deficit)	5,92,413	3,51,055
Experience loss/(gain) adjustments in plan liabilities	3,425	(1,71,286)
Experience loss/(gain) adjustments in plan assets	4,255	53,683

(I) 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

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

Sd/-
Deepak Chopra
M.No.: 227144
Partner
Bangalore
Date 18 Oct 2021

Sd/-
Vinod G Jain
DIN : 00248275
Whole time Director
Bangalore
Date 18 Oct 2021

Sd/-
Sanjay V Sakariya
DIN: 02050364
Director
Bangalore
Date 18 Oct 2021

Sd/-
B Shiva Mohan
DIN : 01604155
Director
Bangalore
Date 18 Oct 2021



Cash Flow Statement

(Amounts in INR)

	31 March 2021	31 March 2020
Cash flows from operating activities		
Net Profit / (Loss) before extraordinary items and tax	1,55,49,584	1,43,98,504
<u>Adjustments to reconcile profit before tax to cash generated by operating activities</u>		
Depreciation and amortisation	15,91,756	16,03,993
(Profit) on sale assets	-	(2,13,185)
Interest income	(29,10,765)	(82,10,831)
Dividend income	(42,29,080)	-
Operating cash flows before working capital changes	1,00,01,495	75,78,482
Changes in working capital:		
<u>Adjustments for (increase) / decrease in operating assets:</u>		
Trade receivables	2,86,458	31,931
Short-term loans and advances	2,55,030	(3,54,293)
Long-term loans and advances	-	50,000
Other current assets	(2,67,595)	(1,15,010)
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Trade payables	(5,74,217)	(1,88,502)
Other current liabilities	(54,27,581)	(21,12,833)
Short-term provisions	(1,01,523)	1,01,523
	(58,29,429)	(25,87,184)
Cash flow from extraordinary items	-	-
Cash generated from operations	41,72,066	49,91,298
Net income tax (paid) / refunds	(22,30,446)	(20,57,172)
Net cash provided by operating activities a	19,41,620	29,34,127
Cash flows from investing activities		
Capital expenditure on fixed assets, including capital WIP	(11,63,671)	(29,18,730)
Proceeds from sale of fixed assets	-	4,12,148
Bank balances not considered as Cash and cash equivalents	(84,51,320)	13,61,03,776
Withdrawals / (Investments) in fixed deposits (net of interest accruals)	1,25,71,411	(2,03,11,294)
Purchase of long-term investments		
- Subsidiaries	(60)	(2,99,99,940)
- Others	(51,62,913)	(7,40,32,470)
Interest received	29,10,765	82,10,831
Dividend received	42,29,080	-
Net cash (used in) investing activities b	49,33,291	1,74,64,321
Cash flows from financing activities		
Dividends paid	(73,38,370)	(1,83,45,925)
Tax on dividend	-	(37,71,060)
Net cash provided by/ (used in) by financing activities c	(73,38,370)	(2,21,16,985)
Net increase in cash and cash equivalents a+b+c	(4,63,459)	(17,18,538)
Cash and cash equivalents at the beginning of the year (note: 14)	29,65,842	46,84,380
Cash and cash equivalents at the end of the year (note: 14)	25,02,383	29,65,842

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

For Deepak Niraj & Associates

Chartered Accountants

FRN: 014707S

Sd/-

Deepak Chopra

M.No.: 227144

Partner

Bangalore

Date 18 Oct 2021

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 18 Oct 2021

Sd/-

Sanjay V Sakariya

DIN: 02050364

Director

Bangalore

Date 18 Oct 2021

Sd/-

B Shiva Mohan

DIN : 01604155

Director

Bangalore

Date 18 Oct 2021



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 subsidiaries together referred to as "the Group") which comprise the consolidated Balance Sheet as at March 31, 2021, 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, 2021, 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.

Other Matter

The Consolidated Financial Statements of BGSE PROPERTIES AND SECURITIES LIMITED for the year ended March 31, 2020, were audited by another auditor who expressed an unmodified opinion on those statements on 31st July 2020.

Report on Other Legal and Regulatory Requirements

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, 2021 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, 2021 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 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(b) to the consolidated financial statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company.

for Deepak Niraj & Associates
Chartered Accountants
FRN: 014707S

Sd/-
Deepak Chopra
Partner
Membership No. 227144

UDIN: 21227144AAAACT2630

Place: Bangalore
Date: 18 Oct 2021



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 31st March 2021.

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, 2021 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, 2021, 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: 21227144AAAAC2630

Place: Bangalore
Date: 18 Oct 2021



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 1957 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

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
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.

2.7 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

(Amounts in INR)

	Notes	31 March 2021	31 March 2020
Equity and liabilities			
Shareholders' funds			
Share capital	3	3,66,91,850	3,66,91,850
Reserves and surplus	4	23,46,31,045	38,46,09,659
		27,13,22,895	42,13,01,509
Minority interest		-	60
Non-current liabilities			
Deferred tax liability (net)	5	21,35,120	24,28,952
		21,35,120	24,28,952
Current liabilities			
Trade payables	6	-	45,947
Outstanding dues of micro enterprises & small enterprises		-	
Creditors other than micro enterprises & small enterprises		14,855	5,40,125
Other current liabilities	7	1,62,59,697	3,14,02,196
Short-term provisions	8	15,87,953	36,13,576
		1,78,62,505	3,56,01,844
TOTAL		29,13,20,521	45,93,32,365
Assets			
Non-current assets			
Property, plant & equipment	9		
Property, plant and equipment		7,91,11,120	24,26,30,341
Capital work-in-progress		-	26,53,615
Non-current investments	10	8,35,49,936	7,83,87,022
Long-term loans and advances	11	4,63,50,893	4,54,41,180
Other non-current assets	12	1,09,57,327	2,54,94,219
		21,99,69,276	39,46,06,377
Current assets			
Trade receivables	13	14,25,914	17,12,372
Cash and bank balances	14	6,45,52,982	5,56,69,536
Short-term loans and advances	15	1,31,423	45,42,439
Other current assets	16	52,40,925	28,01,641
		7,13,51,245	6,47,25,988
TOTAL		29,13,20,521	45,93,32,365

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 audit report of even date

For Deepak Niraj & Associates
Chartered Accountants
FRN: 014707S

Sd/-
Deepak Chopra
M.No.: 227144
Partner
Bangalore
Date 18 Oct 2021

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

Sd/-
Vinod G Jain
DIN : 00248275
Whole time Director
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Date 18 Oct 2021

Sd/-
Sanjay V Sakariya
DIN: 02050364
Director
Bangalore
Date 18 Oct 2021

Sd/-
B Shiva Mohan
DIN : 01604155
Director
Bangalore
Date 18 Oct 2021



Statement of Consolidated Profit and Loss Account

(Amounts in INR)

	Notes	31 March 2021	31 March 2020
Income			
Revenue from operations (gross)	17	2,19,79,348	2,72,33,099
Other income	18	1,05,98,095	1,05,50,685
Total Revenue (I)		3,25,77,443	3,77,83,784
Expenses			
Employee benefits expense	19	42,05,390	31,77,040
Depreciation and amortization expense	9	15,91,756	16,03,993
Other expenses	20	1,00,07,557	1,87,03,818
Total expenses (II)		1,58,04,703	2,34,84,851
Profit / (Loss) before exceptional and extraordinary items and tax: III = (I-II)		1,67,72,740	1,42,98,933
Exceptional and extraordinary items (IV)		-	-
Profit / (Loss) before tax V: (III-IV)		1,67,72,740	1,42,98,933
Tax expenses			
Current tax expense for current year		36,73,983	48,58,446
Less: MAT credit		-	(3,71,00,361)
Net current tax expense		36,73,983	(3,22,41,915)
Deferred tax		(2,93,832)	(4,87,674)
Current tax expense for prior years		-	(21,68,009)
Total tax expenses		33,80,151	(3,48,97,597)
Profit/ (Loss) after tax attributable to equity share holders of the company		1,33,92,589	4,91,96,531
Basic and diluted earnings per share (Rs.)	21(a)	0.37	1.34
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 audit report of even date

For Deepak Niraj & Associates
Chartered Accountants
FRN: 014707S

Sd/-
Deepak Chopra
M.No.: 227144
Partner
Bangalore
Date 18 Oct 2021

**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 18 Oct 2021

Sd/-
Sanjay V Sakariya
DIN: 02050364
Director
Bangalore
Date 18 Oct 2021

Sd/-
B Shiva Mohan
DIN : 01604155
Director
Bangalore
Date 18 Oct 2021



Notes on Consolidated Accounts

(Amounts in INR)

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 2021	31 March 2020
Authorised shares	10,00,00,000	10,00,00,000
Issued, subscribed and fully paid-up shares	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 2021		31 March 2020	
	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 2021		31 March 2020	
	Number	% holding	Number	% holding
BgSE Financials Limited	72,51,646	19.76%	78,92,496	21.51%
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.

(Amounts in INR)

4. Reserves and surplus

(a) Capital reserve

Opening balance

Closing balance

(b) Securities premium account

Opening balance

Closing balance

(c) Revaluation reserve

Opening balance

Less: reversed during the year

Closing balance

	31 March 2021	31 March 2020
Capital reserve	13,500	13,500
	13,500	13,500
Securities premium account	2,07,253	2,07,253
	2,07,253	2,07,253
Revaluation reserve	16,57,44,750	16,57,44,750
	(16,57,44,750)	-
	-	16,57,44,750



...contd...

(Amounts in INR)

	31 March 2021	31 March 2020
(d) General reserve		
Opening balance	20,85,57,578	16,55,99,665
Add: Transferred from surplus in Statement of Profit and Loss	1,34,76,575	4,29,57,913
Closing balance	22,20,34,153	20,85,57,578
(e) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	1,00,86,578	2,22,00,288
Add: Profit / (Loss) for the year	1,33,92,589	4,91,96,531
Add: Reversal of interest of defaulter's account [Note:21(f)]	97,11,918	37,64,657
Amounts transferred from/(to):		
General reserve	(1,34,76,575)	(4,29,57,913)
Less: Final dividend	(73,38,370)	(1,83,45,925)
Tax on dividend	-	(37,71,060)
Closing balance	1,23,76,140	1,00,86,578
Total	23,46,31,045	38,46,09,659
5. Deferred tax Liability/ (Asset)		
<u>Tax effect of items constituting deferred tax liability</u>		
On difference between book balance and tax balance of fixed assets	24,77,237	28,38,779
Tax effect of items constituting deferred tax liability	24,77,237	28,38,779
<u>Tax effect of items constituting deferred tax assets</u>		
Provision for compensated absences, gratuity and other employee benefits	(2,83,186)	(3,31,252)
Disallowances under Section 35D of the Income Tax Act, 1961	(58,931)	(78,575)
Tax effect of items constituting deferred tax assets	(3,42,117)	(4,09,827)
Net deferred tax liability / (asset)	21,35,120	24,28,952
6. Trade payables		
Trade payables - dues to micro & small enterprises	-	45,947
Trade payables - other than dues to micro & small enterprises	14,855	5,40,125
	14,855	5,86,072



...contd...

(Amounts in INR)

7. Other current liabilities

Rental deposits from tenants	25,60,070	65,83,499
Unpaid dividends	58,47,318	50,47,692
Other payables		
Statutory remittances	4,21,353	1,31,210
Dues to employees	3,99,860	3,99,860
Expenses payable	3,00,417	6,76,648
Audit fees payable	1,13,550	1,10,800
Payable to erstwhile members of Stock Exchange	66,17,128	1,84,52,487

1,62,59,697 **3,14,02,196**

8. Short term provision

(a) Provision - Others:		
(i) Provision for income tax	4,98,777	24,22,877
(ii) Provision for other liabilities	10,89,176	11,90,699

15,87,953 **36,13,576**



BgSE PROPERTIES AND SECURITIES LIMITED
Notes on consolidated accounts for the year ended 31 March 2021
9. Property, Plant and Equipment

...contd...
(Amounts in INR)

Description	Gross Block		Accumulated Depreciation				Net Block	
	Balance as at 1 April 2020	Balance as at 31 Mar 2021	Balance as at 1 April 2020	Depreciation charge for the year	On disposals	Balance as at 31 Mar 2021	Balance as at 1 April 2020	Balance as at 31 Mar 2021
Tangible assets, owned								
Land*	22,81,60,000	6,24,15,250	-	-	-	-	22,81,60,000	6,24,15,250
Building	6,19,05,097	6,19,05,097	4,78,62,745	9,87,351	-	4,88,50,095	1,40,42,352	1,30,55,002
Plant & Equipment	-	31,46,041	-	3,70,390	-	3,70,390	-	27,75,651
Electrical Fittings	11,96,104	11,96,104	8,69,898	81,976	-	9,51,874	3,26,206	2,44,230
Furniture & Fixtures	1,46,47,973	1,51,76,223	1,46,30,847	75,761	-	1,47,06,609	17,126	4,69,614
Office Equipments	15,73,328	15,98,427	15,42,153	18,996	-	15,61,149	31,175	37,278
Computer & Peripherals	1,25,903	1,42,598	72,421	37,043	-	1,09,464	53,482	33,134
Two Wheelers	-	1,01,201	-	20,240	-	20,240	-	80,961
Total	30,76,08,406	14,56,80,941	6,49,78,065	15,91,756	-	6,65,69,821	24,26,30,341	7,91,11,120
Previous year	30,81,90,613	30,76,08,406	6,40,22,432	16,03,993	(6,48,359)	6,49,78,066	24,41,68,181	24,26,30,341

Note : All the above assets except two wheeler, computers and office equipments used for own use, have been let out under operating lease.

*Deduction of Rs. 16,57,44,750/- under land pertains to reversal of revaluation reserve. Refer Note 4(c).

Capital Work-in-progress

Description	Balance as at 1 April 2020	Additions F.Y.2020-21	Capitalised F.Y.2020-21	Balance as at 31 Mar 2021
Lift-Kone Elevator	18,98,305	4,74,576	23,72,881	-
Hydrant & Fire Alarm	7,55,310	17,850	7,73,160	-
Total	26,53,615	4,92,426	31,46,041	-

Description	Balance as at 1 April 2019	Additions F.Y.2019-20	Capitalised F.Y.2019-20	Balance as at 31 Mar 2020
Lift-Kone Elevator	-	18,98,305	-	18,98,305
Hydrant & Fire Alarm	-	7,55,310	-	7,55,310
Total	-	26,53,615	-	26,53,615



...contd...
(Amounts in INR)

10. Non-current investments

Non Trade Investments

Investment in shares

(a) Quoted equity shares - at Cost

(b) Unquoted equity / preference shares - at Cost

Inter-Connected Enterprises Limited

(5,03,059 equity shares; PY: 5,03,059 equity shares)

Preference shares of BgSE Financials Ltd

(49,00,000 8% Redeemable non cumulative preference shares of 10 each)

Total

Aggregate amount of quoted investments

Aggregate market value of listed and quoted investments

Aggregate amount of unquoted investments

11. Long-term loans and advances

Unsecured, considered good

(a) Security deposits

(b) MAT credit entitlement

(c) Balances with government authorities

(i) Income tax refund receivable

Total

12. Other non-current assets

Fixed Deposits of more than 12 months maturity*

*Deposit to the extent of Rs.1,09,57,327

(previous year Rs.1,14,37,137) have been earmarked towards liabilities.

13. Trade receivables

Unsecured, considered good

Outstanding for a period less than six months

Outstanding for a period exceeding six months

Total

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

* Company does not have any overdraft facility with the bank, negative balance in books is due to reconciliation items

**Deposit to the extent of Rs.26,21,911 (previous year Rs.1,78,41,330) have been earmarked towards liabilities.

	31 March 2021	31 March 2020
A	3,45,24,783	2,93,61,869
	25,153	25,153
	4,90,00,000	4,90,00,000
B	4,90,25,153	4,90,25,153
A+B	8,35,49,936	7,83,87,022
	3,45,24,783	2,93,61,869
	4,76,44,562	2,40,54,153
	4,90,25,153	4,90,25,153
	23,70,132	23,70,132
	4,03,72,496	4,11,19,119
	36,08,265	19,51,929
	4,63,50,893	4,54,41,180
	1,09,57,327	2,54,94,219
	1,09,57,327	2,54,94,219
	14,25,914	17,12,372
	-	-
	14,25,914	17,12,372
	917	30,012
	18,61,903	(2,89,769)
	1,57,23,030	3,30,40,288
	1,75,85,850	3,27,80,532
	4,11,21,027	1,78,41,330
	58,46,105	50,47,674
	4,69,67,132	2,28,89,004
	6,45,52,982	5,56,69,536



...contd...

(Amounts in INR)

	31 March 2021	31 March 2020
15. Short-term loans and advances		
<i>Unsecured; considered good</i>		
(a) Prepaid expenses	27,486	13,217
(b) Balances with government authorities	1,03,938	45,17,272
(c) Advance paid to vendors	-	11,950
Total	1,31,423	45,42,439
16. Other current assets		
(a) Accruals		
(i) Interest accrued on deposits but not due	46,48,327	24,76,638
(b) Others		
Gratuity Plan Assets [Refer Note 21(i)]	5,92,412	3,25,003
Dividend receivable	186	-
	52,40,925	28,01,641
17. Revenue from operations		
Lease rentals	1,92,79,282	2,42,06,704
Other operating revenues	27,00,066	30,26,395
Maintenance and car parking charges		
	2,19,79,348	2,72,33,099
18. Other income		
(a) Interest income		
Interest on bank deposits	42,12,233	85,51,211
Interest on income tax refund	-	12,85,615
b) Dividend income:		
from non-current investments	42,29,080	-
(c) Other non-operating income		
Profit on sale of assets	-	2,53,101
Miscellaneous income	5,964	4,39,221
Liabilities / provisions no longer required written back	21,50,818	21,537
Total	1,05,98,095	1,05,50,685
19. Employee benefits expense		
Salaries and wages *	34,08,940	28,98,743
Contribution to provident and other funds	5,32,448	85,652
Gratuity expense (net) [Refer Note 21(i)]	23,885	(1,15,011)
Staff welfare expenses	2,40,117	3,07,656
	42,05,390	31,77,040
<i>* includes remuneration to Directors</i>	22,05,116	16,59,476
20. Other expenses		
Advertisement	90,617	11,623
Bank Charges	9,125	428
Power and fuel charges(net)	11,59,396	14,07,625
Water charges	51,155	62,356
Sundry business expenses	3,95,010	5,05,419
Repairs and maintenance expenses		
- Buildings	37,87,997	1,10,31,671
- Others	3,07,170	1,70,371
Insurance	1,20,023	50,871
Rates and taxes	21,35,669	21,45,183



...contd...

(Amounts in INR)

	31 March 2021	31 March 2020
Communication expenses	32,874	97,792
Travelling and conveyance expenses	1,30,962	3,09,934
Printing and stationery	73,363	94,651
Sitting fees to directors	4,50,000	5,25,000
Incorporation expenses	-	3,90,251
Legal and professional charges	9,59,694	16,20,948
Payments to auditors	1,21,800	1,21,800
Meeting and Seminar Expenses	98,280	69,693
Demat and RTA charges	84,422	81,927
Miscellaneous expenses	-	6,274
Total	1,00,07,557	1,87,03,818

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

The computation of basic and diluted earnings per share is set out below:

Net profit/ (loss) attributable to equity shareholders [A]	1,33,92,589	4,91,96,531
Weighted average number of equity shares outstanding during the year [B]	3,66,91,850	3,66,91,850
Earnings/ (loss) per share = [A]/[B]	0.37	1.34

(b) Contingent liabilities and commitments (to the extent not provided for)**(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. 4,13,55,521 (PY: 2,68,75,771/)

(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 outcome 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) Value of imports on a CIF basis	Nil	Nil
(d) Expenditure in foreign currency	Nil	Nil
(e) Earnings in foreign exchange	Nil	Nil

(f) Note on reversal of interest on defaulter's account

In earlier years, out of distributable profits, company had provided for interest payment to defaulters. Management is of the opinion that as per bye laws of stock exchange there is no legal obligation on the company to pay interest on these balances and therefore these interests have been written back.



...contd...

(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 March 2021 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 March 2021	Year ended 31 March 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	Nil	45,947
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

(j) Related party transactions**(a) Names of related parties and description of relationship****(i) Key managerial persons (KMP)**

Mr. M Gowtham Chand
Mr. Vinod G Jain
Mr. R Babu
Mr. Shiva Mohan B
Mr. Sanjay V Sakariya
Mr. K M Sivaraman
Mr. K Iswara Bhat (till 4th September 2020)
Mr. Kumar Vinod P Nadagowda (till 4th September 2020)
Dr. S T Ramachandra (till 6th February 2021)

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

BgSE Financials Limited

(Amounts in INR)**(b) Transactions with related parties during the year****Transaction**

Managerial remuneration paid to KMP
Sitting fee paid to KMP
Fixed assets bought from entities controlled by KMP
RTA, Deputation and service charges paid to entity controlled by KMP
Rental income & Maintenance charges received from entities controlled by KMP

	31 March 2021	31 March 2020
Managerial remuneration paid to KMP	22,05,116	16,59,476
Sitting fee paid to KMP	4,50,000	5,25,000
Fixed assets bought from entities controlled by KMP	5,00,000	-
RTA, Deputation and service charges paid to entity controlled by KMP	5,22,586	8,53,589
Rental income & Maintenance charges received from entities controlled by KMP	47,39,298	63,54,311

Note: 1) The provision for gratuity is made on the basis of actuarial 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.



...contd...

(Amounts in INR)

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

Entities controlled by KMP

Total

Lease deposit received from

Entities controlled by KMP

Debit Balances**Trade Receivable**

Entities controlled by KMP

31 March 2021	31 March 2020
2,360	89,335
2,360	89,335
15,00,000	15,00,000
6,06,880	7,89,416

(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.

(Amounts in INR)

(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

31 March 2021	31 March 2020
1,51,048	17,09,916
58,239	8,347
10,181	73,647
(6,009)	(1,59,102)
-	(14,81,760)
2,13,459	1,51,048

(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

31 March 2021	31 March 2020
5,02,103	19,45,960
42,780	91,586
2,65,243	-
(4,255)	(53,683)
-	(14,81,760)
8,05,871	5,02,103

(c) Assets and liabilities recognised in the balance sheet

Present value of defined benefit obligation

Less: Fair value of plan asset

Net Liability/(Asset)

31 March 2021	31 March 2020
2,13,459	1,51,048
(8,05,871)	(5,02,103)
(5,92,412)	(3,51,055)

(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

31 March 2021	31 March 2020
58,239	8,347
10,181	73,647
(42,780)	(91,586)
(1,754)	(1,05,419)
23,886	(1,15,011)

(e) Principal assumptions Discount rate per annum

Expected salary increase per annum

Attrition rate

Expected return on assets

Retirement age (in years)

31 March 2021	31 March 2020
7.16%	6.74%
6.00%	6.00%
3.00%	3.00%
6.74%	7.60%
60	60



...contd...

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.

(Amounts in INR)

(f) Amount recognised in current year and previous year

Defined benefit obligation

31-Mar-21

31-Mar-20

2,13,459

1,51,048

Plan assets

8,05,872

5,02,013

(Deficit)

5,92,413

3,51,055

Experience loss/(gain) adjustments in plan liabilities

3,425

(1,71,286)

Experience loss/(gain) adjustments in plan assets

4,255

53,683

(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 March 2020

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	93.37%	42,13,76,020	100.15%	4,92,71,042
BGSE FINANCE LIMITED	6.63%	2,99,25,489	-0.15%	(74,511)
	100.00%	45,13,01,509	100.00%	4,91,96,531
Adjustment arising out of consolidation		(3,00,00,000)		-
		42,13,01,509		4,91,96,531



...contd...

31 March 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

(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 18 Oct 2021

**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 18 Oct 2021

Sd/-

Sanjay V Sakariya
DIN: 02050364
Director
Bangalore
Date 18 Oct 2021

Sd/-

B Shiva Mohan
DIN : 01604155
Director
Bangalore
Date 18 Oct 2021



Consolidated Cash Flow Statement

(Amounts in INR)

	March 31, 2021	March 31, 2020
Cash flows from operating activities		
Net Profit / (Loss) before extraordinary items and tax	1,67,72,740	1,42,98,933
<u>Adjustments to reconcile profit before tax to cash generated by operating activities</u>		
Depreciation and amortisation	15,91,756	16,03,993
(Profit) on sale assets	-	(2,13,185)
Interest income	(42,12,233)	(85,51,211)
Dividend income	(42,29,080)	-
Operating cash flows before working capital changes	99,23,183	71,38,531
Changes in working capital:		
<u>Adjustments for (increase) / decrease in operating assets:</u>		
Trade receivables	2,86,458	31,931
Short-term loans and advances	2,55,030	(3,54,293)
Long-term loans and advances	-	50,000
Other current assets	(2,67,595)	(1,84,011)
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Trade payables	(5,74,217)	(1,88,502)
Other current liabilities	(54,27,581)	(20,95,533)
Short-term provisions	(1,01,523)	1,01,523
	(58,29,429)	(26,38,885)
Cash flow from extraordinary items	-	-
Cash generated from operations	40,93,754	44,99,646
Net income tax (paid) / refunds	(23,51,809)	(20,91,209)
Net cash provided by operating activities	17,41,945	24,08,437
Cash flows from investing activities		
Capital expenditure on fixed assets, including capital WIP	(11,63,671)	(29,18,730)
Proceeds from sale of fixed assets	-	4,12,148
Bank balances not considered as Cash and cash equivalents	(2,40,78,128)	13,61,03,776
Withdrawals / (Investments) in fixed deposits (net of interest accruals)	1,23,65,203	(2,03,11,294)
Purchase of long-term investments		
- Others	(51,62,973)	(7,40,32,470)
Interest received	42,12,233	85,51,211
Dividend received	42,29,080	-
Net cash (used in) investing activities	(95,98,257)	4,78,04,641
Cash flows from financing activities		
Proceeds from issue of equity shares	-	60
Dividends paid	(73,38,370)	(1,83,45,925)
Tax on dividend	-	(37,71,060)
Net cash provided by/ (used in) by financing activities	(73,38,370)	(2,21,16,926)
Net increase in cash and cash equivalents	(1,51,94,682)	2,80,96,152
Cash and cash equivalents at the beginning of the year (note: 14)	3,27,80,532	46,84,380
Cash and cash equivalents at the end of the year (note: 14)	1,75,85,850	3,27,80,532
	-	-

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

For Deepak Niraj & Associates

Chartered Accountants

FRN: 014707S

Sd/-

Deepak Chopra

M.No.: 227144

Partner

Bangalore

Date 18 Oct 2021

**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 18 Oct 2021

Sd/-

Sanjay V Sakariya

DIN: 02050364

Director

Bangalore

Date 18 Oct 2021

Sd/-

B Shiva Mohan

DIN : 01604155

Director

Bangalore

Date 18 Oct 2021

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