
21ST
ANNUAL REPORT
AND ACCOUNTS

2015-2016



MEMG SECURITIES LIMITED

Regd. Office: Syndicate House, Manipal-576104

CIN: U65110KA1995PLC017907

MEMG SECURITIES LIMITED

DIRECTORS

Mr. T. Satish U. Pai
Dr. Ranjan Ramadas Pai
Mr Rajen Krishnanand Padukone
Mr. Rajesh Krishnaswamy Moorti

WHOLE-TIME DIRECTORS

Mr. D. Sreepathi
Mr. G. S. Shridhar

BANKERS

Axis Bank Ltd.
HDFC Bank Ltd.
ICICI Bank Ltd.
Syndicate Bank

AUDITORS

M/s Pathak H.D. & Associates
Chartered Accountants
709, Tulsiani Chambers 212, Nariman Point
Mumbai – 400 021

REGISTERED OFFICE

Syndicate House
Upendra nagar, Manipal – 576 104

CORPORATE OFFICE

N-115 North block 1st Floor
Rear Wing, Manipal Centre
47 Dickenson Road
Bangalore - 560 042

REGISTRARS AND SHARE TRANSFER AGENTS

Cameo Corporate Services Ltd
Subramanian Building, No. 1
Club House Road
Chennai – 600 002

NOTICE

Notice is hereby given that the Twenty First Annual General Meeting of the Members of the Company will be held on September 29, 2016 at the registered office of the Company at Syndicate House, Manipal-576104 at 3.30 P.M. to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the Audited Balance Sheet as at March 31, 2016 and Statement of Profit & Loss for the period ended as on that date and the Reports of Auditors and Directors .
2. To appoint Director in place of Shri.Rajesh Krishnaswamy Moorti (DIN-01480683), who retires by rotation in the ensuing Annual General Meeting and being eligible, offers himself for reappointment.
3. To ratify the appointment of M/s Pathak H.D. & Associates, Chartered Accountants (Firm Registration No. 107783W) as statutory auditors for the year 2016-17 and fix their remuneration.

SPECIAL BUSINESS

4. Appointment of Mr. RAJEN KRISHNANAND PADUKONE (DIN 00262729) as director of the company:

To consider and, if thought fit, to pass the following resolution, with or without modifications, as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of section 160 read with section 152 (2) of the Companies Act, 2013 and other applicable provisions if any, Mr. RAJEN KRISHNANAND PADUKONE (DIN 00262729) be and is hereby appointed as director on the Board of the Company.

RESOLVED FURTHER THAT any of the directors of the Company be and is hereby authorized to file necessary forms with the Registrar of companies, Karnataka and to do all such activities, deeds etc. required there under”.

5. Approval for shifting Registered office of the company :

To consider and if though fit, to pass, with or without modification(s) if any, the following resolution as an Special Resolution:

“RESOLVED THAT, pursuant to the provisions of section 12 of Companies Act 2013 and any other applicable provisions if any, subject to the approval of the shareholders of the company, consent of the Board be and is hereby accorded to shift the registered office of the company from Syndicate House, Manipal-576104 to N-115, 1ST FLOOR, MANIPAL CENTER, DICKENSON ROAD, BANGALORE 560042.

RESOLVED FURTHER THAT, for the purpose of giving effect to this resolution, any one of the director of the Company, on behalf of Company, to do all acts, deeds matters and things as deem necessary, proper or desirable and to sing and executive all the necessary documents, application and returns for the purpose of giving effect to the aforesaid resolutions along with filing of E-form INC-22 as return of change in address of registered office with the Registrar of Companies.”

6. To consider and if though fit, to pass, with or without modification(s) if any, the following resolution as an Special Resolution:

“RESOLVED THAT, pursuant to the provisions of section 196 and 197 read with Schedule V and all other applicable provisions. if any, of Companies Act 2013 and the Companies (Appointment and remuneration of managerial Personnel) Rules 2014, (including any statutory modifications and enactments thereof for the time being in force) and in terms of Article of Association of the company, consent of the company be and is hereby accorded for reappointment of Mr. D. Sreepathi (DIN - 00958235), Whole-time Director of the company for a further period of 1 year with effect from 1st November, 2016 on terms set out herein below:

- I. a) Basic Salary - Rs. 34,400/- per month - Annual Increments subject to the approval of the Board
- b) Performance linked variable pay as may be decided by the Board from time to time up to the end of the tenure, the same to be paid on a pro-rata basis every month or on an annual basis or partly monthly and partly on annual basis subject to maximum of 3% per annum of the gross income from broking activities.
- II. Perquisites, benefits etc.:
- a) House Rent Allowance upto Rs.10,000/- per month or such amount as may be decided by the Board from time-to-time.
- b) Medical re-imburement for self and family subject to the rules of the Company.
- c) Re-imburement of conveyance expenses to the extent of Rs.1600/- per month.
- d) Exgratia to the extent of one month's salary or as approved by the Board.

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- e) Leave and Encashment of leave as per Rules of the Company.
 - f) Encashment of Leave Travel Expenses for self and family as per the rules of the company.
 - g) Re-imbursement of expenditure incurred academic and professional development.
 - h) Telephone at residence and cell phone for office use.
 - i) Provident fund - Companies Contribution to extent of 12% of Basic Salary.
 - j) Gratuity as per rules of the Company.

III. General :

a) The Whole-time Director will perform his duty as such with regards to all work of the Company and he will manage and attend to such business and carryout orders and directions given by the Board from time-to-time in all respects and conform to and comply with all such directions and regulations as may from time-to-time be given and made by the Board.

b) The Whole-time Director shall act in accordance with the Article of Association of the Company and shall abide by the provisions contained in Section 166of the Act with regards to duties of Directors.

c) The Whole-time Director shall satisfy all the conditions set out in Part I of schedule V to the Act as also conditions set out under Sub-Section (3) of Section 196 of the Act for being eligible for his re-appointment. He is no disqualified from being appointed as Director in terms of Section 164 of the Act.

RESOLVED FURTHER THAT, in the absence of or inadequacy of net profit in any financial year remuneration payable to Mr. D. Sreepathi, shall be governed by Section II of the Part II of Schedule V of the Act or any statutory modification thereof.

RESOLVED FURTHER THAT, the foresaid terms shall be deemed to be extract of the terms and conditions of the contract of employment between the company and Mr. D Sreepathi pursuant to Section 190 of the Companies Atc,2013.

RESOLVED FURTHER THAT, Mr. D. Sreepathi shall not be paid any fees for attending the meetings of the Board or Committees so long as he holds the position of Whole-time Director.

for the purpose of giving effect to this resolution, any one of the director of the Company, on behalf of Company, to do all acts, deeds matters and things as deem necessary, proper or desirable and to sing and executive all the necessary documents, application and returns for the purpose of giving effect to the aforesaid resolutions along with filing of E-form INC-22 as return of change in address of registered office with the Registrar of Companies.”

7. To consider and if though fit, to pass, with or without modification(s) if any, the following resolution as an Special Resolution:

“RESOLVED THAT, pursuant to the provisions of section 196 and 197 read with Schedule V and all other applicable provisions. if any, of Companies Act 2013 and the Companies (Appointment and remuneration of managerial Personnel) Rules 2014, (including any statutory modifications and enactments thereof for the time being in force) and in terms of Article of Association of the company, consent of the company be and is hereby accorded for reappointment of Mr. G. S. Shridhar (DIN - 00106780), Whole-time Director of the company for a further period of 1 year with effect from 1st November, 2016 on terms set out herein below:

- I. a) Basic Salary - Rs. 31,900/- per month - Annual Increments subject to the approval of the Board
- b) Performance linked variable pay as may be decided by the Board from time to time up to the end of the tenure, the same to be paid on a pro-rata basis every month or on an annual basis or partly monthly and partly on annual basis subject to maximum of 3% per annum of the gross income from broking activities.

II. Perquisites, benefits etc.:

- a) House Rent Allowance up to Rs.10,000/- per month or such amount as may be decided by the Board from time-to-time.
- b) Medical re-imbursement for self and family subject to the rules of the Company.
- c) Re-imbursement of conveyance expenses to the extent of Rs.1600/- per month.
- d) Exgratia to the extent of one month's salary or as approved by the Board.
- e) Leave and Encashment of leave as per Rules of the Company.
- f) Encashment of Leave Travel Expenses for self and family as per the rules of the company.
- g) Re-imbursement of expenditure incurred academic and professional development.
- h) Telephone at residence and cell phone for office use.
- i) Provident fund - Companies Contribution to extent of 12% of Basic Salary.
- j) Gratuity as per rules of the Company.

III. General :

a) The Whole-time Director will perform his duty as such with regards to all work of the Company and he will manage and attend to such business and carryout orders and directions given by the Board from time-to-time in all respects and conform to and comply with all such directions and regulations as may from time-to-time be given and made by the Board.

b) The Whole-time Director shall act in accordance with the Article of Association of the Company and shall abide by the provisions contained in Section 166of the Act with regards to duties of Directors.

c) The Whole-time Director shall satisfy all the conditions set out in Part I of schedule V to the Act as also conditions set out under Sub-Section (3) of Section 196 of the Act for being eligible for his re-appointment. He is no disqualified from being appointed as Director in terms of Section 164 of the Act.

RESOLVED FURTHER THAT, in the absence of or inadequacy of net profit in any financial year remuneration payable to Mr. G. S. Shridhar, shall be governed by Section II of the Part II of Schedule V of the Act or any statutory modification thereof.

RESOLVED FURTHER THAT, the foresaid terms shall be deemed to be extract of the terms and conditions of the contract of employment between the company and Mr. G. S. Shridhar pursuant to Section 190 of the Companies Atc,2013.

RESOLVED FURTHER THAT, Mr. G. S. Shridhar shall not be paid any fees for attending the meetings of the Board or Committees so long as he holds the position of Whole-time Director.

for the purpose of giving effect to this resolution, any one of the director of the Company, on behalf of Company, to do all acts, deeds matters and things as deem necessary, proper or desirable and to sing and executive all the necessary documents, application and returns for the purpose of giving effect to the aforesaid resolutions along with filing of E-form INC-22 as return of change in address of registered office with the Registrar of Companies.”

8. To consider and if though fit, to pass, with or without modification(s) if any, the following resolution as an Special Resolution:

“RESOLVED THAT, pursuant to the provision of Section 180(1)(c) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 or any modification or re-enactment thereof and the Articles of Association of the Company, consent of the company be and is here by accorded to borrow from, time to time , any sum of money as may be required for the purpose of business of the Company whether by way of Term Loan/cash Credit Facilities etc. from banks, financial institutions and such other bodies as the Board may deem fit from time to time, on such terms and conditions and with or without the security as the Board of Directors may think fit amounting to not exceeding Rs. 20 crores (Rupees Twenty Crores only), notwithstanding that the monies so borrowed together with the monies already borrowed shall exceed at any time the aggregate of the paid up share capital and free reserves ,apart from temporary loans obtained from the Company’s bankers in the ordinary course of business.

RESOLVED FURTHER THAT, any of the Directors be and are hereby authorized to carry out minor modification, if any, and to do all such acts deeds and things as may be necessary, expedient or incidental for the purpose of giving effect to the aforesaid resolution.”

9. To consider and if though fit, to pass, with or without modification(s) if any, the following resolution as an Special Resolution:

“RESOLVED THAT, pursuant to the provisions of Section 180(1)(a) of the Companies Act 2013 and other applicable provisions, if any, of the Companies Act, 2013 or any modification or re-enactment thereof consent of the company be and is hereby accorded for creation of security over company’s assets by way of equitable mortgage, legal mortgage, charge, hypothecation or lien or pledge of the Company’s investment, assets and/or other properties whether movable or immovable or stock in trade and work in progress and all or any of the undertakings, not exceeding the sum of Rs. 20 crores (Rupees Twenty Crores Only) (including existing charges & mortgages over company’s assets).

RESOLVED FURTHER THAT, for the purpose of giving effect to this resolution the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion consider necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard.

RESOLVED FURTHER THAT, any of the Directors be and are hereby authorized to do all such acts, deeds and things and to sign all such documents and writings as may be necessary, expedient and incidental thereto to give effect to this resolution and for matter connected therewith or incidental thereto”.

By Order of the Board
MEMG SECURITIES LIMITED

Sd/-
D Sreepathi
Whole Time Director

Date: July 25, 2016
Place: Bangalore

NOTES:

1. On a show of hands, every holder of equity shares entitled to vote and present in person or by proxy shall have one vote and on a poll the voting right or every holder of equity share whether present in person or by proxy, shall be in proportion to his share of the paid-up equity capital of the company.
2. "A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights provided that a member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder. The proxy form duly completed and signed should be deposited at the registered office of the company at least 48 hours before the commencement of the meeting."
3. Members/proxies should fill in the attendance slip for attending the meeting. members are requested to bring their attendance slip.
4. An explanatory statement under section 102(1) of the companies act 2013 is annexed thereto.
5. In terms of the provisions of the companies act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the investor education and protection fund (IEPF). Shareholders are requested to ensure that they claim dividend before it is transferred to IEPF.
6. Members are requested to bring their copy of the annual report to the annual general meeting. Members are requested to intimate the company of any change in their registered address.
7. **The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on 26-Sep-2016 9:30 am and ends on 28-Sep-2016 5:30 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22-Sep-2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

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- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non-Individual Shareholders & Custodians:

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporate and Custodians respectively.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

After receiving the login details they should create compliance user using the admin login and password. The Compliance user would be able to link the depository account(s) / folio numbers on which they wish to vote.

The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to **helpdesk.evoting@cdslindia.com**.

**EXPLANATORY STATEMENT TO THE ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY HELD AT
THE REGISTERED OFFICE ON 29TH SEPTEMBER, 2016 UNDER SECTION 102 OF THE COMPANIES ACT, 2013**

ITEM NO.4: APPOINTMENT OF MR. RAJEN KRISHNANAND PADUKONE (DIN 00262729) AS DIRECTOR OF THE COMPANY

- 1. THE NATURE OF CONCERN OR INTEREST, FINANCIAL OR OTHERWISE IN RESPECT OF EACH ITEMS IF ANY OF-**
- (i) EVERY DIRECTOR AND MANAGER – NIL
 - (ii) EVERY OTHER KEY MANAGERIAL PERSONNEL – NIL
 - (iii) RELATIVES OF THE PERSON MENTIONED IN (I) & (II) – NIL

- 2. ANY OTHER INFORMATION AND FACTS THAT MAY ENABLE MEMBERS TO UNDERSTAND THE MEANING, SCOPE AND IMPLICATIONS OF THEN ITEMS OF BUSINESS AND TO TAKE DECISION THEREON.**

Pursuant to the provisions of section 160 read with section 152(2) of Companies Act, 2013 consent of the shareholders is sought to appoint Mr. RAJEN KRISHNANAND PADUKONE (DIN 00262729) as Director of the Company.

- 3. WHERE ANY ITEM OF BUSINESS REFERS TO ANY DOCUMENT WHICH IS TO BE CONSIDERED, TIME AND PLACE WHERE SUCH DOCUMENT CAN BE INSPECTED SHALL BE SPECIFIED.**

Documents relating to the approval are maintained at the registered office of the Company.

ITEM NO. 5: APPROVAL FOR SHIFTING THE REGISTERED OFFICE OF THE COMPANY

- 1. THE NATURE OF CONCERN OR INTEREST, FINANCIAL OR OTHERWISE IN RESPECT OF EACH ITEMS IF ANY OF-**
- (i) EVERY DIRECTOR AND MANAGER – NIL
 - (ii) EVERY OTHER KEY MANAGERIAL PERSONNEL – NIL
 - (iii) RELATIVES OF THE PERSON MENTIONED IN (I) & (II) – NIL

- 2. ANY OTHER INFORMATION AND FACTS THAT MAY ENABLE MEMBERS TO UNDERSTAND THE MEANING, SCOPE AND IMPLICATIONS OF THEN ITEMS OF BUSINESS AND TO TAKE DECISION THEREON.**

Pursuant to the provisions of section 12 of Companies Act 2013 read with Rule 25, Companies (Incorporation) Rules, 2014 and any other applicable provisions if any, consent of the shareholders is sought to shift the registered office of the company from Syndicate House, Manipal-576104 to N - 115, North Block, 1st Floor, Manipal Centre, Dickenson Road, Bangalore - 560 042.

- 3. WHERE ANY ITEM OF BUSINESS REFERS TO ANY DOCUMENT WHICH IS TO BE CONSIDERED, TIME AND PLACE WHERE SUCH DOCUMENT CAN BE INSPECTED SHALL BE SPECIFIED.**

Documents relating to the approval are maintained at the registered office of the Company.

ITEM NO. 6: REAPPOINTMENT AND REVISION IN THE REMUNERATION OF MR. D SREEPATHI

- 1. THE NATURE OF CONCERN OR INTEREST, FINANCIAL OR OTHERWISE IN RESPECT OF EACH ITEMS IF ANY OF-**
- (I) EVERY DIRECTOR AND MANAGER – The shareholding of the promoter directors in the equity share capital of the company is as given under:

<u>Name of the Directors</u>	<u>No. of Shares</u>	<u>Shareholding Percentage</u>
Mr. D Sreepathi	200	0.01

- (II) EVERY OTHER KEY MANAGERIAL PERSONNEL – NIL
- (III) RELATIVES OF THE PERSON MENTIONED IN (I) & (II) – NIL

- 2. ANY OTHER INFORMATION AND FACTS THAT MAY ENABLE MEMBERS TO UNDERSTAND THE MEANING, SCOPE AND IMPLICATIONS OF THEN ITEMS OF BUSINESS AND TO TAKE DECISION THEREON.**

Pursuant to the provisions of section 196, 197 and 203 read with Part I and Part II of schedule V and all other applicable provisions, if any, of the Companies Act 2013 (“the Act”) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and in terms of Article of Association of the company, consent of the shareholders is sought for reappointment of Mr. D Sreepathi (DIN: 00958235) Whole Time Director of the Company for the further period of 1 years with effect from 01st November, 2016.

- 3. WHERE ANY ITEM OF BUSINESS REFERS TO ANY DOCUMENT WHICH IS TO BE CONSIDERED, TIME AND PLACE WHERE SUCH DOCUMENT CAN BE INSPECTED SHALL BE SPECIFIED.**

Documents relating to the approval are maintained at the registered office of the Company.

ITEM NO. 7: REAPPOINTMENT AND REVISION IN THE REMUNERATION OF MR. G S SHRIDHAR

- 1. THE NATURE OF CONCERN OR INTEREST, FINANCIAL OR OTHERWISE IN RESPECT OF EACH ITEMS IF ANY OF-**
- (I) EVERY DIRECTOR AND MANAGER – The shareholding of the promoter directors in the equity share capital of the company is as given under:

<u>Name of the Directors</u>	<u>No. of Shares</u>	<u>Shareholding Percentage</u>
Mr. G S Shridhar	301	0.01

- (II) EVERY OTHER KEY MANAGERIAL PERSONNEL – NIL
 (III) RELATIVES OF THE PERSON MENTIONED IN (I) & (II) – NIL

2. ANY OTHER INFORMATION AND FACTS THAT MAY ENABLE MEMBERS TO UNDERSTAND THE MEANING,SCOPE AND IMPLICATIONS OF THEN ITEMS OF BUSINESS AND TO TAKE DECISION THEREON.

"**RESOLVED THAT**, pursuant to the provisions of section 196, 197 and 203 read with Part I and Part II of schedule V and all other applicable provisions, if any, of the Companies Act 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and in terms of Article of Association of the company, consent of the shareholders is sought for reappointment of Mr. G S Shridhar (DIN: 00106780) Whole Time Director of the Company for the further period of 1 years with effect from 01st November, 2016.

3. WHERE ANY ITEM OF BUSINESS REFERS TO ANY DOCUMENT WHICH IS TO BE CONSIDERED, TIME AND PLACE WHERE SUCH DOCUMENT CAN BE INSPECTED SHALL BE SPECIFIED.

Documents relating to the approval are maintained at the registered office of the Company.

ITEM NO. 8: ENHANCEMENT OF BORROWING LIMITS

1. THE NATURE OF CONCERN OR INTEREST,FINANCIAL OR OTHERWISE IN RESPECT OF EACH ITEMS IF ANY OF-

- (I) EVERY DIRECTOR AND MANAGER – NIL
 (II) EVERY OTHER KEY MANAGERIAL PERSONNEL – NIL
 (III) RELATIVES OF THE PERSON MENTIONED IN (I) & (II) – NIL

2. ANY OTHER INFORMATION AND FACTS THAT MAY ENABLE MEMBERS TO UNDERSTAND THE MEANING,SCOPE AND IMPLICATIONS OF THEN ITEMS OF BUSINESS AND TO TAKE DECISION THEREON.

Pursuant to the provision of Section 180(1)(c) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 or any modification or re-enactment thereof and the Articles of Association of the Company, consent of the shareholders is sought to borrow amounting to not exceeding Rs. 20 crores (Rupees Twenty Crores only).

3. WHERE ANY ITEM OF BUSINESS REFERS TO ANY DOCUMENT WHICH IS TO BE CONSIDERED, TIME AND PLACE WHERE SUCH DOCUMENT CAN BE INSPECTED SHALL BE SPECIFIED.

Documents relating to the approval are maintained at the registered office of the Company.

ITEM NO. 9: POWER TO CREATE MORTGAGE OVER ASSETS

1. THE NATURE OF CONCERN OR INTEREST,FINANCIAL OR OTHERWISE IN RESPECT OF EACH ITEMS IF ANY OF-

- (I) EVERY DIRECTOR AND MANAGER – NIL
 (II) EVERY OTHER KEY MANAGERIAL PERSONNEL – NIL
 (III) RELATIVES OF THE PERSON MENTIONED IN (I) & (II) – NIL

2. ANY OTHER INFORMATION AND FACTS THAT MAY ENABLE MEMBERS TO UNDERSTAND THE MEANING,SCOPE AND IMPLICATIONS OF THEN ITEMS OF BUSINESS AND TO TAKE DECISION THEREON.

Pursuant to the provisions of Section 180(1)(a) of the Companies Act 2013 and other applicable provisions, if any, of the Companies Act, 2013 or any modification or re-enactment thereof consent of the shareholders is sought for creation of security over company's assets by way of equitable mortgage, legal mortgage, charge, hypothecation or lien or pledge of the Company's investment, assets and/or other properties whether movable or immovable or stock in trade (including raw material, stores, spares parts and components in stock in transit) and work in progress and all or any of the undertakings, not exceeding the sum of Rs. 20 crores (Rupees Twenty Crores Only) (including existing charges & mortgages over company's assets).

3. WHERE ANY ITEM OF BUSINESS REFERS TO ANY DOCUMENT WHICH IS TO BE CONSIDERED, TIME AND PLACE WHERE SUCH DOCUMENT CAN BE INSPECTED SHALL BE SPECIFIED

Documents relating to the approval are maintained at the registered office of the Company.

By Order of the Board
 MEMG SECURITIES LIMITED

Sd/-
 D Sreepathi
 Whole Time Director

Date: July 25, 2016
 Place: Bangalore

DIRECTORS' REPORT

To,

The Shareholders

MEMG SECURITIES LIMITED

Your Directors have pleasure in presenting for your consideration and approval the Twenty First Report of the Board with the Audited Financials of the Company for the year ended March 31, 2016.

FINANCIALS

(Rs. in Lakhs)

	Year ended March 2016	Year ended March 2015
Total Revenue	264.12	241.76
Total Expenses	233.64	221.88
Profit Before Depreciation	30.48	19.88
Less: Depreciation	23.53	29.07
Profit Before Tax	6.95	(9.19)
Less: Tax expenses / (Credit)	2.25	(1.31)
Profit for the year	4.70	(7.88)

PERFORMANCE OF THE COMPANY DURING THE YEAR

During the year, the Company earned a gross Income of Rs.2,64,12,322/- as against Rs.2,41,75,621/- in the previous year. The Income from operations comprised of brokerage income from domestic investors (including brokerage from Mutual Funds and other financial products distribution) of Rs.1,36,85,493/- as against Rs.1,30,35,246/- for previous year and the service charges received, categorized as Export Services from offering Direct Market Access services under the brokerage business to Foreign clients (Foreign Portfolio Investors) is Rs. 83,41,137/- against Rs. 73,30,811/- for previous year.

The Company has made a net profit of Rs. 4,69,757/- during the year as against a net loss of Rs. 7,88,082/- in the previous year.

The Brokerage business in the current FY 2015-16 has been good and the company could capitalize on the business opportunity available from volatile markets upto December 2015. However the markets have been moving down since January 2016 to March 2016 which resulted in moderation or trading volumes in the Capital markets. Your company's efforts in consolidation of revenues, reduction of operating expenses and on account of receipt of some long pending income Tax refunds have helped in achieving marginal net profit of Rs. 4,69,757/- in the current financial year. In the current year we have set up an additional trading platform customized for a overseas client that enables them to trade on BSE.

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

DIVIDEND

In view of the inadequate profits by the Company, your Directors have not recommended any dividend for the financial year 2015-16.

FUTURE OUTLOOK

With the global economic outlook remaining bleak on account of slowdown seen in the Chinese economy and the turbulence that would be there for the next couple of years in the EURO region on account of BREXIT, there are very few investment opportunities for Global investors outside of US.

India's growth prospect is expected to be around 8% for the next few years on account of the structural reforms being done by the Government and this would attract new foreign investments and keep the domestic economy vibrant. However, there would be some effect and aberrations in the Indian capital markets and this would pose a challenge for earnings growth of stock broking business.

Our business investment now for improvement and enhancement of trading capacities for ALGO based trading strategies using both CTCL (non institutional trading infrastructure) and Direct Market Access infrastructure for Institutions at NSE and BSE may help in improving or maintaining the current revenue streams.

Your company will strive hard to increase the number of high net worth individuals and empanel more institutional clients to improve the business.

LISTING

Your company continues to be an un-listed company

PERFORMANCE AND FINANCIAL POSITION OF EACH OF ITS SUBSIDIARIES

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

PARTICULARS OR CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

Your company has not entered into contracts or arrangements with related parties.

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

Foreign exchange:

Earnings: Rs. 83,41,137/-

Outgo: Rs. 1,57,112/-

Since the Company does not own any manufacturing facility, the other particulars in the Companies (Disclosure of Particulars in the Report of Board of Director) Rules, 1988, are not applicable.

DIRECTORS

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

During the period under report, Mr. T Mohandas Pai, Chairman, Dr. Ravindranath Shanbhag and Mr. U Harish P Shenoy directors resigned from the Board owing to personal reasons. The Board wishes to place on record its appreciation of valuable services rendered by them during their tenures as directors.

Dr. Ranjan Ramadas Pai (DIN 00863123) and Mr. Rajesh Moorti (DIN 01480683) were appointed as additional directors on the board of your company at the Board Meeting held on 29th May, 2015. The Company had received notices in writing along with requisite deposits from two members under Section 160 of the Companies Act, 2013 signifying their intention to propose candidature of each of Dr. Ranjan Pai and Mr. Rajesh Moorti for their appointment as directors on the Board of the Company.

Mr. Rajen Krishnanand Padukone (DIN 00262729) was appointed as additional director on the board of your company at the Board Meeting held on 14th September, 2015. He holds the office up-to the date of ensuing annual general meeting.

STATUTORY AUDITORS

M/s Pathak H D & Associates, Chartered Accountants, Firm's registration No.107783W, Mumbai were appointed as Statutory Auditors for a period of 3 year(s) in the Annual General Meeting held on 26th September, 2014. Their continuance of appointment and payment of remuneration are to be confirmed and approved in the ensuing Annual General Meeting. The Company has received a certificate from the above Auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

INTERNAL AUDIT & CONTROLS

The Company engages M.s. Muralidhar R Kini, Chartered Accountants, Manipal,(Membership No.022584) as its Internal Auditors. During the year, the Company continued to implement their suggestions and recommendations to improve the control environment. Their scope of work includes review of business processes as prescribed by the exchanges and the regulators, for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed and acted upon and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

DEPOSITS

Your Company has not accepted any deposits from the public for the year under consideration.

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

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

RISK MANAGEMENT POLICY

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SCETION 186

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

SHARE CAPITAL OF THE COMPANY

The paid up Share Capital as on 31st March, 2016 was Rs.3,55,83,320/- divided into 35,58,332 equity shares of Rs.10/- each. During the year under review, the Company has not issued any shares. The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

ANNUAL RETURN

The extract of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in Annexure-I and is attached to this report.

BOARD MEETING DURING THE YEAR UNDER REVIEW

The Company had four Board meeting on 29th May 2015, 27th July 2015, 14th September 2015, 11th November, 2015 and 08th January, 2016 during the financial year under review.

ANNUAL GENERAL MEETING DURING THE YEAR UNDER REVIEW

The Company held Annual General Meeting on 14th September, 2015 for the year ended 31st March, 2015.

DISCLOSURES ABOUT CORPORATE SOCIAL RESPONSIBILITY POLICY

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

DIRECTOR'S RESPONSIBILITY STATEMENT

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

in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.

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

PARTICULARS OF EMPLOYEES

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

AUDITORS' REPORT

There has been no qualification, reservation or adverse remark in the auditor's report during the period under review

ACKNOWLEDGEMENT

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

For and on behalf of the Board

Date: July 25, 2016
Place: Manipal

Sd/-
D. Sreepathi
Whole Time Director

Annual Return Extracts in MGT 9

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31ST March, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1. CIN	UG5110KA1995PLC017907
2. Registration Date	30.05.1995
3. Name of the Company	MEMG SECURITIES LIMITED
4. Category/ Sub – Category of the Company	Company limited by shares
5. Address of the Registered office and Contact details	Syndicate House, Manipal - 576104 Karnataka (0820) 2701500
6. Whether listed Company	No
7. Name, Address and Contact details of Registrar and Transfer Agent , if any	M/s Cameo Corporate Services Ltd., Subramanian Building No.1, Club House Road, Chennai – 600 002 (Tele:044 28460390)

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company are stated as under :

SI No	Name and Description of main products/ services	NIC code of the Product/ service	%to total turnover of the Company
1	Stock Broking	64990	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SI no	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Manipal Education and Medical Group India Private Limited	U80301KA2000PTC027257	Holding	53.49%	Section 2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year as on 01-04-2015				No. of shares held at the end of the year as on 31-03-2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters and Promoter Group									
1. Indian									
a. Individuals/ Hindu Undivided Family	-	-	-	-	-	-	-	-	-
b. Central Govt / State Govt(s)	-	-	-	-	-	-	-	-	-
c. Body Corporate	1,774,950	-	1,774,950	49.88	1,903,526	-	1,903,526	53.49	3.61
d. Financial Institutions/Banks	-	-	-	-	-	-	-	-	-
e. Any Other									
Directors and Their Relatives	152,176	5,801	157,977	4.44	110,200	5,801	116,001	(3.26)	(1.18)
	152,176	5,801	157,977	4.44	110,200	5,801	116,001	(3.26)	(1.18)
Sub-Total (A)(1)	1,927,126	5,801	1,932,927	54.32	2,013,726	5,801	2,019,527	56.75	4.79
2. Foreign									
a. Individuals (Non-Resident individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-
b. Bodies Corporate	-	-	-	-	-	-	-	-	-
c. Institutions	-	-	-	-	-	-	-	-	-
d. Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
e. Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
Total Share Holding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	1,927,126	5,801	1,932,927	54.32	2,013,726	5,801	2,019,527	56.75	4.79

Category of Shareholders	No. of shares held at the beginning of the year as on 01-04-2015				No. of shares held at the end of the year as on 31-03-2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a. Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
b. Financial Institutions /Banks	-	-	-	-	-	-	-	-	-
c. Central Govt / State Govt(s)	-	-	-	-	-	-	-	-	-
d. Venture Capital Funds	-	-	-	-	-	-	-	-	-
e. Insurance Companies	-	-	-	-	-	-	-	-	-
f. Foreign Institutional Investor	-	-	-	-	-	-	-	-	-
g. Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
h. Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Any Other									
Sub-Total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a. Bodies Corporate	18,300	28,900	47,200	1.33	33,100	37,300	70,400	1.98	0.70
b. Individuals									
I) Individual Shareholders holding nominal share capital upto Rs.1 lakh	179,101	815,104	994,205	27.94	150,001	731,904	881,905	24.79	(3.16)
II) Individual Shareholders holding nominal share capital excess of Rs.1 lakh	49,500	-	49,500	1.39	15,800	-	15,800	0.44	(0.95)
c. Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
d. Any other									
Foreign Body Corporate	533,500	-	533,500	14.99	533,500	-	533,500	14.99	-
Hindu Undivided family	500	-	500	0.01	36,700	-	36,700	1.03	1.02
Others	-	500	500	0.01	-	500	500	0.01	-
	534,000	500	534,500	15.02	570,200	500	570,700	16.03	-
Sub-Total (B)(2)	780,901	844,504	1,625,405	45.68	769,101	769,704	1,538,805	43.24	(2.44)
Category of Shareholders	No. of shares held at the beginning of the year as on 01-04-2015				No. of shares held at the end of the year as on 31-03-2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Total Public Shareholding (B) = (B)(1)+(B)(2)	780,901	844,504	1,625,405	45.68	769,101	769,704	1,538,805	43.24	(2.44)
Total (A)+(B)	2,708,027	850,305	3,558,332	100.00	2,782,827	775,505	3,558,332	100.00	-
Shares held by custodians and against which depository receipts have been issued									
Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
Public	-	-	-	-	-	-	-	-	-
Total Custodian (C)	-	-	-	-	-	-	-	-	-
Grand Total (A)+(B)+(C)	2,708,027	850,305	3,558,332	100.00	2,782,827	775,505	3,558,332	100.00	-

ii) Shareholding of promoters

Sl No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	Manipal Education and Medical Group India Pvt Ltd	1,774,950	49.88	-	1,903,526	53.49	-	3.61
2	M D Narayan	98,900	2.78	-	98,900	2.78	-	-
3	Dinesh Kudva	42,276	1.19	-	-	-	-	(1.19)
4	T Satish U Pai	10,000	0.28	-	10,500	0.30	-	0.02
5	K K Pai (held under 2 folios)	3,000	0.08	-	3,000	0.08	-	-
6	Dinesh Nayak Kepul	1,800	0.05	-	1,800	0.05	-	-
7	Radhakantha Pai K	500	0.01	-	500	0.01	-	-
8	Ramachandra M Kamath	500	0.01	-	500	0.01	-	-
9	Vijayalakshmi Shantaram	500	0.01	-	500	0.01	-	-
10	G S Shridhar (held under 2 folios)	301	0.01	-	301	0.01	-	-
11	D Sreepathi	200	0.01	-	200	0.01	-	-

(iii) Change in Promoters' Shareholding

Sl No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Manipal Education and Medical Group India Pvt Ltd				
	At the beginning of the year 01-Apr-2015	1774950	49.88	1774950	49.88
	Purchase 24-Jul-2015	52276	1.47	1827226	51.35
	Purchase 18-Sep-2015	15700	0.44	1842926	51.79
	Purchase 04-Dec-2015	1000	0.03	1843926	51.82
	Purchase 25-Dec-2015	7100	0.20	1851026	52.02
	Purchase 22-Jan-2016	4800	0.14	1855826	52.15
	Purchase 26-Feb-2016	500	0.01	1856326	52.17
	Purchase 04-Mar-2016	47200	1.33	1903526	53.49
	At the end of the year 31-Mar-2016			1903526	53.49
2	M D NARAYAN				
	At the beginning of the year 01-Apr-2015	98900	2.78	98900	2.78
	At the end of the Year 31-Mar-2016	98900	2.78	98900	2.78
3	DINESH KUDVA				
	At the beginning of the year 01-Apr-2015	42276	1.19	42276	1.19
	Sale 24-Jul-2015	(42276)	(1.19)	-	-
	At the end of the Year 31-Mar-2016			-	-
4	T SATISH U PAI				
	At the beginning of the year 01-Apr-2015	10000	0.28	10000	0.28
	Purchase 16-Mar-2016	500	0.02	10500	0.30
	At the end of the Year 31-Mar-2016			10500	0.30

5	KALSANK KAMALAKSHA PAI				
	At the beginning of the year 01-Apr-2015	3000	0.08	3000	0.08
	At the end of the Year 31-Mar-2016	3000	0.08	3000	0.08
6	DINESH NAYAK KEPUL JT1 : KEPUL ARUNA NAYAK				
	At the beginning of the year 01-Apr-2015	1800	0.05	1800	0.05
	At the end of the Year 31-Mar-2016	1800	0.05	1800	0.05
7	RADHAKANTHA PAI K				
	At the beginning of the year 01-Apr-2015	500	0.01	500	0.01
	At the end of the Year 31-Mar-2016	500	0.01	500	0.01
8	RAMACHANDRA M KAMATH JT1 : RADHA R KAMATH				
	At the beginning of the year 01-Apr-2015	500	0.01	500	0.01
	At the end of the Year 31-Mar-2016	500	0.01	500	0.01
9	VIJAYALAKSHMI SHANTARAM				
	At the beginning of the year 01-Apr-2015	500	0.01	500	0.01
	At the end of the Year 31-Mar-2016	500	0.01	500	0.01
10	G S SHRIDHAR				
	At the beginning of the year 01-Apr-2015	301	0.01	301	0.01
	At the end of the Year 31-Mar-2016	301	0.01	301	0.01
11	D SREEPATHI				
	At the beginning of the year 01-Apr-2015	200	0.01	200	0.01
	At the end of the Year 31-Mar-2016	200	0.01	200	0.01

(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	SHK EBENE LIMITED	533500	14.99	533500	14.99
2	SATISH PAI (HUF)	-	-	36200	1.01
3	SADASHIVA PAI B	35700	1.00	-	-
4	VICTORY GLASS AND INDUSTRIES LIMITED	30000	0.84	30000	0.84
5	INDRA KUMAR BAGRI	13800	0.39	16300	0.45
6	M S P SPICES LTD	10000	0.28	10000	0.28
7	SRI RAJES M S P,	10000	0.28	10000	0.28
8	SHAIRUL SHAILESH MEHTA	10000	0.28	10000	0.28
9	DINESH KUDVA	10000	0.28	-	-
10	PREMALATHA S	5000	0.14	5000	0.14
11	RAMESH RAO	5000	0.14	5000	0.14
12	ALLEGRO CORPORATE FINANCE ADVISORS PRIVATE LIMITED	2000	0.05	25200	0.71

(v) Shareholding of Directors and Key Managerial Personnel:

Sl No	Name of the Share holder	Shareholding at the beginning of the year		Date wise Increase / Decrease in shareholding during the year specifying reason (eg. Allotment/ Transfer/ bonus sweat equity etc)			Cumulative Shareholding during the year	
		No of shares	'% of total shares of the company	Date	Increase/ Decrease in Shareholding	Reason	No of shares	'% of total shares of the company
1	T.Satish U Pai	10,000	0.28	-	500	Transfer	10,500	0.30
2	D.Sreepathi	200	0.01	-	-	-	200	0.01
3	G S Shridhar	301	0.01	-	-	-	301	0.01
4	Dr. Ranjan Ramdas Pai	-	-	-	-	-	-	-
5	Rajesh Krishnaswamy Moorti	-	-	-	-	-	-	-
6	Rajen Krishnanand Padukone *	-	-	-	-	-	-	-

Note: * - New Directors appointed on 14/09/2015

V. INDEBTEDNESS – NIL

Indebtedness of the Company including interest outstanding/ accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-	-	-	-
(i) Principal Amount				
(ii) Interest due but not paid				
(iii) Interest accrued but not due				
Total(i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year	-	-	-	-
• Addition				
• Reduction				
Net Change	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-
(i) Principal Amount				
(ii) Interest due but not paid				
(iii) Interest accrued but not due				
Total(i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and /or Manager:

Sl No	Particulars of Remuneration	Name of Whole Time Directors	Total Amount (Rs)
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) income tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	D. Sreepathi G. S. Shridhar Nil Nil	14,10,329/- 13,65,750/- Nil Nil
2.	Stock option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission - As % of profit - Others specify.....	Nil	Nil
5.	Others, please specify	Nil	Nil
	Total(A)		27,76,079/-
	Ceiling as per the Act		84,00,000/-

B. Remuneration to other Directors:

Sl No	Particulars of Remuneration	Name of Directors	Total Amount (RS)
	Independent Directors	NIL	
	<ul style="list-style-type: none"> • Fee for attending board committee meetings each. • Commission • Others, please specify 		NIL NIL NIL
	Total(1)		NIL
	Other Non-Executive Directors	NIL	Total Amount
	<ul style="list-style-type: none"> • Fee for attending board committee meetings • Commission • Others, please specify 		NIL NIL NIL
	Total(2)		NIL
	Total(B) =(1+2)		NIL
	Total Managerial Remuneration		27,76,079/-

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

Sl No	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	Company Secretary	CFO	
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	Nil
	(b) Value of perquisites u/s 17(2) income tax Act, 1961	-	-	-	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	Nil
2.	Stock option	-	-	-	Nil
3.	Sweat Equity	-	-	-	Nil
4.	Commission				
	- As % of profit - Others specify.....	-	-	-	Nil
5.	Others, please specify	-	-	-	Nil
	Total(A)				Nil
	Ceiling as per the Act				Nil

VII. PENALTIES /PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment Compounding fees imposed	Authority (RD/NCLT/COURT)	Appeal made, if any (give details)
A. COMPANY/ B. DIRECTORS / C. OTHER OFFICERS IN DEFAULT					
Penalty	NONE				
Punishment	NONE				
Compounding	NONE				

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MEMG SECURITIES LIMITED

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of MEMG Securities Limited (Formerly ICDS Securities Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there-under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

OPINION

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016 and its profit and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the 'Annexure A', a statement on the matters specified in the paragraph 3 and 4 of the order.
- 2) As required by section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) on the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with 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 does not have any pending litigations which would impact its financial position.
 - ii) the Company did not have any long term contract including derivative contracts for which there were any material foreseeable losses.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

for Pathak H.D. & Associates Chartered Accountants

Firm Registration Number: 107783W

sd/-

Sudhir Prabhu K

Partner

Membership Number: 209589

Place: Bangalore

Date : 25.07.2016

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

In terms of the Annexure A referred to in our report to the members of **MEMG Securities Limited** ('the Company') for the year ended March 31, 2016, we report that :

- 1) a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
b) All the fixed assets of the Company have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and the nature of its assets. As explained to us, no discrepancies were noticed on such verification.
c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- 2) Paragraph 3(ii) of the Order is not applicable, since the Company does not carry any inventories.
- 3) As per the information and explanation given to us, the Company has not granted any loans, secured or unsecured to Companies, firms or other parties listed in the register maintained under section 189 of the Act. Consequently requirements of Paragraph 3(iii) of the Order are not applicable to the Company.
- 4) As per the information and explanations given to us, the Company has not given any loans, guarantees and security to the parties covered under section 185 of the Act. Further as per the information and explanation given to us, the Company has complied with provisions of Section 186 of the Act where applicable.
- 5) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits from public. Accordingly, Paragraph 3(v) of the Order is not applicable to the Company. There are no orders from Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- 6) The Central Government has not prescribed maintenance of cost records to the Company under sub-section (1) of Section 148 of the Act.
- 7) 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, value added tax, sales tax, service tax, cess and other material statutory dues, the Company is generally regular in depositing such dues with appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance, duty of Customs and duty of Excise.
According to the information and explanations given to us, no undisputed statutory dues were outstanding for a period of more than six months, as on the last day of the financial year.
b) According to the records of the Company, there are no dues of income tax, service tax or cess or other statutory dues which have not been deposited on account of any dispute.
- 8) According to the information and explanation given to us and records of the Company, the Company does not have dues from financial institution, bank and Debenture holders. Further, the Company has not taken any loans from Government. Accordingly Paragraph 3(viii) of the Order is not applicable.
- 9) According to the information and explanation given to us and records of the Company, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly Paragraph 3(ix) of the Order is not applicable.
- 10) During the course of examination of books of account and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have not come across with any material fraud on or by the Company by its officers or employees, noticed or reported during the year, nor have been informed of such case by the management.
- 11) 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.
- 12) 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.
- 13) 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.
- 14) According to the information and explanations given to us and based on our examination of the records of the Company, the Company during the year has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- 15) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- 16) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

for **Pathak H.D. & Associates Chartered Accountants**
Firm Registration Number: 107783W

sd/-

Sudhir Prabhu K

Partner

Membership Number: 209589

Place: Bangalore

Date: 25.07.2016

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of MEMG Securities Limited (Formerly ICDS Securities Limited) ("the Company") as of March 31, 2016 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' 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 Act, 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 ICAI. 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 judgment, 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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for Pathak H.D. & Associates Chartered Accountants
Firm Registration Number: 107783W

sd/-

Sudhir Prabhu K

Partner

Membership Number: 209589

Place: Bangalore
Date: 25.07.2016

BALANCE SHEET AS AT 31ST MARCH, 2016

(Amount in Rupees)

Particulars	Note No	March 31, 2016	March 31, 2015
EQUITY AND LIABILITIES			
Share Holders' Fund			
Share Capital	2.01	35,583,320	35,583,320
Reserves and Surplus	2.02	27,512,115	27,042,358
		63,095,435	62,625,678
Non-Current Liabilities			
Deferred tax liabilities (net)	2.03	852,016	627,261
Current Liabilities			
Trade Payables	2.04	13,129,325	13,785,717
Other Current Liabilities	2.05	1,776,378	1,858,786
Short-Term Provisions	2.06	83,195	82,950
		14,988,898	15,727,453
		78,936,349	78,980,392
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	2.07	19,654,294	18,310,824
Intangible Assets	2.07	44,783	48,555
		19,699,077	18,359,379
Non Current Investments	2.08	204,650	204,650
Long Term Loans and Advances	2.09	16,469,228	21,323,556
Other Non Current Assets	2.10	25,600,000	25,600,000
		61,972,955	65,487,585
Current Assets			
Current Investments	2.11	8,500,000	2,500,000
Trade Receivables	2.12	1,720,811	2,867,642
Cash and Cash equivalents	2.13	3,668,249	3,771,845
Short Term Loans and Advances	2.14	3,074,334	4,233,289
Other Current Assets	2.15	-	120,031
		16,963,394	13,492,807
		78,936,349	78,980,392

Significant accounting policies and notes to financial statements 1 & 2
The notes referred to above form an integral part of the financial statements.

As per our report of even date
For Pathak H.D. & Associates
Chartered Accountants
Firm Registration No: 107783W

Sd/
Sudhir Prabhu K
Partner
Membership No: 209589
Place : Bangalore
Date : 25.07.2016

For and on behalf of the Board

Sd/ Sd/
D Sreepathi G S Shridhar
Whole-Time-Director Whole-Time-Director
DIN: 00958235 DIN: 00106780

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

(Amount in Rupees.)

	2015-16	2014-15
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	694,512	(919,399)
Adjustments for :		
Depreciation	2,353,003	2,907,608
(Profit)/ Loss on sale of asset	(30,804)	-
Sundry balances written off	250,002	2,973
Excess Provision written back	-	(225,000)
Interest Expenses	119,833	109,364
Interest Income	(3,101,871)	(2,579,144)
Dividend Income	(24,743)	(21,720)
Operating profit/(loss) before working capital changes	259,932	(725,318)
Adjustments for :		
Decrease /(Increase) in Trade Receivable	1,146,831	(1,683,760)
Decrease /(Increase) in Short term Loans & Advances	1,158,955	6,444,571
Decrease /(Increase) in Long term Loans & Advances	1,189,993	441,717
Decrease /(Increase) in Other Current asset	120,031	(120,031)
Increase /(Decrease) in Trade and other Payables	(479,868)	(6,056,813)
Cash from / (used in) operating activities before tax	3,395,874	(1,699,634)
Income Tax (Paid)/Refund (net)	3,414,333	(85,702)
Net cash from / (used in) operating activities	6,810,207	(1,785,336)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(4,161,897)	(302,709)
Sale of Fixed Assets	500,000	-
Current Investments	(6,000,000)	(2,500,000)
Decrease / (Increase) in Deposit	-	2,640,531
Dividend Received	24,743	21,720
Interest Received	3,101,871	2,831,126
Net cash from (used in) investing activities	(6,535,283)	2,690,668
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in Short Borrowings	-	-
Interest paid	(119,833)	(109,364)
Net cash from (used in) financing activities	(119,833)	(109,364)

Contd....

	2015-16	2014-15
Net increase/Decrease in cash and cash equivalents	155,091	795,968
Add: Cash and Cash Equivalent as at beginning of the year	3,210,003	2,414,035
Cash and Cash Equivalent as at end of the year	3,365,094	3,210,003

Notes :

- 1 The above Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard - 3 on Cash Flow Statements as referred to in Section 133 of the Companies Act, 2013.
- 2 Previous year figures have been regrouped/ reclassified wherever necessary.

As per our report of even date

For Pathak H.D. & Associates

Chartered Accountants
Firm Registration No: 107783W

Sd/
Sudhir Prabhu K
Partner
Membership No: 209589
Place : Bangalore

Date : 25.07.2016

For and on behalf of the Board

Sd/	Sd/
D Sreepathi	G S Shridhar
Whole-Time-Director	Whole-Time-Director
DIN: 00958235	DIN: 00106780

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

COMPANY OVERVIEW

MEMG Securities Limited (formerly ICDS Securities Limited) is an Securities Broking Company incorporated in the year 1995 having its registered office at Syndicate House, Manipal. The Company is a corporate member of National Stock Exchange of India Limited, The Bombay Stock Exchange Limited and the MCX Stock Exchange.

1 Significant accounting policies

1.01 Basis of preparation of financial statements

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non current classification of assets and liabilities.

1.02 Use of estimates

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

1.03 Fixed assets and capital work-in-progress

Fixed assets are stated at cost of acquisition less depreciation. All costs relating to the acquisition and installation of fixed assets are capitalized including financing costs relating to borrowed funds attributable to them.

1.04 Depreciation / Amortization

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

1.05 Impairment

At each Balance Sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-discount rate that reflects the current market assessments of time value of money and the risks specific to the asset. Reversal of impairment loss is recognized immediately as income in the statement of profit and loss.

1.06 Investments

- I. Non Current Investments are stated at cost. Provision for diminution in value of long term investments is made only if such a decline is other than temporary in the opinion of the management.
- II. Current Investments are stated at cost or market value whichever is lower.

1.07 Inventories

Inventory/ Stock in trade is valued at cost or market price whichever is lower.

1.08 Borrowing cost

Borrowing costs that are directly attributable to the acquisition, construction, or production of an asset are capitalized as part of the cost of that asset till the date of capitalization of qualifying asset. Other borrowing costs are recognized as expenses in the period in which they are incurred.

1.09 Employee benefits

- i. **Defined Contribution Plan :** The Company's defined contribution plans is Employees' Provident Fund {under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952} Pension fund. Hence, the company has no further obligation beyond making the contributions. The Company's contributions to Provident Fund and Pension fund are made at pre-determined rates and are charged to the statement of profit and loss.
- ii. **Defined Benefit Plan :** Gratuity for Employees is covered under a scheme of Life insurance Corporation of India and the funds are recognized by the Income tax authorities and administered through trustees/appropriate authorities. Contributions in respect of such scheme are recognized in statement of profit and loss. The liability as at the balance sheet date is provided for based on the actuarial valuation in accordance with the requirements of accounting standard 15 (revised 2005) on 'Employee Benefits' notified under section 211 (3C) of the Act as at the end of the year. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions are recognized in the statement of profit and loss in the year in which they arise.
- iii. Short term benefit plans for leave encashment is provided on undiscounted basis.

1.10 Revenue recognition

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

1.11 Taxes on Income

Tax expense comprise both Current tax and Deferred tax at the applicable enacted or substantively enacted rates. Provision is made for income tax based on the tax liability computed, after considering tax allowances and deduction. Provisions are recorded when it is estimated that a liability due to disallowances or other matters are probable. MAT paid in accordance with Tax Laws, which gives rise to future economic benefits in the form of tax credits against future income tax liability, is recognized as an asset in the balance sheet if there is convincing evidence that Company will pay normal tax in future period and the resultant asset can be measured reliably. The Company offsets on a year-on-year basis, the current tax assets and liabilities, where it has legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

Deferred tax represents the effect of timing difference between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only to the extent that there is virtual certainty that sufficient taxable income will be available to realize these assets. All other deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets.

1.12 Earnings per share

The basic earnings per share is computed by dividing the net profit after tax for the period by the weighted average number of equity shares outstanding at the end of the period. Diluted earnings per share, if any is computed using the weighted average number of equity shares and dilutive potential equity share outstanding during the period except when the results would be anti-dilutive.

1.13 Leases

Leases where the lessor effectively retains substantially all the risk and benefits of ownership of leased items, are classified as operating lease. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on an accrual basis as per the terms of the Lease.

Finance lease, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased items, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.

1.14 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions, other than employee benefits, are not discounted to their present value and are determined based on management 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 management 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. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent Assets are neither recognized nor disclosed in the financial statements.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

2 NOTES TO ACCOUNTS

2.01 SHARE CAPITAL

(Amount in Rupees)

Particulars	March 31, 2016	March 31, 2015
Authorised Capital		
Equity Shares at par value Rs 10/- each.		
1,00,00,000 [March 31, 2015: 1,00,00,000] Shares.	100,000,000	100,000,000
	100,000,000	100,000,000
Issued, Subscribed and Paid-Up Capital		
Equity Shares at par value Rs 10/- each.		
35,58,332 [March 31, 2015 : 35,58,332] Equity Shares fully paid up	35,583,320	35,583,320
Total	35,583,320	35,583,320

Rights, preferences and restrictions attached to shares:

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

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

Restrictions on the distribution of dividends:

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

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

Name of the Share Holder	March 31, 2016		March 31, 2015	
	No of Shares held	% of Holding	No of Shares held	% of Holding
Manipal Education and Medical Group India Pvt Ltd	1,903,526	53.49%	1,774,950	49.88%
SHK Ebene Limited, Mauritius	533,500	14.99%	533,500	14.99%

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

Particulars	March 31, 2016		March 31, 2015	
	No of shares	Amount (Rs.)	No of shares	Amount (Rs.)
Number of shares at the beginning	3,558,332	35,583,320	3,558,332	35,583,320
Add: Share issued during the year	-	-	-	-
Number of shares at the end	3,558,332	35,583,320	3,558,332	35,583,320

2.02 RESERVES & SURPLUS

Amount in Rupees

Particulars	March 31, 2016	March 31, 2015
Securities Premium		
Opening balance	21,579,910	21,579,910
Add: Additions during the year	-	-
Closing balance	21,579,910	21,579,910
Capital Reserve		
Opening balance	114,030	114,030
Add: Additions during the year	-	-
Closing balance	114,030	114,030
General Reserve		
Opening balance	10,042,529	10,042,529
Add: Transferred from surplus in Statement of Profit and Loss	-	-
Closing balance	10,042,529	10,042,529
Surplus / (Deficit) in statement of profit and loss		
Opening Balance	(4,694,111)	(3,906,029)
Add: Profit / (Loss) for the year	469,757	(788,082)
Closing Balance	(4,224,354)	(4,694,111)
Total	27,512,115	27,042,358

2.03 DEFERRED TAX LIABILITY

Amount in Rupees

Particulars	March 31, 2016	March 31, 2015
Deferred tax assets		
Unabsorbed depreciation	3,180,469	3,299,115
(a)	3,180,469	3,299,115
Deferred tax liabilities		
Excess of Depreciation claimed under IT Act, 1961	3,980,043	3,874,195
Provision for Gratuity	52,442	52,181
(b)	4,032,485	3,926,376
Total	852,016	627,261

The Company has not recognised deferred tax assets amounting to Rs. 2,062,767 (March 31, 2015 : 2,036,430) in respect of unabsorbed business loss in view of prudence.

2.04 TRADE PAYABLES

Amount in Rupees

Particulars	March31,2016	March31,2015
Due to Micro and Small Scale Enterprises*	-	-
Due to Other than Micro and Small Scale Enterprises		
- stock exchanges	672,613	-
- others	12,456,712	13,785,717
Total	13,129,325	13,785,717

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

2.05 OTHER CURRENT LIABILITIES

Amount in Rupees

Particulars	March 31, 2016	March 31, 2015
Unclaimed dividend*	303,155	561,842
Others		
Payable to employees	828,400	829,518
Statutory dues	350,108	160,946
Other payables	294,715	306,480
Total	1,776,378	1,858,786

* - There is no amount due and outstanding to be credited to Investor Education and Protection Fund.

2.06 SHORT TERM PROVISIONS

Amount in Rupees

Particulars	March 31, 2016	March 31, 2015
Provision for Leave encashment	83,195	82,950
Total	83,195	82,950

MEMG Securities Limited (formerly ICDS Securities Limited)

Significant accounting policies and notes to financial statements

2.07 Fixed Assets

Particulars	Gross Block				Depreciation			Amount in Rupees	
	April 01, 2015	Additions	Deletions	Mar 31, 2016	April 01, 2015	For the year	Deletion	Mar 31, 2016	Mar 31, 2015
Tangible Assets									
Building	16,741,570	-	-	16,741,570	3,828,714	265,019	-	4,093,733	12,647,837
Furniture & Fixture	184,063	-	-	184,063	161,835	3,320	-	165,155	18,908
Vehicles	1,721,737	1,075,001	620,000	2,176,738	528,145	249,965	150,804	627,306	1,549,432
Office Equipment	70,323	-	-	70,323	62,754	6,371	-	69,125	1,198
Computers & Peripherals	8,052,404	2,989,025	-	11,041,429	4,003,544	1,723,544	-	5,727,088	5,314,341
Electrical Equipment	260,991	44,271	-	305,262	135,272	47,412	-	182,684	122,578
Sub Total (a)	27,031,088	4,108,297	620,000	30,519,385	8,720,264	2,295,631	150,804	10,865,091	19,654,294
Intangible Assets									
Software & Licenses	1,400,623	53,600	-	1,454,223	1,352,068	57,372	-	1,409,440	44,783
Sub Total (b)	1,400,623	53,600	-	1,454,223	1,352,068	57,372	-	1,409,440	44,783
Total (a+b)	28,431,711	4,161,897	620,000	31,973,608	10,072,332	2,353,003	150,804	12,274,531	19,699,077
March 31, 2015									
Tangible Assets	27,777,604	302,709	1,049,226	27,031,087	7,812,384	1,957,105	1,049,226	8,720,263	18,310,824
Intangible Assets	3,792,623	-	2,392,000	1,400,623	2,793,565	950,503	2,392,000	1,352,068	48,555
Total	31,570,227	302,709	3,441,226	28,431,710	10,605,949	2,907,608	3,441,226	10,072,331	18,359,379

2.08 NON CURRENT INVESTMENTS

Amount in Rupees

Particulars	March 31,2016	March 31,2015
Non-Trade, Unquoted, at cost		
Other than associates and subsidiary		
- Computek Software Limited [30,000 [Mar 31, 2015: 30,000] Fully Paid Equity Shares of Rs.10/- each]	300,000	300,000
-BgSE Properties and Services Limited(Formerly Bangalore Stock Exchange Limited) [4,650 [Mar 31, 2015: 4,650] Fully paid Equity Share of Rs.1/- each]	4,650	4,650
Trade, Unquoted, at cost		
- BgSE Financials Limited [20,000 [Mar 31,2015 : 20,000] Fully Paid Shares of Rs.10/- each]	200,000	200,000
Sub Total	504,650	504,650
Less: Provision for diminution in value of investments		
- Computek Software Limited	300,000	300,000
Total	204,650	204,650
Note : Aggregate amount of unquoted investments	204,650	204,650

2.09 LONG TERM LOANS AND ADVANCES

Amount in Rupees

Particulars	March 31,2016	March 31,2015
(Unsecured, considered good)		
Deposit & Margin with Stock Exchange	14,350,000	15,950,000
Broker Contingency fund with Stock Exchange	-	250,000
Prepaid expenses	409,160	-
Advance Income Tax and Tax deducted at Source	1,540,352	4,954,685
LIC Group Gratuity Fund (net) (Refer Note No:2.25)	169,716	168,871
Total	16,469,228	21,323,556

2.10 OTHER NON CURRENT ASSETS

Amount in Rupees

Particulars	March 31,2016	March 31,2015
Margin Money Deposit against Bank Guarantee & Over Draft	25,600,000	25,600,000
Total	25,600,000	25,600,000

2.11 CURRENT INVESTMENTS

Amount in Rupees

Particulars	March 31,2016	March 31,2015
Non trade, Unquoted		
Investments in mutual funds		
Mirae Asset Cash Management Fund-Growth (1097.922 Units (March 31, 2015 : 702.45) of Rs.1,000 each)	1,600,000	1,000,000
Mirae Asset Ultra Short Term Bond Fund-D-Growth (2273.222 Units (March 31, 2015 :Nil) of Rs.1,000 each)	3,000,000	-
Indiabulls Liquid Fund –Growth (1570.060 Units (March 31, 2015 : 1,139.41 Units) of Rs.1000/- each)	2,100,000	1,500,000
Reliance Money Manager Fund-DIRECT -GROWTH (860.682 Units (March 31, 2015 :Nil) of Rs.1,000 each)	1,800,000	-
Total	8,500,000	2,500,000
Aggregate Net Asset Value of Unquoted Investment in Mutual Funds	8,972,146	2,593,525

Note: The current investments are valued at cost or market value whichever is lower.**2.12 TRADE RECEIVABLES**

Amount in Rupees

Particulars	March 31,2016	March 31,2015
Unsecured, considered good		
- outstanding for a period more than six months	699	1,022
- others	1,720,112	2,866,620
Total	1,720,811	2,867,642

2.13 CASH AND BANK BALANCES

Amount in Rupees

Particulars	March 31,2016	March 31,2015
Cash and cash equivalents		
Balances with banks in current accounts	3,350,927	3,192,565
Cash on hand	14,167	17,438
	3,365,094	3,210,003
Other bank balances		
Unclaimed dividend in earmarked bank accounts	303,155	561,842
	303,155	561,842
Total	3,668,249	3,771,845

2.14 SHORT TERM LOANS AND ADVANCES

Amount in Rupees

Particulars	March 31,2016	March 31,2015
Prepaid Expense	483,329	218,233
Due from Stock Exchanges	2,538,994	3,938,889
Sundry Deposits	40,000	71,987
Other loans and advances recoverable	12,011	4,180
Total	3,074,334	4,233,289

2.15 OTHER CURRENT ASSETS

Amount in Rupees

Particulars	March 31,2016	March 31,2015
Amount recoverable from stock exchange	-	120,031
Total	-	120,031

2.16 REVENUE FROM OPERATIONS

Amount in Rupees

Particulars	2015-16	2014-15
Brokerage income from		
- Stock broking	12,625,289	12,222,392
- Mutual fund and others	1,060,204	812,854
Service Charges received	8,341,137	7,330,811
Total	22,026,630	20,366,057

2.17 OTHER OPERATING REVENUE

Amount in Rupees

Particulars	2015-16	2014-15
Profit on Trading in Securities	1,146,949	960,480
Interest Received from Fixed Deposit	2,295,400	2,346,763
Dividend from long term investments	24,743	21,720
Total	3,467,092	3,328,963

2.18 OTHER INCOME

Amount in Rupees

Particulars	2015-16	2014-15
Interest Received from Fixed Deposit	-	68,211
Interest on Income Tax refund	806,471	164,170
Excess provision written back	-	225,000
Miscellaneous Income	43,636	21,641
Gain on fluctuation of foreign currency	37,689	1,579
Profit on Sale of Assets	30,804	-
Total	918,600	480,601

2.19 EMPLOYEE BENEFITS EXPENSE

Amount in Rupees

Particulars	2015-16	2014-15
Salaries and allowances	7,055,039	7,054,647
Contribution to Provident and Other Funds [Refer note no.2.25]	459,149	828,160
Leave Encashment	314,249	335,301
Staff Welfare Expenses	297,204	323,414
Total	8,125,641	8,541,522

2.20 OTHER EXPENSES

Amount in Rupees

Particulars	2015-16	2014-15
Stock Exchange charges	1,598,853	1,668,170
Transaction Charges (net)	293,605	424,550
Demat Charges	327,236	371,789
Rent	1,459,800	423,600
Rates and Taxes	228,338	194,017
Professional and Consultancy Charges	3,721,434	3,053,546
Software Maintenance Charges	3,710,800	4,047,880
Directors' Sitting Fees	13,500	24,000
Travelling and Conveyance	229,748	261,198
Printing and Stationery	233,365	212,437
Communication Expenses	904,473	910,422
Insurance	134,239	113,004
Electricity and Water Charges	354,938	392,812
<i>Auditors' Remuneration:</i>		
Audit Fees	173,000	143,000
Tax Audit Fees	27,000	27,000
Office Maintenance	403,947	365,523
Repairs and Maintenance - others	495,168	345,292
Business Promotion	3,360	138,039
Sundry balances written off	250,002	2,973
Other Bank Charges including Bank Guarantee Commission	537,198	373,659
Miscellaneous expenses	7,236	-
Total	15,107,240	13,492,911

2.21 FINANCE COSTS

Amount in Rupees

Particulars	2015-16	2014-15
Interest on overdraft facility from bank	119,794	108,219
Other Interest	39	1,145
Bank Charges	12,093	43,615
Total	131,926	152,979

2.22 CALCULATION OF EARNING PER SHARE

Sl.	Particulars	2015-16	2014-15
a.	Net Profit available for equity share holders (In Rupees)	469,757	(788,082)
b.	Weighted Average No. of Equity Shares (Nos.)	3,558,332	3,558,332
c.	Basic / Diluted EPS of Rs.10/- each (Annualized) (in Rupees)	0.13	(0.22)

2.23 CONTINGENT LIABILITIES AND COMMITMENTS

Amount in Rupees

Particulars	March 31, 2016	March 31, 2015
Outstanding Bank Guarantees [Refer Note no (a) given below]	28,800,000	27,800,000

Note: The Company has given Bank guarantees to National Stock Exchange, Bombay Stock Exchange and the Clearing Member Axis Bank Ltd in respect of its regular operation which are issued against 25% of deposit margin and collateral security of land and building.

2.24 SEGMENT REPORTING

The following geographic segments individually contribute 10 percent or more of the Group's revenue or segment assets:

GEOGRAPHIC SEGMENTS

Amount in Rupees

Particulars	2015-16			2014-15		
	Mauritius	India	Total	Mauritius	India	Total
Segment Revenue						
External Turnover	8,341,137	17,152,585	25,493,722	7,330,811	16,364,209	23,695,020
Intersegment Turnover	-	-	-	-	-	-
Net turnover	8,341,137	17,152,585	25,493,722	7,330,811	16,364,209	23,695,020
Segment Results						
Unallocable Expenses	268,745	475,702	744,447	(1,250,983)	589,478	(661,505)
Interest Expenses			(836,609)			(585,516)
Interest Income			(131,926)			(152,979)
Other Income			806,471			232,381
Loss before tax			694,512			(919,399)
Less : Tax			224,755			(131,317)
Loss after tax			469,757			(788,082)
Other Information						
Segment Assets	6,747,353	70,648,644	77,395,997	3,806,828	70,218,879	74,025,707
Segment Liabilities	-	14,685,743	14,685,743	-	15,165,611	15,165,611
Capital Expenditure	-	4,161,897	4,161,897	-	302,709	302,709
Depreciation & amortization	1,654,487	698,516	2,353,003	2,126,223	781,385	2,907,608
Other non-cash expenses			250,002			2,973

Note: The Company has identified geographical segment as its primary segment and applied reportable segment as per AS 17 - "Segment Reporting".

2.25 EMPLOYEE BENEFITS:

The disclosures as required as per the revised AS 15 are as under:

a) Defined Contribution Plans :

The Company's Contribution to Provident and Pension Fund is charged to Statement of profit and loss. The details are as follows:

Particulars	2015-16	2014-15
Provident and Pension Fund	371,385	348,698

b) Defined Benefit Plan - Gratuity as per Actuarial Valuation [Funded]:

Amount in Rupees

Particulars	2015-16	2014-15
Change in Defined Benefit Obligation		
Opening defined benefit obligation	1,796,132	1,276,257
Interest cost	143,691	102,101
Current service cost	139,832	101,444
Benefits Paid	(144,762)	-
Actuarial loss / (gain)	(116,714)	316,330
Closing defined benefit obligation	1,818,179	1,796,132
Change in Fair Value of Assets		
Opening fair value of plan assets	1,965,003	1,479,229
Expected return on plan assets	167,654	138,977
Contributions by employer	(144,762)	346,797
Closing fair value of plan assets	1,987,895	1,965,003
Amount recognised in the Balance Sheet		
Present value of obligations as at year end	1,818,179	1,796,132
Fair value of plan assets as at year end	1,987,895	1,965,003
Net (asset) / liability recognised as at year end	(169,716)	(168,871)
Expenses recognised in the Statement of profit and loss		
Current service cost	139,832	101,444
Interest on defined benefit obligation	143,691	102,101
Expected return on plan assets	(167,654)	(138,977)
Net actuarial loss / (gain) recognised in the current year	(116,714)	316,330
Total expense	(845)	380,898
Actual Return on Planned Assets	167,654	138,977

Particulars	2015-16	2014-15
The major category of plan assets as a percentage of the fair value of total plan assets are as follows:		
Principal actuarial assumptions used		
Discount rate (p.a.)	8.00%	8.00%
Rate of increase in compensation levels (p.a.)	7.00%	7.00%
Attrition Rate	-	-
Mortality Table	LIC(1994-96)	LIC(1994-96)
Retirement Age	58Years	58Years

Data for defined Gratuity benefit obligation and fair value of planned assets are as under :

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Present value of defined benefit obligations at the end of the year	1,818,179	1,796,132	1,276,257	1,164,706	1,072,700
Fair value of plan assets at the end of the year	1,987,895	1,965,003	1,479,229	1,391,690	1,293,897
Net (assets) / liability at the end of year	(169,716)	(168,871)	(202,972)	(226,984)	(221,197)
Experience adjustment on plan liabilities	(116,714)	316,330	(42,225)	(76,222)	(109,510)
Experience adjustment on plan assets	-	-	-	-	-

c) The Company has charged off Rs. 314,249 (March 31, 2015 : Rs. 335,301) for short term benefit on Leave encashment on actual basis to statement of profit and loss during the year.

2.26 DISCLOSURE AS PER ACCOUNTING STANDARD -18 ARE AS FOLLOWS:

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

Associate Companies

Manipal Education and Medical Group India Private Limited

Key Management Personnel

Sri. D Sreepathi - Whole-time Director

Sri. G S Shridhar - Whole-time Director

DETAILS OF THE TRANSACTIONS *:

Amount in Rupees

Sl. No	Particulars	2015-16	2014-15
a.	Equity Shares held by		
	Manipal Education and Medical Group India Private Limited	19,035,260	17,749,500
b.	Brokerage and other charges received from		
	Sri. D Sreepathi	40,018	33,282
	Sri. G S Shridhar	2,010	1,233
c.	Remuneration to Key Management Personnel		
	Sri. D Sreepathi	1,410,329	1,336,900
	Sri. G S Shridhar	1,365,750	1,263,750
d.	Balances due to Key Management Personnel		
	Sri. D Sreepathi	195,995	-
	Sri. G S Shridhar	-	-

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

2.27 OPERATING LEASE

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

Amount in Rupees

Particulars	2015-16	2014-15
Lease rentals under cancellable lease	1,459,800	423,600

2.28 OTHER DISCLOSURES

a. Earnings in foreign currency

Amount in Rupees

Particulars	2015-16	2014-15
Service charges received	8,341,137	7,330,811

b. Value of imports calculated on CIF Basis

Amount in Rupees

Particulars	2015-16	2014-15
Networking Equipments	157,112	-

c. Unhedged foreign currency exposure as on balance sheet date is Rs. Nil (March 31, 2015: Rs. Nil).

2.29 In the opinion of the management, loans and advances, current and non current assets are good and recoverable and no provision is considered necessary.

2.30 The previous year figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

For Pathak H.D. & Associates

Chartered Accountants
Firm Registration No: 107783W

Sd/
Sudhir Prabhu K
Partner
Membership No: 209589
Place : Bangalore
Date : 25.07.2016

For and on behalf of the Board

Sd/	Sd/
D Sreepathi	G S Shridhar
Whole-Time-Director	Whole-Time-Director
DIN: 00958235	DIN: 00106780

MEMG SECURITIES LIMITED

CIN-U65110KA1995PLC017907
Registered Office: Syndicate House Upendra Nagar, Manipal – 576 104

ATTENDANCE SLIP

Folio No./ DP Id/Client Id	
Name and Address of the Shareholder	
No of Shares held	

(1) I hereby record my presence at TWENTY FIRST ANNUAL GENERAL MEETING of MEMG Securities Limited being held on Thursday 29th September 2016 at 03:30 p.m. at Syndicate House, Upendra Nagar, Manipal 576 104.

(2) Signature of the Shareholder/Proxy Present

(3) Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance duly signed.

(4) Shareholder/Proxy holder desiring to attend the meeting may bring his/her copy of the Annual Report for reference at the meeting.

MEMG SECURITIES LIMITED

CIN-U65110KA1995PLC017907
Registered Office: Syndicate House Upendra Nagar, Manipal – 576 104

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s)	
Registered Address	
E-mail Id	
Folio No/DP Id/Client Id	

I/We, being the member(s) of _____ shares of the above named company, hereby appoint:

- Name: _____ Address: _____
E-mail Id: _____ Signature: _____, or failing him
- Name: _____ Address: _____
E-mail Id: _____ Signature: _____, or failing him
- Name: _____ Address: _____
E-mail Id: _____ Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty first Annual General Meeting of the Company, to be held on Thursday, the 29th Day of September 2016 at 03:30 p.m. at the Registered Office of the Company at Syndicate House, Upendra Nagar Manipal – 576 104 and at any adjournment thereof in respect of the following resolutions:

Resolution No.	Resolution.
Ordinary Business	
1	Adoption of Audited Financial Statements, Directors' and Auditors' Report for the year ended 31 st March 2016.
2	Appointment of Director in place of Shri.Rajesh Krishnaswamy Moorti (DIN-01480683) who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.
3	Ratify appointment of Messrs Pathak H D & Associates Chartered Accountants (Firm Registration No. 107783W) as Auditors and fix their remuneration
Special Business	
4	Appointment of Shri Rajen Krishnanand Padukone
5	Approval for shifting Registered office of the Company.
6	To consider the appointment and remuneration of Shri D Sreepathi
7	To consider the appointment and remuneration of Shri G S Shridhar

Signed this _____ day of _____ 2016

Signature of Shareholder: _____

Signature of Proxy Holder (s): _____

NOTE:

1. This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company at Syndicate House Upendra Nagar Manipal 576 104, not less than FORTY EIGHT (48) hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Twenty first Annual General Meeting.

Signature with Revenue Stamp of Rs. 1/-

BOOK POST

If undelivered, please return to :

MEMG SECURITIES LIMITED
SYNDICATE HOUSE,
MANIPAL – 576104
www.memgsecurities.com