Corporate Information

Board of Directors

Shri M.S.Raghavan
Chairman

Shri S. Gnanavel
Director

Shri P.G.Chandramohan
Director

Shri A.Chandrasekharan
Director

Shri S.Kumar
Director

Bankers

ICICI Bank Ltd.

HDFC Bank Ltd.

Statutory Auditors

M/s. M.S.Krishnaswami & Rajan

Chartered Accountants

Mylapore

Chennai - 600 004.

Registered Office

No.25, Abhiramapuram 3rd Street,
Chennai - 600 018.
Phone : 044 66459818
E-Mail : **secretarial@msefsl.com**

Corporate Identity Number

U67110TN1957PLC058053

67th AGM

AGM Venue : At the Regd.Office of Company,
No.25, Abhiramapuram 3rd Street,
Chennai 600 018

Book Closure Date :
20-12-2024 to 27-12-2024
(both days inclusive)

67TH AGM

Date : Friday, 27th Dec.2024

Time : 9.30 A.M.

Registrar and
Share Transfer Agent

Cameo Corporate Services Limited
"Subramanian Building"
No.1, Club House Road
Chennai - 600 002.
Phone: 044 - 2846 0390 - 94
E Mail: cameo@cameoindia.com

NOTICE TO SHAREHOLDERS

Notice is hereby given that the 67th Annual General Meeting of the shareholders of MSE FINANCIAL SERVICES LTD., will be held on Friday the 27th December 2024 at 9.30 A.M. at the Registered Office of the Company, No.25, Abhiramapuram 3rd Street, Chennai - 600 018 to transact the following business:

ORDINARY BUSINESS

1. **To receive, consider, approve and adopt the audited Standalone Financial Statements of the company for the financial year ended March 31, 2024, together with the reports of the Board of Directors and Auditors' thereon.**

   To consider and, if thought fit, to pass with or without modification(s) the following resolution, as an **ORDINARY RESOLUTION** : -

   "**RESOLVED** that the Audited Standalone Financial Statements of the Company for the year ended 31st March 2024 and the Board's Report, Auditors' Reports thereon, be and are hereby approved and adopted."

2. **To receive, consider, approve and adopt the audited Consolidated Financial Statements of the company for the financial year ended March 31, 2024, together with the report of the Auditors thereon.**

   To consider and, if thought fit, to pass with or without modification(s) the following resolution, as an **ORDINARY RESOLUTION**: -

   "**RESOLVED** that the Audited Consolidated Financial Statements of the Company for the year ended 31st March 2024 and the Auditor's Report thereon be and are hereby considered, approved and adopted."

3. **To appoint a Director in place of Shri M.S.Raghavan (DIN: 05236790) who retires by rotation, and being eligible offers himself for re-appointment.**

   To consider and if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution :**

   "**RESOLVED** that Shri M.S.RAGHAVAN (DIN 05236790) the retiring Director, be and is hereby re-elected as Director of the Company, liable for retirement by rotation."

4. To appoint a Director in place of Shri S.Kumar (DIN: 07661365) who retires by rotation, and being eligible offers himself for re-appointment.

To consider and if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution :**

"**RESOLVED** that Shri S. Kumar (DIN **07661365**) the retiring Director, be and is hereby re-elected as Director of the Company, liable for retirement by rotation."

By Order of the Board
For MSE FINANCIAL SERVICES LIMITED

P.G.Chandramohan
Director
DIN : 06975353

Place : **Chennai**
Date : 03 Dec. 2024

NOTES :

1. A shareholder entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and vote instead of himself. The proxy need not be a member of the Company. The instrument of proxies, in order to be effective, must be lodged at the Registered Office of the Company **not later than 48 hours before the time of holding the meeting**. Revenue Stamp should be affixed on the Proxy Form. Forms, which are not stamped, are liable to be considered invalid. For identification purpose, it is advisable that the proxyholder's signature may also be furnished in the Proxy Form.
2. The Corporate Shareholders, including public financial institutions, shall exercise their vote through a named authorized representative, in accordance with the provisions of Section 113(1) of the Companies Act, 2013, by forwarding to the company before the General Meeting, a certified copy of the Board Resolution of the corporate body/public financial institution, as the case may be, authorising the person named therein to vote as its representative.
3. Members holding shares in physical form are requested to notify the company immediately of any change in address to the company or to the Share Transfer Agents, viz. M/s. Cameo Corporate Services Ltd, "Subramanian Building", 1, Club House Road, Chennai 600 002, Phone: 044-28460718, Email : murali@cameoindia.com Members holding shares in dematerialised form may inform any change in address to their Depository Participant.
4. A copy of the Memorandum & Articles of Association of the company is available for inspection at the Registered Office of the company, at any time during working hours.
5. The Register of Members of the company will remain closed from 20th December 2024 to 27th December 2024 (both days inclusive).
6. Members are requested to write to the company at least 7 days before the date of the meeting, in case they desire any information as regards the audited accounts for the financial year ended 31st March, 2024, to enable the company to keep the information ready.

MEMBERS ARE ADVISED TO BRING THE ANNUAL REPORT. NO ADDITIONAL COPIES OF THE ANNUAL REPORT WILL BE PROVIDED AT THE VENUE OF THE MEETING.

By Order of the Board
For MSE FINANCIAL SERVICES LIMITED

P.G.Chandramohan
Director
DIN : 06975353

Place : Chennai
Date : 03rd December 2024

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AS PER SECRETARIAL STANDARD ON GENERAL MEETINGS

NAME	**Mr. M.S. Raghavan**	**Mr. S.Kumar**
DIN	5236790	07661365
DATE OF BIRTH	08-Jun-1955	23-July-1956
AGE	65	68
QUALIFICATION	B.Sc, Post graduate Diploma in Management, Post graduate Diploma in Financial Management, DNIIT	B.Com
EXPERTISE IN SPECIFIC FUNCTIONAL AREAS AND PAST EXPERIENCE	Infrastructure financing, management, finance, treasury & funding, accounts, IT, HR as Head of the Organizations in IDBI Bank, Bank of India and Indian Overseas Bank.	Having more than 4 decades of experience in Stock Market operations, trading, settlement and other policy making areas
TERMS AND CONDITIONS OF APPOINTMENT	Non-executive Director, Liable to retire by rotation	Non-executive Director, Liable to retire by rotation
REMUNERATION SOUGHT TO BE PAID	Nil	Rs.3 lacs per annum
LAST DRAWN REMUNERATION	Nil	Rs.3 lacs per annum
DATE OF FIRST APPOINTMENT ON THE BOARD	14/12/2017	20/02/2020
SHAREHOLDING IN THE COMPANY	Nil	Nil
RELATIONSHIP WITH OTHER DIRECTOR/MANAGER/KMP, IF ANY	Nil	Nil
NO OF MEETINGS OF THE BOARD ATTENDED DURING THE FINANCIAL YEAR UNDER REVIEW	1	4
MEMBERSHIP/ CHAIRMANSHIPS OF OTHER BOARDS	Nil	Nil
DIRECTORSHIP IN OTHER COMPANIES	1)Daily Gong Financial Services Ltd. 2) MSE Financial Services Limited 3) Inter-Connected Enterprises Ltd.	Nil

CIN No.: U67110TN1957PLC058053

MSE FINANCIAL SERVICES LTD.

Email : secretarial @msefsl.com
Phone : 044 - 66459818

(Formerly Madras Enterprises Ltd.)
Regd. Office : No.25, Abhiramapuram 3rd Street, Chennai 600018.
(To be handed over at entrance of the Meeting Venue)

ATTENDANCE SLIP

Regd.Folio No -------------------- **Depository Name---------------**

DP ID / Client ID --------------------- **No of Shares held _________**

Shareholder's Name : Mr./Ms./M/s. ---
(in Block Capitals)
In case of Proxy, Name of Proxy : Mr./Ms./M/s. **-------------------------------**
(In Block Capitals)

I certify that I am a registered shareholder / proxy for the registered shareholder of the company. I hereby record my presence at the 67th Annual General Meeting held on **Friday, the 27th December 2024 at 9.30 A.M. at the Regd.Office of the Company, No.25, Abhiramapuram 3rd Street, Chennai - 600 018.**

Dated: **Signature of Member / Proxy**

Note: The Shareholders is requested to bring this attendance slip duly completed and hand over at the entrance of the Meeting hall

CIN No.: U67110TN1957PLC058053 **MSE FINANCIAL SERVICES LTD.** Email : secretarial @msefsl.com
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Form No. MGT 11

PROXY FORM

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

Regd.Folio No -------------------- **DPID -------------------** **Client ID --------------------------**

Email ---

Name of the Member(s) ---

Registered Address ---

I / We being the Member(s) holding ________________shares of the above named Company, hereby appoint

1. Name : -- Address : -------------
   Email Id : Signature :

2. Name :--- Address :--------------------
   Email Id : Signature :

as my/our proxy to vote for me/us on my / our behalf at the 67th Annual General Meeting of the Company to be held on Friday, the 27th December 2024 at 9.30 A.M. at No.25, Abhiramapuram 3rd Street, Chennai 600018 and at any adjournment(s) thereof in respect of such resolutions as are indicated below:

Resolution No	Description of Resolution	Type of Resolution	Option
1	Adoption of the audited Standalone Financial Statements of the company for the financial year ended March 31, 2024, together with the reports of the Board of Directors and Auditors thereon	Ordinary	☐ For ☐ Against
2	Adoption of the audited Consolidated Financial Statements of the company for the financial year ended March 31, 2024, together with the report of the Auditors thereon.	Ordinary	☐ For ☐ Against
3	To appoint a Director in place of Shri.. M.S.Raghavan (DIN: 05236790) who retires by rotation, and being eligible offers himself for re-appointment	Ordinary	☐ For ☐ Against
4	To appoint a Director in the Place of Shri. S.Kumar (DIN 07661365) who retires by rotation and being eligible offers himself for re-appointment	Ordinary	☐ For ☐ Against

Signed this -------------day of December 2024

Signature of Shareholder/s : ___________________________

Signature of Proxy holder(s) : __________________________

Affix Re.1/-
Revenue Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

MSE FINANCIAL SERVICES LIMITED

(Formerly Madras Enterprises Limited)

Regd. Off : No.25, Abhiramapuram 3rd Street, Chennai 600018
Email : vp@msefsl.com Phone : 044 – 66459818
CIN No.: U67110TN1957PLC058053 <> GST NO : 33AAACM7611E1ZY <> PAN : AAACM7611E
Member of : BSE, NSE, MCX & DP of CDSL <> Sebi Regn.No. INZ000297436 <> DP ID 17400

DIRECTORS' REPORT

Your Directors have pleasure in presenting the **67th Annual Report** of the Company, together with the Audited Statement of Accounts for the year ended **31st March 2024.**

1. FINANCIALS :

(Rs. in lakhs)

Description	STAND ALONE		CONSOLIDATED	
	2023-24	2022-23	2023-24	2022-23
Gross Income	**1061.82**	**901.19**	**1061.82**	**901.19**
Total Expenditure	977.36	848.29	977.36	848.29
Profit Before Tax & Exceptional Items	**84.46**	**52.90**	**84.46**	**52.87**
Share of Profit/Loss of Associate	---	---	38.52	2.50
Profit / (Loss) before tax	---	---	122.98	55.37
Provision for Taxation	15.76	8.25	15.76	8.25
Profit After Tax	**68.70**	**44.65**	**107.22**	**47.12**
Balance brought forward from previous year	**0.00**	**0.00**	**0.00**	0.00
Profit/ loss for the period	**68.70**	**44.65**	**107.22**	**47.12**

2. DIVIDEND :

With a view to conserve the reserves for future requirements, your Directors have not proposed declaration of dividend.

3. Review of business operations and future prospects :

Your company recorded a gross income of Rs.1061.82 lakhs during the year under review as compared to Rs. 901.19 lakhs during the previous year. The Profit After Tax (PAT) for the year ended 31st March 2024 is Rs.68.70 lakhs as compared to Rs.44.65 lakhs during the previous year. The Profit after consolidation of the associate company Inter-Connected Enterprises Ltd. is Rs.107.22 Lakhs.

The company feels that there is always a growth trajectory in the Broking business in view of the large untapped investors and the company is making all its efforts to tap the same. Your company has already made sufficient investment in digital marketing which is expected to result in improved performance in the coming years.

RESTRUCTURE OF GROUP COMPANIES :

During the year, the Company made a proposal to Daily Gong Financial Services Ltd. (DGFSL), the subsidiary Company of our Associate Company, i.e. i.e. Inter-Connected Enterprises Ltd. (ICEL) to De-merge the Stock Broking and Depository Participant Business Division of MSEFSL and merging the same with the business of DGFSL. The proposal involved full settlement of consideration for the business transfer through issuance of equity shares of the Company in the approved exchange ratio and also takeover of the preference shares and working capital assets and liabilities, with no cash outgo. The above proposal is subject to all corporate approvals, consent of SEBI, Exchanges, Depository, Unsecured creditors, other regulatory agencies and NCLT, Mumbai and Chennai.

As part of the above, the Company drawn up Composite Scheme of Arrangement (CSoA) involving its Equity / Preference Share Capital, besides the above proposal of de-merging the Stock Broking and Depository Participant Business.

During the year, the Board of Directors of your Company consented to go ahead, subject to the approval of respective Shareholders, SEBI, Stock Exchanges, Depository and other regulatory agencies.

The Scheme is a comprehensive one, which involves, De-merger of Stock Broking and Depository Participant Business Division of your Company and merging the same with that of the DGFSL and settlement of consideration based on valuation certificate issued by Independent Registered Valuer by way of issuance of shares of the Company in the approved exchange ratio, to the shareholders of the Company, post restructuring of the share capital of the Company. The implementation of the Scheme will help consolidation of similar business pursued by two group Companies and will enable the Company to leverage on the economies of scale and grow further.

The Scheme has already been approved by the shareholders of respective Companies, SEBI, Stock Exchanges, Depository, Unsecured Creditors, etc. and the proceedings with NCLT, Mumbai and Chennai is likely to be completed in the next few months.

The above Scheme, when approved by NCLT, will be effective from 1st April 2023. It is to be noted that, post implementation of the Scheme, your Company will continue to be an Associate Company of ICEL, in view of the proposed issuance of shares to the shareholders of MSEFSL towards settlement of consideration for the transfer of Stock Broking and Depository Participant Business Division of MSEFSL.

Originally it was estimated that the Scheme approval process will be completed and AGM conducted before end of Sept. 2024. However, as the process was getting delayed, the Company had applied and obtained permission from RoC, Chennai, for extension of time upto 31st December 2024 for conduct of AGM of the shareholders of the Company for the year ended 31st March 2024.

In order to comply with the requirements under the Companies Act, 2013, to hold AGM every year and in view of further time that is likely to be taken for securing the approval of NCLT, Mumbai and Chennai, the accounts of the Company for the financial year 2023-24 has been presented, as before, without considering the effect of the Scheme of Arrangement. The shareholders, while reviewing and approving the financials for the year, are required to note that, post formal approval of Scheme of Arrangement, the financial statements of the Company will require re-statement from 1st April 2023.

4. Investments :

The Company had invested Rs.1 cr. in TN Apex Skill Development Corporation-BFSI, a Joint Venture with Tamilnadu Skill Development Corporation, to impart skills in BFSI segment to students and prepare them for employment opportunities in the financial services sector. The JV was expected to function on the lines of private sector. However, on a review, it was found that, in practice the Company was being run like a Public Sector. This was in variance with the original rationale with which the investment was made. Hence, the Board took a view and has formally communicated to the JV Partner to relieve your Company as a Lead Implementation Partner (LIP) and get the shares transferred to any other entity or themselves to act as LIP. The issue is still under the consideration of the JV Partner.

5. Share Capital :

The Authorised Share Capital of the company stood at Rs.23,50,00,000 and the Paid up equity capital of the company at Rs.13,41,10,346 as on 31st March 2023. The preference share capital of the company is Rs.10.00 crs, divided into 1 crore equity shares of Rs.10/- each. Since the company has not declared dividend for the past 3 years the Preference shareholders holding Non cumulative non convertible redeemable preference shares are entitled to vote at the General Meeting on all resolutions in accordance with Section 47 of the Companies Act 2013. However the preference shareholders by way of letter addressed to the Board have waived their voting rights on the said preference shares in the ensuing Annual General Meeting.

6. Transfer of Unclaimed Dividend to investor Education Fund :

The Provisions of Section 125(2) of the Companies Act 2013 do not apply as the company has not declared any dividend during the year

7. BOARD OF DIRECTORS :

Shri. M.S.Raghavan and Shri S.Kumar, Directors, retire by rotation at this Annual General Meeting and are eligible for re-appointment.

8. BOARD MEETINGS :

Name, Category of Directors, Attendance details at the Board Meetings held during 2023-24 and at the last AGM held.

The Board Meetings are held at regular intervals. The Board is regularly briefed and updated on all the activities of the company, financials and compliance matters. During the year under review, four board meetings were held on 19th July 2023, 28th Aug. 2023, 2nd Nov. 2023 and 17th Feb.2024.

Sl.No	Name of the Director	Category (a)	No. of Board Meetings held during the year (b)	No. of Board Meetings attended (C)	Attendance of Last AGM (Yes/No) (d)
1	Mr. M. S. Raghavan	D	4	1	No
2	Mr. S. Gnanavel	D	4	4	Yes
3	Mr. P.G.Chandramohan	D	4	4	Yes
4	Mr. S.Kumar	D	4	4	Yes
5	Mr. A.Chandrasekharan	D	4	2	Yes

(a) D – Director (b) No. of Board meetings during their tenure (c) No. of Board meetings attended
(b) Last Annual General Meeting held on 19th September 2023.

9. AUDIT COMMITTEE MEETING

The Audit Committee of the Company met during the year ended March 31, 2024 on 26th August 2023. Mr.S.Gnanavel, and Mr.P.G.Chandramohan Members of the Audit Committee attended the meeting.

10. GENERAL BODY MEETINGS

The details of date, time and venue of the General Meetings held have been furnished hereunder:

Details of General Meeting	Date	Time	Venue
Annual General Meeting	29-12-2020	16.30 Hrs	Company Premises
Extra-Ordinary General Meeting	10-02-2021	16.00 Hrs	Company Premises
Annual General Meeting	28-08-2021	10.30 Hrs	Company Premises
Annual General Meeting	03-09-2022	15.00 Hrs	Company Premises
Annual General Meeting	19-09-2023	11.30 Hrs.	Company Premises

11. SHAREHOLDING PATTERN AS ON 31-03-2024 : EQUITY

Category of Shareholders	No. of shareholders	No. of shares	% of shares
Shareholders - Individuals, HUF	106	103707841	77.31
Shareholders - Corporates	46	28016451	20.90
Shareholders - NRIs	3	242398	0.19
State Government Financial Institution	1	21,43,656	1.60
Total	**156**	**13,41,10,346**	**100.00**

12. DIRECTORS' RESPONSIBILITY STATEMENT:

As required under Section 134(5) of the Companies Act, 2013, your Directors state :

(i) that in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) 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 of the company for that period;

(iii) that the such accounting policies selected and applied are consistent and the judgements and estimates made 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 income and expenditure of the company for that period;

(iv) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(v) that the Annual Accounts have been prepared on a going concern basis;

(vi) that the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;

(vii) that 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;

13. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

Provisions of Section 134 of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014 with regard to conservation of energy, technology absorption and foreign exchange earnings and outgo, are not applicable to the company, since the company does not engage itself in any manufacturing activities.

14. PARTICULARS OF EMPLOYEES:

There were no employees covered by the provisions of Section 197(12) of the Companies Act, 2013, read with the rules made thereunder.

15. DETAILS OF DEPOSITS COVERED UNDER CHAPTER V OF THE ACT :

There are no deposits covered under Chapter-V of the Companies Act.

16. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT UNDER SECTION 186

The Particulars of Investments made under Section 186 of the Companies act 2013, read with Companies (Meetings of Board and its Power) rules 2014 for the Financial year 2023-24 are given in Note 13 of the Notes to the Financial Statements.

17. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION 188 IN THE PRESCRIBED FORM :

Details of related party transactions are furnished in the Annual Report.

18. Adequacy of Internal Financial controls with reference to Financial statements

Your company has adequate internal control system commensurate with the size and nature of its business and there are no major weakness in such controls with reference to such financial statements.

19. AUDITORS:

M/s. M.S.Krishnaswami & Rajan, Chartered Accountants, Chennai, (Firm Registration No.FRN 01554S) the existing Auditors of the company were appointed for a tenure of 5 years at the last Annual General Meeting and hence they continue to hold office till the conclusion of the Annual General Meeting to be held in the year 2025. The Auditors' Report dated 3rd Dec.2024 is forming part of the financial statements of the company for the financial year ended 31st Mar.24.

20. BOARD'S COMMENT ON THE AUDITORS' REPORT

The Statutory Auditors have not made any remarks and hence this is not applicable.

21. RISK MANAGEMENT POLICY

The company takes due cognizance of the risks affecting the operations and is continuously reviewing the action needed to mitigate any adverse impact of such results on the business.The Company has also adequate risk management policy which identifies major risks that may threaten the existence of the Company.

22. GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Companies Act, 2013.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
3. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
4. CSR is not applicable on the Company.

23. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company has in place, an Anti Sexual Harassment Policy in line with the with the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act,2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2023-2024 :

No of Complaints received : Nil
No of Complaints disposed off : Nil

24. MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relates and the date of this report.

Details of Holding ,Subsidiary and Associate companies

Sl no	Name and Address of the Company	Registration No	Holding/ Subsidiary/ Associate	% of Shares	Applicable section
1	Inter-Connected Enterprises Ltd.	U74999MH2005PLC157556	Associate	26.54	2(6)

25. ACKNOWLEDGEMENT :

The Directors wish to thank all the Shareholders and place on record their deep sense of gratitude for their unstinted support extended during the year under review.

Your Directors also acknowledge the long-standing association with the Exchanges, Depository, Bankers to the company, vendors, Service Providers and Government of Tamil Nadu.

Your Directors also wish to place on record, their appreciation for the dedicated services rendered by the employees of the company.

By Order of the Board
For MSE FINANCIAL SERVICES LTD.
(formerly MADRAS ENTERPRISES LIMITED)

--sd--

P.G.Chandramohan
Director
DIN 06975353

Place: Chennai
Date : 3rd Dec.2024

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MSE Financial Services Limited

Report on the audit of Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **MSE Financial Services Limited** ("the Company") which comprise the Standalone Balance Sheet as at March 31, 2024, the Standalone Statement of Profit and Loss for the year then ended, the Cash flow Statement and notes to the financial statements, including summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013('the Act') in the manner so required and give a true and fair view in conformity with the Accounting standards prescribed under the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its financial performance (Profit) and cash flow for the year ended on that date.

Basis for Qualified Opinion

The Stock broking and Depository participant business division of the company is proposed to be Demerged into Daily Gong Financial Services Ltd (DGFSL) w.e.f April 1,2023. As explained in detail in Note 33 to the Financial statements, since the approval of NCLT is pending, effect of the demerger has not been given in the Standalone accounts of the company.

In our opinion, the effect of demerger if given effect to will substantially alter the amounts of Reserves & Surplus, Assets and liabilities as now reflected. Consequently, our opinion on the Standalone Financial statements are qualified. Pending the nature of Final approval of NCLT, the impact cannot be estimated.

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

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

The Company's Board of Directors is responsible for the preparation of other information in their report to Members etc. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the Consolidated financial statements, Standalone Financial Statements and our report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance for conclusion thereon.

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

Responsibilities of Management for the Standalone Financial Statements

The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable. 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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors
(i) In Planning the scope of our audit work and in evaluating the results of our work;
(ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by 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 prescribed under section 133 of the Act read with the relevant rules issued thereunder.

e. On the basis of written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 "A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal control over financial reporting.

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended in our opinion and to the best of our information and according to the explanations given to us, remuneration paid by the company to its directors during the year is in compliance with the provisions of Section 197, read with Schedule V of the Act.

h. Except for the effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards

i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   (i) The Company has, in accordance with the generally accepted accounting practice, disclosed the impact of pending litigations if any, on its financial position in its standalone financial statements.

   (ii) The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2024.

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

   (iv) (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 40 to the Standalone financial Statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 40 to the Standalone financial Statements ,no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v) No dividend was declared for the previous year and paid by the Company during the year. The Board of Directors of the Company have not proposed any dividend for the year. Accordingly, compliance with provisions with section 123 of the Companies Act 2013 does not arise.

(vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2024, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2024.

(vii) Based on our examination which included test checks the Company has used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same was operatable throughout the year for all relevant transaction recorded in the respective software.

2. As required by the Companies (Auditor’s Report) Order,2020 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For M.S. Krishnaswami & Rajan
Chartered Accountants
Firm registration No.01554S

M.S.Murali
Partner
Membership No.026453
UDIN:
Place: Chennai
Date: December 03,2024

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date to the members of MSE Financial Services Limited)

Report on the Internal Financial Controls Over Financial Reporting 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 **MSE Financial Services Limited** (“the Company”) as of March 31, 2024 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of the company; (ii) 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 (iii) 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, to the best of our information and according to the explanations given to us, the Company has in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31,2024 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 M.S. Krishnaswami & Rajan
Chartered Accountants
Firm's Registration No. 015545

M.S. Murali
Partner
Membership No. 026453
UDIN:
Place: Chennai
Date: December 03,2024

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of the MSE Financial Services Limited ("the Company") for the year ended March 31, 2024.

1. In respect of the Company's Property, Plant and Equipment:

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

   (ii) The company has maintained proper records showing full particulars of intangible assets.

   (b) The Property Plant and Equipment were physically verified, which, in our opinion is reasonable having regard to the size of the company and the nature of its business, and no material discrepancies were noticed during the year on such verification.

   (c) The company does not hold any immovable property.

   (d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year.

   (e) No proceedings have been initiated during the year or are pending against the company as at March 31,2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

2. (a) The Company is a service company accordingly it does not hold any physical inventories. Thus, paragraph 3(ii)(a) of the order is not applicable to the Company.

   (b) The company has not been sanctioned any working capital limits during the year.

3. The Company has not during the year, made investments in, provided any guarantee or security, granted any loans or advances, in the nature of loans secured or unsecured to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and Section 186 of the Act, in respect of the Loans and Investments made and guarantees and securities provided by it.

5. According to information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits during the year and there are no unclaimed deposits as at March 31,2024 to which the provisions of section 73 to 76 or any other relevant provisions of the Companies Act are applicable. Accordingly, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.

6. In our opinion and according to the information and explanations given to us, the requirement for maintenance of cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014 specified by the Central Government of India under section 148 of the Companies Act, 2013 are not applicable to the Company.

7. According to the information and explanations given to us and the books of account examined by us, in respect of statutory dues:

   a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Goods and Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities during the year. There were no undisputed amounts payable in respect of such statutory dues outstanding as at March 31, 2024 for a period of more than six months from the date they became payable.

   b) There are no dues of Income tax, Sales tax, Goods and Services tax, Customs Duty, Excise duty or Value added tax that have not been deposited on account of any dispute except for

Name of the Statute	**Nature of the dues**	**Net Amount Rs**	**Period to which the amount relates to**	**Forum it is pending**
Finance Act, 1994	Service Tax	3,10,382	April 2006 to August 2009	CESTAT, Chennai
Income Tax, 1961	Income Tax (Tax Amount) Interest Total Due	62,55,635 34,32,742 96,88,377	AY 2018-19	Income tax commissioner Appeals
Income Tax, 1961	Income Tax	1,56,520	AY 2010-11	Assessing Officer

8. As per the information and explanation given to us, there are no transactions that are not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

9. (a)In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution, or to banks. The Company does not have any borrowings from government or by way of Debentures.

   (b) As per the information and explanation given to us, the company has not been declared wilful defaulter by any bank or financial institution or other lender.

   (c) As per the information and explanation given to us, the monies raised by way of term loans have been applied for the purposes for which they were obtained.

   (d) On an overall examination of the financial statements of the Company, funds raised on short- term basis have, prima facie, not been used during the year for long-term purposes by the Company.

   (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its Associate. The

Company does not have any subsidiaries or joint ventures.

f) In our opinion and according to information and explanation given to us the company has not raised loans during the year on the pledge of securities held in its Associate company.

10. (a) As per the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offers (including debt instruments) or term loans during the year. Hence reporting on utilization of such money under clause 3(ii) of the Order does not arise.

    (b) During the year, the Company has not made any preferential allotment or private placement of shares (covered by section 42 and section 62 (1)c of the Companies Act, 2013) or fully or partly convertible debentures and hence reporting under clause 3(x)(b) of the Order is not applicable.

11. (a) No fraud by the company and no material fraud on the company has been noticed or reported during the year.

    (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

    (c) As per the information and explanation given to us, there are no whistle-blower complaints received during the year by the company up to the date of this report.

12. The Company is not a Nidhi Company and accordingly the provisions of Clause 3 (xii) of the Order are not applicable to the Company.

13. In our opinion and according to the information and explanations given to us all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013, where applicable. The details of the transactions during the year have been disclosed in the Standalone Financial Statements as required by the applicable Accounting Standards. (Refer note 34 to Standalone Financial Statements).

14. In accordance with section 138 read with rule 13(1) of the Companies Accounts Rule, 2014 of the Companies Act 2013, the Company does not require to have an internal auditor.

15. In our opinion, the Company has not entered into any non-cash transactions during the year, with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

16. The Company is not required to be registered under section 45- IA of the Reserve Bank of India Act, 1934 and is not Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the provisions of Clause 3(xvi) (a), (b), (c) and (d) of the Order are not applicable to the Company.

17. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

18. There has been no resignation of the statutory auditors during the year. Accordingly, the provisions of Clause 3(xviii) of the Order are not applicable to the Company.

19. According to the information and explanations given to us and on the basis of (i) the financial ratios,(ii) ageing and expected dates of realization of financial assets and payment of financial liabilities, (iii) other information accompanying the financial statements, (iv) our knowledge of the Board of Directors and management plans and (v) based on our examination of the evidence supporting the assumption, we believe that there are no indication of existence of material uncertainty as on the date of the audit report indicating that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

20. In our opinion and according to the information and explanations given to us, the provisions of section 135 is not applicable to the Company. Accordingly, the provisions of Clause 3(xx) of the Order are not applicable to the Company.

21. The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of Standalone AS Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For M.S. Krishnaswami & Rajan
Chartered Accountants
Registration No: 01554S

M.S. Murali
Partner
Membership No:026453
UDIN:
Place: Chennai
Date: December 03,2024

MSE FINANCIAL SERVICES LIMITED
Standalone Balance Sheet as at 31st March 2024

Rs. in '00

		Particulars	Note No.	As at 31st March 2024	As at March 31, 2023
I.	**EQUITY AND LIABILITIES**				
1	**Shareholder's Funds**				
	(a)	Share Capital			
		Equity Shares(13,41,10,346/- Equity Shares of Re.1/-each)	3	13,41,103.46	13,41,103.46
		Preference Shares (6% 1,00,00,000 [2023: 1000000 shares] Non cumulative Non convertible redeemable Preference Shares of Rs.10/-each)		10,00,000.00	10,00,000.00
				23,41,103.46	23,41,103.46
	(b)	Reserves and Surplus	4	(8,05,988.71)	(8,74,684.15)
2	**Non-Current Liabilities**				
	(a)	Deferred Tax Liabilities (Net)		-	-
	(b)	Long Term Provisions	5	12,615.53	7,995.46
				-	
3	**Current Liabilities**				
	(a)	Trade Payables :			
		(i)Total outstanding dues of micro and small enterprises		-	-
		(ii)Total outstanding dues of creditors other than micro and small enterprises	6	39,099.33	85,917.49
	(b)	Other Current Liabilities	7	37,30,272.92	35,98,089.05
		Total		**53,17,102.53**	**51,58,421.31**
II.	**ASSETS**				
1	**Non-Current Assets**				
	(a)	Property, Plant and Equipment and Intangible assets			
		(i) Tangible Assets	8	12,489.47	10,933.33
		(ii) Intangible Assets	9	-	-
	(b)	Non-Current Investments	10	4,48,440.47	4,48,440.47
	(c)	Defferred Tax Assets (Net)	11	6,209.33	3,517.04
	(d)	Long-Term Loans & Advances	12	20,845.20	27,103.43
	(e)	Other non-current assets	13	4,24,485.45	3,65,509.59
2	**Current Assets**				
	(a)	Current Investments	14	125.41	16,401.35
	(b)	Trade Receivables	15	1,13,966.55	1,28,626.85
	(c)	Cash & Bank Balances	16	36,34,036.37	38,07,708.09
	(d)	Short-Term Loans & Advances	17	3,94,703.47	2,12,954.85
	(e)	Other Current Assets	18	2,61,800.81	1,37,226.31
		Total		**53,17,102.53**	**51,58,421.31**

The notes referred to above form an integral part of the financial statement

As per our report attached of even date
For M.S.Krishnaswami & Rajan
Chartered Accountants
Firm Regn No. 01554S

For and behalf of Board of Directors

M.S.Murali - Partner
Membership No. 26453
UDIN :
Place: Chennai
Date : 03 December, 2024

P.G.Chandra Mohan
Director
DIN: 06975353

S.Kumar
Director
DIN: 07661365

MSE FINANCIAL SERVICES LIMITED
Standalone Statement of Profit and Loss for the period ended March 31, 2024

Rs. in '00

	Particulars	Note	For the period ended 31st March 2024	For the period ended 31st March 2023
I	Revenue From Operations	19	9,20,648.39	7,67,843.79
II	Other Income	20	1,41,178.78	1,33,340.04
III	**Total Revenue (I +II)**		**10,61,827.17**	**9,01,183.83**
IV	**Expenses:**			
	Fee and Commission Expense	21	4,59,667.72	2,99,928.96
	Employees Cost & Benefits	22	1,50,561.39	1,74,747.57
	Depreciation and Amortization Expense	23	2,529.74	5,842.27
	Finance cost	24	-	35,478.90
	Other Expenses	25	3,64,607.33	3,32,308.12
V	**Total Expenses**		**9,77,366.18**	**8,48,305.83**
VI	**Profit Before Exceptional Item (III- V)**		**84,460.99**	**52,878.00**
VII	**Profit Before Tax (III- V)**		**84,460.99**	**52,878.00**
VIII	Tax Expense:			
	(1) Current tax		(18,457.84)	-
	(2) Prior Period Tax		-	(9,049.30)
	(3) Deferred tax		2,692.29	798.07
	Total Tax Expense		**(15,765.55)**	**(8,251.23)**
IX	**Profit (Loss) for the period (VII - VIII)**		**68,695.44**	**44,626.77**
X	**Profit/(loss) from discontinuing operations**			
			68,695.44	**44,626.77**
XI	**Earnings per Equity Share:**			
	Basic EPS		0.03	0.02
	Diluted EPS		0.03	0.02

The notes referred to above form an integral part of the financial statement

As per our report attached of even date
For M.S.Krishnaswami & Rajan
Chartered Accountants
Firm Regn No. 01554S

For and behalf of Board of Directors

M.S.Murali - Partner
Membership No. 26453
UDIN :
Place: Chennai
Date : 03 December, 2024

P.G.Chandra Mohan
Director
DIN: 06975353

S.Kumar
Director
DIN: 07661365

MSE FINANCIAL SERVCIES LTD

Standalone Statement of Cash Flows for the period ended March 31, 2024

Rs. in '00

	Particulars	For the year period 31st March 2024	For the year period 31st March 2023
A	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Net profit before tax and extraordinary items	84,460.99	52,878.00
	Adjustments for:		-
	Depreciation	2,529.74	5,842.27
	Interest expense	-	35,478.90
	Interest income	(1,13,569.36)	(1,27,238.73)
	Operating profit/(loss) before working capital changes	**(26,578.63)**	**(33,039.56)**
	Adjustments for changes in-		
	Other Non current assets	(58,975.86)	6,91,080.80
	Other Current Liabilities	1,32,183.88	(7,77,856.07)
	Short Term Provisions	-	(591.93)
	Trade Payables	(46,818.16)	39,794.49
	Short-Term Loans & Advances	(1,81,748.62)	(1,08,677.04)
	Other Current Assets	(1,24,574.50)	(79,280.54)
	Long Term Provisions	4,620.07	3,724.91
	Trade Receivables	14,660.29	1,04,128.60
	Long-Term Loans & Advances	6,258.23	(5,298.23)
	Cash generated from Operations	**(2,80,973.30)**	**(1,66,014.57)**
	Add/(less): Income Tax Adjustments	(18,457.84)	(9,049.30)
	Net Cash from Operating activites (A)	**(2,99,431.14)**	**(1,75,063.87)**
B	**CASH FLOWS FROM INVESTING ACTIVITIES**		-
	Proceeds from disposal of non current assets	-	-
	Add: Non-operating incomes from Investments		-
	Purchase of Investments	-	(1,00,000.00)
	Current Investments	16,275.94	574.19
	Interest Income	1,13,569.36	1,27,238.73
	Purchase of Property, Plant and Equipment	(4,085.88)	(1,518.38)
	Net Cash Flow Investing Activities (B)	**1,25,759.42**	**26,294.54**
C	**CASH FLOWS FROM FINANCING ACTIVITIES**		-
	Proceeds from issuance of share capital & borrowings		-
	Interest paid	-	(35,478.90)
	Net cash used in financing activities (C)	**-**	**(35,478.90)**
	Net increase/(decrease) in cash and cash equivalents(A+B+C)	(1,73,671.72)	(1,84,248.23)
	Cash and cash equivalents at beginning of period	38,07,708.09	39,91,956.32
	Cash and cash equivalents at end of period	**36,34,036.37**	**38,07,708.09**

This is the Statement of Cash Flow referred to in our report of even date

As per our report attached of even date

For and behalf of Board of Directors

For M.S.Krishnaswami & Rajan
Chartered Accountants
Firm Regn No. 01554S

M.S.Murali
Partner
Membership No. 26453

P.G.Chandra Mohan
Director
DIN: 06975353

S.Kumar
Director
DIN: 07661365

Place: Chennai
Date : 03 December, 2024

MSE FINANCIAL SERVICES LTD

Notes annexed to and forming part of the Standalone Financial Statements

Rs. in '00

Particulars	**As at 31st March 2024**	**As at 31st March 2023**
Note 3		
Share Capital		
Authorised Capital		
13,50,00,000[2023: 13,50,00,000 shares] Equity Shares of Re.1 each	13,50,000.00	13,50,000.00
1,00,00,000[2023:1,00,00,000 shares] 6% Non Cummulative,Non Convertible,Redeeemable Preference Shares of Rs.10/-each	10,00,000.00	10,00,000.00
	23,50,000.00	23,50,000.00
Issued, Subscribed and Paid Up Capital		
13,41,10,346 [2023: 13,41,10,346 shares] Equity Shares of Re.1 each	13,41,103.46	13,41,103.46
6% 1,00,00,000 [2023: 1,00,00,000 shares] Non cumulative Non convertible redeemable Preference Shares of Rs.10/-each	10,00,000.00	10,00,000.00
	23,41,103.46	23,41,103.46
Total	**23,41,103.46**	**23,41,103.46**

(a) Reconciliation of Number of Shares:

Equity Shares:

Particulars	**As at 31st March 2024**		**As at 31st March 2023**	
	No. of Shares	**Amount**	**No. of Shares**	**Amount**
Balance as at the Beginning of the Year(Equity)	13,41,10,346	13,41,103.46	13,41,10,346	13,41,103.46
Less: Shares bought back during the year	-	-	-	-
Add: Issue During The Year(Equity Shares)	-	-	-	-
Balance as at the End of the Year	**13,41,10,346**	**13,41,103.46**	**13,41,10,346**	**13,41,103.46**

Preference Shares: **Rs. In '00**

Particulars	**As at 31st March 2024**		**As at 31st March 2023**	
	No. of Shares	**Amount**	**No. of Shares**	**Amount**
Balance as at the Beginning of the Year(Preference)	1,00,00,000	10,00,000.00	1,00,00,000	10,00,000.00
Add: Issued During the Year (Preference Shares)				
Balance as at the End of the Year	**1,00,00,000**	**10,00,000**	**1,00,00,000.00**	**10,00,000.00**

(b) Rights & Restrictions Attached to Shares

The Equity share holders are entitled to receive dividend as and when declared subject to payment of dividend to Preference shareholders if any, right to vote in proportion of holding etc., and their rights, preferences and restrictions are governed by or in terms of their issue and provisions of Companies' Act, 2013.

The Preference shareholders are entitled to receive dividend as and when declared and they have certain preferential right over equity shares of the company. Their rights, preferences and restrictions are governed by or in terms of their issue and provisions of Companies' Act, 2013.

(c)Bonus shares

Aggregate number and class of equity shares alloted for consideration other than cash, bonus etc., in the five years immediately preceding the balance sheet date as on March 31, 2024 Rs.4,09,78,161)

(d) Aggregate number and class of shares allotted as fully paid up persuant to contract(s) without payment being received in cash and aggregate number of shares bought back during the period of five years immediately preceeding March 31,2024 - Nil

(e)Details of Shares held by Shareholders holding more than 5% of the aggregate shares in the company

Particulars	**As at 31st March 2024**		**As at 31st March 2023**	
	No. of Shares held	**%**	**No. of Shares held**	**%**
Equity Shares				
Madras Enterprises Pvt. Ltd.	70,20,000	5.23%	70,20,000	5.23%
Thailambal Chandramohan	3,95,92,810	29.52%	3,95,92,810	29.52%
Ramkumar Krishnamoorthy	3,95,92,810	29.52%	3,95,92,810	29.52%
Preference Shares				
Madras Enterprises Pvt. Ltd.	75,00,000	75.00%	75,00,000	75.00%
Thailambal Chandramohan	12,50,000	12.50%	12,50,000	12.50%
Ramkumar Krishnamoorthy	12,50,000	12.50%	12,50,000	12.50%

				Rs. in '00
NOTE - 4	**As at 31st March 2024**		**As at 31st March 2023**	
RESERVES AND SURPLUS				
a) Capital Reserve :		59,778.50		59,778.50
b) Securities Premium		11,61,784.70		11,61,784.70
c) General Reserve		-		-
d)Surplus to p&l ac				
Opening Balance	(20,96,247.35)		(21,40,874.12)	
Add:Profit for the year	68,695.44		44,626.77	
			-	
		(20,27,551.91)		(20,96,247.35)
TOTAL		(8,05,988.71)		(8,74,684.15)

Notes :
A. Capital reserve represents reserve created pursuant to the business combinations and can be utilised for purposes specified under the Act including issue of Bonus shares.
B.Securities premium represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies' Act, 2013 (the Act) for specified purposes
C.General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as payment of
D.Balance Surplus in Statement of Profit and Loss represented by profit is generally available for distribution of didvidend subject to the provisions of

Particulars	As at 31st March 2024	As at 31st March 2023
Note 5		
Long Term Provisions		
Provision for Employee Benefits:		
Provision for Gratuity	7,662.48	5,390.47
Provision for Leave Encashment	4,953.05	2,604.99
Total	**12,615.53**	**7,995.46**
Note 6		
Trade Payables		
Due to micro and small enterprises		
Due to Creditors other than micro and small enterprises	39,099.33	85,917.49
	39,099.33	**85,917.49**

Trade Payables - Ageings

Particulars	As at 31st March 2024				
	Less than 1 year	**1- 2 years**	**2-3 years**	**More than 3 years**	**Total**
a) MSME	-	-	-	-	-
b) Others	37,961.38	367.20	218.25	552.50	39,099.33
c) Disputed dues - MSME	-	-	-	-	-
d) Disputed dues - Others	-	-	-	-	-
Total	**37,961.38**	**367.20**	**218.25**	**552.50**	**39,099.33**

Particulars	As at March 31, 2023				
	Less than 1 year	**1- 2 years**	**2-3 years**	**More than 3 years**	**Total**
a) MSME	-	-	-	-	-
b) Others	71,139.67	7,300.44	7,477.38		85,917.49
c) Disputed dues - MSME	-	-	-	-	-
d) Disputed dues - Others	-	-	-	-	-
Total	**71,139.67**	**7,300.44**	**7,477.38**	**-**	**85,917.49**

		Rs. in '00
Particulars	**As at 31st March 2024**	**As at 31st March 2023**
Note 7		
Other Current Liabilities		
Client Account	35,83,525.78	17,56,322.56
Due to clearing corporation	-	16,14,438.55
Sub Brokerage payable	5,858.69	2,619.89
Statutory dues payable	8,049.56	29,032.13
Trade Margin advance Received	53,554.28	54,304.28
Provision for expenses	21,751.98	25,829.79
Access charges received in Advance	24,789.32	94,830.76
Other Liabilities	32,743.31	20,711.09
Total	**37,30,272.92**	**35,98,089.05**
Note 10		
Non-Current Investments		
Unquoted Equity Instruments (Trade, Non-Quoted, stated at Cost)		
1,23,19,762 Equity Shares [31st March 2023: 1,23,19,762] of Re. 1/- each Held in Inter Connected Stock Exchange Ltd	3,48,440.47	3,48,440.47
10,00,000 Equity Shares [31st March 2023: 10,00,000] of Rs. 10/- Held in TamilNadu Apex Skill Development Centre for Banking Financial Services & Insurance.	1,00,000.00	1,00,000.00
Total	**4,48,440.47**	**4,48,440.47**
Note 10.1		
Aggregate amount of Quoted Investments	-	-
Aggregate Market value of Quoted Investments	-	-
Aggregate amount of unquoted Investments	4,48,440.47	4,48,440.47
Note 11		
Deferred Tax Liability/ (Asset) - Net		
Deferred Tax Asset		
Deferred Tax Assets in relation to Property,Plant and Equipment	955.43	1,438.22
Deferred Tax Asset on Expenditure allowed upon payment	5,253.90	2,078.82
	6,209.33	**3,517.04**
Note 12		
Long-Term Loans & Advances (Unsecured, Considered Good)		
Rental Advance	20,845.20	27,103.43
	20,845.20	**27,103.43**
Note 13		
Other Non Current Asset		
Long-Term Loans & Advances (Unsecured, Considered Good)		
(a) Security Deposits with Stock Exchanges/Depository	3,62,183.10	2,81,245.00
(b) Advance income tax & TDS receivables (Net of provision)	62,302.35	84,264.59
Total	**4,24,485.45**	**3,65,509.59**

					Rs. in '00
Particulars				**As at 31st March 2024**	**As at 31st March 2023**
Note 14					
Current Investment					
Investment in Equity Shares(Traded quoted)				125.41	16,401.35

Security Name	**No. of Shares**	**Opening Value as on 01.04.2024**	**Value of Purchase**	**Value of Sales**	**Current value as on 31.03.2024**
Avenue supermarts Limited	25	850.83	-	910.88	
Ballarpur Industries Ltd.	54	0.33	-	-	0.48
Cl Educate Limited	3,000	1,474.50	-	1,880.18	-
Dsq Software Ltd.	50	5.00	-	-	5.00
Fiem Industries Ltd.	50	782.18	-	922.83	-
IcIcI Securities Limited	250	1,068.88	-	1,580.12	-
Indian Railway Catering	50	286.42	935.51	1,353.50	-
Infosys Ltd.	10	142.77	-	133.00	-
Mahindra & Mahindra Ltd.	10	115.86	-	131.98	-
Nettlinx Ltd.	100	200.15	-	199.63	-
Nextgen Animation Mediaa Ltd.	20	2.00	-	-	2.00
Nmdc Ltd.	500	558.00	-	525.50	-
Nmdc steel Limited	500	155.30	-	214.00	-
Pentamedia graphics Ltd.	912	2.64	-	-	9.12
Polar Industries Ltd.	25	2.50	-	-	2.50
Precision camshafts Limited	1,000	952.80	-	1,533.06	-
Quintegra solutions Ltd.	4,700	47.00	-	-	97.76
Rajshree polypack Limited	500	702.25	-	829.68	-
Ramco Industries Ltd.	1,000	1,240.50	1,693.38	4,495.69	-
Reliance Industries Ltd.	10	233.11	-	248.10	-
Secmark consultancy Limited	2,500	2,237.50	-	2,542.49	-
Shalby Limited	2,500	3,365.00	-	4,065.28	-
Shapre infotech india Ltd.	33	3.30	-	-	3.30
Silverline technologies Ltd.	50	5.00	-	-	5.00
Spencers retail Limited	1,000	517.30	-	664.19	-
Ugro capital Limited	1,000	1,450.00	1,384.33	4,438.62	-
Nip etnf1d rtliqbees	1	0.25	-	-	0.25
Bank of maharashtra	-	-	2,362.51	2,430.00	-
Nhc foods Ltd.	-	-	532.84	415.16	-
Qgo finance Limited	-	-	497.81	466.75	-
Ceinsys tech Limited	-	-	4,162.53	7,132.45	-
Loyal equipments Limited	-	-	1,136.55	1,335.78	-
Genus power infrastructures lt	-	-	713.92	1,348.18	-
Karnataka bank Ltd.	-	-	5,966.12	5,293.46	-
Lemon tree hotels Limited	-	-	2,024.97	2,213.99	-
Palred technologies Limited	-	-	1,342.61	1,560.72	-
Power finance corporation Ltd.	-	-	2,229.01	2,691.99	-
Sansera engineering Limited	-	-	4,721.92	4,280.54	-
Tribhovandas bhimji zaveri Ltd	-	-	919.01	999.99	-
UCO bank	-	-	2,137.51	2,185.00	-
	19,850	**16,401.35**	**32,760.50**	**59,022.70**	**125.41**

		Rs. in '00
Particulars	**As at 31st March 2024**	**As at 31st March 2023**
Note 15		
Trade Receivables (Unsecured, Considered Good)		
Outstanding for a period exceeding six months from the date they were due for payment		
a)Unsecured-Considered good	1,13,966.55	1,13,613.46
b)Unsecured Considered Doubtful	10,672.08	28,020.72
	1,24,638.62	1,41,634.18
Less:Provision for doubtful debts	10,672.08	27,195.52
	1,13,966.55	1,14,438.66
c)Other debts		
i)Unsecured-Considered good	-	14,188.19
	1,13,966.55	**1,28,626.85**

Trade Receivables - Ageings

Particulars	As at 31st March 2024				
	Not Due	**Due less than 6 months**	**6 months -1 year**	**1-2 years**	**Total**
a) Undisputed Trade receivables - considered good	-	1,13,966.55	-	-	1,13,966.55
b) Undisputed Trade receivables - considered doubtful	-		-	10,672.08	10,672.08
c) Disputed Trade receivables - considered good	-	-	-	-	-
d) Disputed Trade receivables - considered doubtful	-	-	-	-	-
e) Allowance for Credit Loss				(10,672.08)	(10,672.08)
Total	**-**	**1,13,966.55**	**-**	**-**	**1,13,966.55**

Particulars	As at March 31, 2023				
	Not Due	**Due less than 6 months**	**6 months -1 year**	**1-2 years**	**Total**
a) Undisputed Trade receivables – considered good	-	1,27,801.65	-	-	1,27,801.65
b) Undisputed Trade receivables – considered doubtful	-	-	-	28,020.72	28,020.72
c) Disputed Trade receivables - considered good	-	-	-	-	-
d) Disputed Trade receivables - considered doubtful	-	-	-	-	-
e) Allowance for Credit Loss				(27,195.52)	(27,195.52)
Total	**-**	**1,27,801.65**	**-**	**825.20**	**1,28,626.85**

Note 16		
Cash and Cash Equivalents		
Cash on Hand	93.87	326.36
Balances with Banks		
- Client Balance	1,57,190.00	17,91,845.90
- MSEFSL Balance	22,330.47	22,535.83
Bank Balance in Deposit Accounts (with maturity more than 12 months)*		
- Client Balance	32,98,172.03	18,23,000.00
- MSEFSL Balance	1,56,250.00	1,70,000.00
*Fixed Deposit under lien with BSE/NSE to meet margin requirements		
Total	**36,34,036.37**	**38,07,708.09**
Note 17		
Short-Term Loans & Advances (Unsecured, Considered Good)		
i) Loans & Advances to Employees	870.00	3,740.00
Others	7,043.57	148.00
GST Input	3,029.95	-
ii) Secured, Considered Good		
Margin Trading Fund receivable	3,83,759.95	2,09,066.85
Note 17.1: Advance receivable from Margin Trading fund is secured by a Lien on shares/securities invested by Trading members.		
	3,94,703.47	**2,12,954.85**
Note 18		
Other Current Assets		
Balance with Government Authorities	-	436.90
Prepaid Expenses	21,054.92	7,467.10
Interest Accrued but not due	59,512.08	84,244.81
Due from clearing corporation	44,840.34	-
Exchange Obligation	1,36,368.47	39,164.74
Others	25.00	5,912.76
Total	**2,61,800.81**	**1,37,226.31**

Note 8

Tangible Assets

2023-24 Rs. in '00

Particulars	Gross Block				Depreciation					Net Block	
	1st April 2023	Additions	Disposals	31st March 2024	1st April 2023	Debited in Retain earnings	Dep For the Period	Disposals	31st March 2024	31st March 2024	31st Mar 2023
Office Equipment	4,073.43	1,200.00	-	5,273.43	2,361.60	-	661.98	-	3,023.58	2,249.85	1,711.83
Furniture & Fixtures	4,522.14	-	-	4,522.14	1,589.24	-	410.95	-	2,000.19	2,521.95	2,932.90
Computers	74,010.58	2,259.97	-	76,270.55	69,631.18	-	655.35	-	70,286.53	5,984.02	4,379.40
Air Conditioners	5,628.90	625.91	-	6,254.81	3,719.70	-	801.46	-	4,521.16	1,733.65	1,909.20
Vehicle	-	-	-	-	-	-	-	-	-	-	-
Total	**88,235.05**	**4,085.88**	**-**	**92,320.93**	**77,301.72**	**-**	**2,529.74**	**-**	**79,831.46**	**12,489.47**	**10,933.33**

2022-23 Rs. in '00

Particulars	Gross Block				Depreciation					Net Block	
	1st April 2022	Additions	Disposals	31st March 2023	1st April 2022	Debited in Retain earnings	Dep For the Period	Disposals	31st March 2023	31st March 2023	31st Mar 2022
Office Equipment	3,660.93	412.50	-	4,073.43	1,599.76	-	761.84	-	2,361.60	1,711.83	2,061.17
Furniture & Fixtures	3,416.26	1,105.88	-	4,522.14	1,179.41	-	409.83	-	1,589.24	2,932.90	2,236.85
Computers	74,010.58	-	-	74,010.58	66,163.43	-	3,467.75	-	69,631.18	4,379.40	7,847.14
Air Conditioners	5,628.90	-	-	5,628.90	2,944.25	-	775.45	-	3,719.70	1,909.20	2,684.65
Vehicle	-	-	-	-	-	-	-	-	-	-	-
Total	**86,716.67**	**1,518.38**	**-**	**88,235.05**	**71,886.85**	**-**	**5,414.87**	**-**	**77,301.72**	**10,933.34**	**14,829.81**

Note 9

Intangible Assets

2023-24 Rs. in '00

Particulars	Gross Block				Amortization					Net Block	
	1st April 2023	Additions	Disposals	31st March 2024	As at 1st April 2023	Debited in Retain earnings	Dep For the Year	Disposals	31st March 2024	31st March 2024	As at 31st Mar 2023
Computer Software	59,609.64	-	-	59,609.64	59,609.64	-	-	-	59,609.64	-	-
Total	**59,609.64**	**-**	-	**59,609.64**	**59,609.69**	-	**-**	-	**59,609.64**	**-**	**-**

2022-23 Rs. in '00

Particulars	Gross Block				Amortization					Net Block	
	1st April 2022	Additions	Disposals	31st March 2023	1st April 2022	Debited in Retain earnings	Dep For the Period	Disposals	31st March 2023	31st March 2023	31st Mar 2022
Computer Software	59,609.64	-	-	59,609.64	59,182.24	-	42,739.73	-	1,01,921.97	-	42,740.00
Total	**59,609.64**	**-**	-	**59,609.64**	**59,182.29**	-	**42,739.73**	-	**1,01,921.97**	**-**	**42,740.00**

Notes:

(i)Amount of contractual commitments for acquisition of Property,Plant and Equipment - Refer Note 37

(ii)Impairment loss recognised during the year Nil (2022-23 - Nil)

(iii)Property,Plant and Equipment given as security against borrowings Nil (2022-23 - Nil)

(iv)Borrowing costs and other expenditure capitalised during the year Rs.Nil (2022-23 - Nil)

MSE FINANCIAL SERVICES LTD

Notes annexed to and forming part of the Standalone Financial Statements

Rs. in '00

Particulars	For the period ended March 31, 2024	For the period ended March 31, 2023
Note 19		
(a) Revenue from		
- Brokerage	7,98,024.63	5,37,072.29
- DP Operation	55,505.07	40,218.36
- Other Operational Income	67,118.69	1,90,553.14
Total	**9,20,648.39**	**7,67,843.79**
Note 20		
Other Income		
Interest Income from Deposits	1,13,569.36	1,27,238.73
Writeback of Liabilities	17,623.16	5,928.55
Realised profit on sale of Shares	9,928.88	-
Unrealised profit on sale of Shares	57.38	172.76
Total	**1,41,178.78**	**1,33,340.04**
Note 21		
Fees and Commission Expenses		
Brokerage Paid to Sub-Brokers	4,59,667.72	2,99,928.96
	4,59,667.72	**2,99,928.96**
Note 22		
Employee Benefits		
Salaries/Ex-gratia/Other funds	1,32,026.91	1,55,670.55
Gratuity	2,272.01	3,894.87
Contributions to Provident Funds	4,797.20	2,980.26
Staff Welfare Expenses	8,465.27	9,201.89
Director remuneration	3,000.00	3,000.00
Total	**1,50,561.39**	**1,74,747.57**
Note 23		
Depreciation and Amortization		
Depreciation on Tangible Assets	2,529.74	5,414.87
Amortization on Intangible Assets	-	427.40
Total	**2,529.74**	**5,842.27**
Note 24		
Finance Cost		
Interest Expenses	-	35,478.90
Total	**-**	**35,478.90**

		Rs. in '00
Particulars	**For the period ended March 31, 2024**	**For the period ended March 31, 2023**
Note 25		
Other Expenses		
Rent	41,837.02	27,757.38
Repairs & Maintenance	2,268.34	10,950.82
Electricity Charges	7,535.66	6,702.34
Travelling & Conveyance	13,468.59	6,591.19
Communication Expenses	20,730.42	15,998.49
DP Operational charges	25,151.07	19,651.49
Subscriptions Charges and fee for Cloud services	31,083.29	26,667.93
Annual Maintenance Software and Networking	43,866.58	43,571.61
Membership & Subscription	3,445.40	4,248.27
Unealised Profit/Loss from Equity Investments	-	574.19
Rates and Taxes	1,926.16	910.92
Printing & Stationery	6,218.04	1,235.24
Professional / Consulting Charges	86,658.43	58,722.44
Audit Fees		
- For Statutory Audit	4,000.00	3,000.00
- For Taxation	1,000.00	800.00
- For Consolidation	1,200.00	1,200.00
- Certification Fees	1,400.00	2,196.00
Bad Debts written off	16,523.44	-
Provision for doubtful debts written back	(16,523.44)	-
Sitting Fees for Directors	700.00	700.00
Market/Survey Expenditure	56,063.55	49,351.80
Insurance	1,291.64	-
Advertisment Charges	1,962.12	818.93
POA Stamping Charges	6,271.89	2,093.08
Misc.Expenditure	6,529.13	48,566.00
Total	**3,64,607.33**	**3,32,308.12**

Note 26
CIF value of Imports / FOB value of Exports
CIF value of Imports / FOB value of Exports during the period is NIL (Previous Year : Nil)

Note 27
Earnings/ Expenditure in Foreign Currency
Earnings/ Expenditure in Foreign Currency during the period is NIL (Previous Year : Nil)

Note 28
a)The Company is a Small and Medium Enterprise and having employees less than 50 and hence exempt from disclosure requirements of Gratuity and Leave encashment provisions (under AS 15)
b)Gratuity is administrated through group gratuity scheme with Life Insurance of India. The Fair value of plan assets at the end of the year over the related obligation.

Note 29
Earnings Per share **Rs. In '00**

Particulars	**As at 31st March 2024**	**As at 31st March 2023**
Net Profit/Loss attributable to Equity shareholders	68,695.44	44,626.77
Weighted Average Equity shares outstanding during the period	13,41,10,346	13,41,10,346
Earnings Per Share	0.00	0.00

Note 30
Related Party Disclosures
As per accounting standard 18 on "Related Party Disclosure" issued by the Institute of Chartered Accountants of India the disclosure of transactions with the related party is as under :
(a) Related Party

Name of the Related Parties	**Relationship**
Inter-Connected Enterprises Limited	Associate
Daily Gong Financial Services Limited	Subsidiary of Associate Company
Talent Tidal Business Services (p) Ltd	Relative of Director is Beneficial owner in the company
Essentia Business Private Limited	Relative of Director is Beneficial owner in the company
Chandramohan P G	Director
Raghavan M S	Director
Kumar S	Director
Gnanavel S	Director
Ayyaswami Chandrasekaran	Director

(b) Transactions with Related Parties Other than reimbursement of Expenses **Rs. In '00**

Particulars	As at 31st March 2024	As at 31st March 2023
Expenses		
Training fee paid- Talent Tidel Business Services(p)Ltd	10,000.00	-
Rent Paid -P.G.Chandramohan	10,000.00	-
Sitting Fees for board meetings- Paid to Directors	700.00	700.00
Trading Account Balance:		
Essentia Business Private Limited	14,635.48	-
Inter-Connected Enterprises Limited	1,86,736.89	1,223.07

Note 31

The accounts of certain Trade Receivables, Trade Payables, Short/Long Term Loans and Advances, Other Current Assets and Current Liabilities are subject to confirmation/reconciliation and adjustment, if any. The Management does not expect any material difference affecting the current year's financial statements. In the opinion of the management, the current assets, loans and advances are expected to realise at least the amount at which they are stated in the ordinary course of business and provision for all known liabilities have been adequately made in the books of accounts.

Note 32

The company has not been able to compile the details of vendor's status under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The company contends that no overdue amounts along with interest have been payable to enterprise covered under MSMED Act and generally payments are made to vendors within the stipulated time/agreed credit terms. Information pursuant to the provisions of Section 22 of Micro, Small and Medium Enterprises Development Act, 2006. During the year company has not paid any interest in terms of the section 18 of the above mentioned act. No principal amount or interest amount are due at the end of this accounting year which is payable to any Micro, Small or Medium enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006.

Note 33

Restructure of group Companies :

During the year, the Company made a proposal to Daily Gong Financial Services Ltd. (DGFSL), the subsidiary Company of our Associate Company, i.e. Inter-Connected Enterprises Ltd. (ICEL) to De-merge the Stock Broking and Depository Participant Business Division of MSEFSL and merging the same with the business of DGFSL. The proposal involved full settlement of consideration for the business transfer through issuance of equity shares of the Company in the approved exchange ratio and also takeover of the preference shares and working capital assets and liabilities, with no cash outgo. The above proposal is subject to all corporate approvals, consent of SEBI, Exchanges, Depository, Unsecured creditors, other regulatory agencies and NCLT, Mumbai and Chennai. As part of the above, the Company has drawn up Composite Scheme of Arrangement (CSoA) involving its Equity / Preference Share Capital, besides the above proposal of de-merging the Stock Broking and Depository Participant Business. During the year, the Board of Directors of your Company consented to go ahead, subject to the approval of respective Shareholders, SEBI, Stock Exchanges, Depository and other regulatory agencies. The Scheme is a comprehensive one, which involves, De-merger of Stock Broking and Depository Participant Business Division of your Company and merging the same with that of the DGFSL and settlement of consideration based on valuation certificate issued by Independent Registered Valuer by way of issuance of shares of the Company in the approved exchange ratio, to the shareholders of the Company, post restructuring of the share capital of the Company.

The implementation of the Scheme will help consolidation of similar business pursued by two group Companies and will enable the Company to leverage on the economies of scale and grow further. The Scheme has already been approved by the shareholders of respective Companies, SEBI, Stock Exchanges, Depository, Unsecured Creditors, etc. and the proceedings with NCLT, Mumbai and Chennai is likely to be completed in the next few months. The above Scheme, when approved by NCLT, will be effective from 1st April 2023. It is to be noted that, post implementation of the Scheme, your Company will continue to be an Associate Company of ICEL, in view of the proposed issuance of shares to the shareholders of MSEFSL towards settlement of consideration for the transfer of Stock Broking and Depository Participant Business Division of MSEFSL.

Originally it was estimated that the Scheme approval process will be completed and AGM conducted before end of Sept. 2024. However, as the process was getting delayed, the Company had applied and obtained permission from RoC, Chennai, for extension of time upto 31st December 2024 for conduct of AGM of the shareholders of the Company.

In order to comply with the requirements under the Companies Act, 2013, to hold AGM every year and in view of further time that is likely to be taken for securing the approval of NCLT, Mumbai and Chennai, the accounts of the Company for the financial year 2023-24 has been presented, as before, without considering the effect of the Scheme of Arrangement. The shareholders, while reviewing and approving the financials for the year, are required to note that, post formal approval of Scheme of Arrangement, the financial statements of the Company will require re-statement from 1st April 2023.

Note 34

Contingent Liabilities

a) Estimated amount of contracts remaining to be executed on capital account and not provided for is Nil(Previous year Nil)

b) The Department of Commissioner of Central Excise, Chennai has filed an SLP before the Supreme Court, (on levy of Service tax on the brokerage retained by Sub-brokers of the Company during the year 2000 and 2001), against the order passed by the CESTAT, Chennai, dt. 01.06.2009. The CESTAT had passed orders in favour of the Company, thereby deleting the demand of Rs.3,10,382/-. This SLP has been admitted and the appeal is pending before the Hon'ble Supreme Court.

c) The Income Tax department for the AY 2010-11 had made certain adjustments in the assessment order, resulting in a demand of Rs.1,56,520/-. The Company had filed revision petitions with the Assessing Officer. The company has been advised a fair chance of their suceeding their petitions, and hence no provision for the same has been made in the accounts for the year.

Future cash flows in respect of the above are determinable only on receipt of judgement/decisions pending with various forums/authorities

Note 35
The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the certain provisions of the Code will come into effect and the rules thereunder has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Note 36
No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company (“Ultimate

Note 37
The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.

Note 38
The Company has not accepted any deposit or amounts which are deemed to be deposits.

Note 39
There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

Note 40
The company did not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956,

Note 41
The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year

Note 42
The company has complied with the number of layers prescribed under the Companies Act,2013 read with Companies (Restriction on number of Layers) Rules,2017.

Note 43
Ratios

Particulars	Numerator	Denominator	Current year	Previous year	Variance	Remarks
Current Ratio	Cuurent Assets	Current Liabilities	1.17	1.16	0.00	
Debt-Equity Ratio	Total Debt (Including lease liabilities)	Shareholders Equity	NA	NA	-	
Debt Service Coverage Ratio	Net Operating Income	Total debt service	NA	NA	-	
Return on Equity Ratio	Net income	Average shareholder's equity.	(0.67)	(0.35)	(0.32)	Due to Increase in Total Income vis a vis Previous Year
Inventory turnover ratio	Cost of Goods Sold	Average Inventory	NA	NA	-	
Trade Receivables turnover ratio	Net Credit Sales	Average Accounts Receivable	NA	NA	-	
Trade payables turnover ratio	Purchases of goods,services	Average Accounts	NA	NA	-	
Net capital turnover ratio	Revenue	Working capital	1.67	1.50	0.18	
Net profit ratio	Profit after Tax	Total Income	0.06	0.05	0.02	
Return on Capital employed	EBIT	Capital employed	0.04	0.02	0.01	

Note 44
The company has re-grouped/ re-classified/ ammended the previous year figures whenever necessary.

As per our report attached of even date
For M.S.Krishnaswami & Rajan
Chartered Accountants
Firm Regn No. 01554S

For and behalf of Board of Directors

M.S.Murali - Partner
Membership No. 26453
UDIN :
Place: Chennai
Date : 03 December, 2024

P.G.Chandra Mohan
Director
DIN: 06975353

S.Kumar
Director
DIN: 07661365

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MSE Financial Services Limited

Report on the audit of Consolidated Financial Statements

Opinion

1. We have audited the accompanying Consolidated Financial Statements of **MSE Financial Services Limited** ("the Parent") and the group's share of profit in its Associates (the Parent and its Associates together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss for the year then ended, the Consolidated Cash flow Statement and notes to the financial statements, including summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013('the Act') in the manner so required and give a true and fair view in conformity with the Accounting standards prescribed under the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its financial performance (Loss) and cash flow for the year ended on that date.

Basis for Qualified Opinion

3. The company has entered into a joint venture with Tamil Nadu Skill Development Corporation (TNSDC), The financial statements of the said joint venture are pending finalisation consequently, the consolidated financial statement of the company do not include share of the Joint venture nor is there any elimination of intercompany transaction if any. The investment in Joint venture is reflected at cost.

   Consequently, in our opinion the consolidated statement of profit and loss for the Year, Reserves and surplus and the Non – Current investments in the Joint Venture is not reflective of the impact of the profit /Loss from the Joint venture.

4. The Stock broking and Depository participant business division of the company is proposed to be Demerged into Daily Gong Financial Services Ltd (DGFSL) w.e.f April 1,2023. As explained in detail in Note 33 to the Financial statements, since the approval of NCLT is pending effect of the demerger has not been given in the Standalone accounts of the company as well as the consolidated Financial statements attached.

   In our opinion, the effect of demerger if given effect to will substantially alter the amounts of Reserves & Surplus, Assets and liabilities as now reflected. Consequently, our opinion on the Standalone Financial statements and consolidated Financial statements are qualified. Pending the nature of Final approval of NCLT the impact cannot be estimated.

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

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

6. The Board of Directors is responsible for the other information in their report to Members etc. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the Consolidated Financial Statements and our report thereon. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance for conclusion thereon. In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

7. The accompanying financial statements have been approved by the Parent's Board of Directors. The Parent's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

   In preparing the consolidated financial statements, the respective Board of Directors of the companies management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of Consolidated Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

10. Materiality is the magnitude of misstatements in the Consolidated financial statements that individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors
(i) In Planning the scope of our audit work and in evaluating the results of our work;
(ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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

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

Other Matters

The consolidated financial statements also include the Group's share of net profit of Rs.38.52 lakhs for the year ended 31 March, 2024, as considered in the consolidated financial statements, in respect of one Associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these Associates, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors**.**

Report on Other Legal and Regulatory Requirements

13. 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 relating to preparation of the aforesaid consolidated financial statements have been kept 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 consolidated financial statements comply with the Accounting Standards prescribed under section 133 of the Act read with the relevant rules issued thereunder.

e. On the basis of written representations received from the directors of the Parent as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 Parent and the operating effectiveness of such controls, refer to our separate report in Annexure "A" which is based on the auditor's report of the Parent and its Associate companies incorporated in India . Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal control over financial reporting.

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended in our opinion and to the best of our information and according to the explanations given to us, remuneration paid by the Parent and its Associates to its directors during the year is in compliance with the provisions of Section 197, read with Schedule V of the Act.

h. Except for the effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards

i. 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 Group has, in accordance with the generally accepted accounting practice, disclosed the impact of pending litigations if any, on its financial position in its consolidated financial statements.

   (ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2024.

   (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its Associates.

   (iv) (a) The respective Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 40 to the Consolidated financial Statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (b) The respective Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 40 to the Consolidated financial Statements ,no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v) No dividend was declared for the previous year and paid by the Parent during the year. The Board of Directors of the Parent have not proposed any dividend for the year. Accordingly, compliance with provisions with section 123 of the Companies Act 2013 does not arise.

(vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2024.

(vii) Based on our examination which included test checks the Company has used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same was operatable throughout the year for all relevant transaction recorded in the respective software.

14. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us, we report that there are no qualifications or adverse remarks in the CARO reports of the Parent and its Associates.

For M.S. Krishnaswami & Rajan
Chartered Accountants
Firm registration No.01554S

M.S.Murali
Partner
Membership No.
UDIN
Place: Chennai
Date: December 03,2024

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of MSE Financial Services Limited)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2024, we have audited the internal financial controls with reference to consolidated financial statements of MSE Financial Services Limited (hereinafter referred to as "Parent"), which includes internal financial controls with reference to consolidated financial statements of its Associates, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Director of the Parent and its Associates are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its Associates, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

4. 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 Consolidated Financial Statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its Associates, which are companies incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of the company; (ii) 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 (iii) 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

7. 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

8. In our opinion, to the best of our information and according to the explanations given to us, the Parent and its Associates which are companies incorporated in India has in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31,2024 based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates one associate company which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

For M.S. Krishnaswami & Rajan
Chartered Accountants
Firm's Registration No. 015545

M.S. Murali
Partner
Membership No. 26453
UDIN:
Place: Chennai
Date: December 03,2024

MSE FINANCIAL SERVICES LIMITED
Consolidated Balance Sheet as at 31st March 2024

Rs in '00

	Particulars	Note No.	As at 31st March 2024	As at March 31, 2023
I.	**EQUITY AND LIABILITIES**			
1	**Shareholder's Funds**			
	(a) Share Capital			
	Equity Shares(13,41,10,346/- Equity Shares of Re.1/-each)	3	13,41,103.46	13,41,103.46
	Preference Shares (6% 1,00,00,000 [2023: 1000000 shares] Non cumulative Non convertible redeemable Preference Shares of Rs.10/-each)		10,00,000.00	10,00,000.00
			23,41,103.46	23,41,103.46
	(b) Reserves and Surplus	4	(6,39,878.86)	(7,47,094.78)
2	**Non-Current Liabilities**			
	(a) Deferred Tax Liabilities (Net)		-	-
	(b) Long Term Provisions	5	12,615.53	7,995.46
			-	
3	**Current Liabilities**			
	(a) Trade Payables :			
	(i)Total outstanding dues of micro and small enterprises		-	-
	(ii)Total outstanding dues of creditors other than micro and small enterprises	6	39,099.33	85,917.49
	(b) Other Current Liabilities	7	37,30,272.92	35,98,089.05
	Total		**54,83,212.38**	**52,86,010.68**
II.	**ASSETS**			
1	**Non-Current Assets**			
	(a) Property, Plant and Equipment and Intangible assets			
	(i) Tangible Assets	8	12,489.47	10,933.33
	(ii) Intangible Assets	9	-	-
	(b) Non-Current Investments	10	6,14,550.32	5,76,030.47
	(c) Defferred Tax Assets (Net)	11	6,209.33	3,517.04
	(d) Long-Term Loans & Advances	12	20,845.20	27,103.43
	(e) Other non-current assets	13	4,24,485.45	3,65,509.59
2	**Current Assets**			
	(a) Current Investments	14	125.41	16,401.35
	(b) Trade Receivables	15	1,13,966.55	1,28,626.22
	(c) Cash & Bank Balances	16	36,34,036.37	38,07,708.09
	(d) Short-Term Loans & Advances	17	3,94,703.47	2,12,954.85
	(e) Other Current Assets	18	2,61,800.81	1,37,226.31
	Total		**54,83,212.38**	**52,86,010.68**

The notes referred to above form an integral part of the financial statement

As per our report attached of even date
For M.S.Krishnaswami & Rajan
Chartered Accountants
Firm Regn No. 01554S

For and behalf of Board of Directors

M.S.Murali - Partner
Membership No. 26453
UDIN :
Place: Chennai
Date : 03 December,2024

P.G.Chandra Mohan
Director
DIN: 06975353

S.Kumar
Director
DIN: 07661365

MSE FINANCIAL SERVICES LIMITED
Consolidated Statement of Profit and Loss for the period ended March 31, 2024

Rs. in '00

	Particulars	Note	For the period ended 31st March 2024	For the period ended 31st March 2023
I	Revenue From Operations	19	9,20,648.39	7,67,843.79
II	Other Income	20	1,41,178.78	1,33,340.04
III	**Total Revenue (I +II)**		**10,61,827.17**	**9,01,183.83**
IV	**Expenses:**			
	Fee and Commission Expense	21	4,59,667.72	2,99,928.96
	Employees Cost & Benefits	22	1,50,561.39	1,74,747.57
	Depreciation and Amortization Expense	23	2,529.74	5,842.27
	Finance cost	24	-	35,478.90
	Other Expenses	25	3,64,606.69	3,32,311.12
V	**Total Expenses**		**9,77,365.55**	**8,48,308.82**
VI	**Profit Before Exceptional Item (III- V)**		**84,461.62**	**52,875.01**
VI	Share of Profit/(Loss) of Associate		38,519.85	2,498.24
VII	**Profit Before Tax (III- V)**		**1,22,981.47**	**55,373.25**
VIII	Tax Expense:			
	(1) Current tax		(18,457.84)	-
	(2) Prior Period Tax		-	(9,049.30)
	(3) Deferred tax		2,692.29	798.07
	Total Tax Expense		**(15,765.55)**	**(8,251.23)**
IX	**Profit (Loss) for the period (VII - VIII)**		**1,07,215.92**	**47,122.02**
X	**Profit/(loss) from discontinuing operations**			
			1,07,215.92	**47,122.02**
XI	**Earnings per Equity Share:**			
	Basic EPS		0.05	0.02
	Diluted EPS		0.05	0.02

The notes referred to above form an integral part of the financial statement

As per our report attached of even date
For M.S.Krishnaswami & Rajan
Chartered Accountants
Firm Regn No. 01554S

For and behalf of Board of Directors

M.S.Murali - Partner
Membership No. 26453
UDIN :
Place: Chennai
Date : 03 December,2024

P.G.Chandra Mohan
Director
DIN: 06975353

S.Kumar
Director
DIN: 07661365

MSE FINANCIAL SERVCIES LTD

Consolidated Statement of Cash Flows for the period ended March 31, 2024

Rs. in '00

	Particulars	For the year period 31st March 2024	For the year period 31st March 2023
A	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Net profit before tax and extraordinary items	84,461.62	52,875.01
	Adjustments for:		-
	Depreciation	2,529.74	5,842.27
	Interest expense	-	35,478.90
	Interest income	(1,13,569.36)	(1,27,238.73)
	Operating profit/(loss) before working capital changes	**(26,578.00)**	**(33,042.55)**
	Adjustments for changes in-		
	Other Non current assets	(58,975.86)	6,91,080.80
	Other Current Liabilities	1,32,183.88	(7,77,856.08)
	Short Term Provisions	-	(591.93)
	Trade Payables	(46,818.16)	39,794.49
	Short-Term Loans & Advances	(1,81,748.62)	(1,08,677.04)
	Other Current Assets	(1,24,574.50)	(79,280.55)
	Long Term Provisions	4,620.07	3,724.91
	Trade Receivables	14,659.66	1,04,129.23
	Long-Term Loans & Advances	6,258.23	(5,298.23)
	Cash generated from Operations	**(2,80,973.30)**	**(1,66,016.95)**
	Add/(less): Income Tax Adjustments	(18,457.84)	(9,049.30)
	Net Cash from Operating activites (A)	**(2,99,431.14)**	**(1,75,066.25)**
B	**CASH FLOWS FROM INVESTING ACTIVITIES**		-
	Proceeds from disposal of non current assets	-	-
	Add: Non-operating incomes from Investments		-
	Purchase of Investments	-	(1,00,000.00)
	Current Investments	16,275.94	574.19
	Interest Income	1,13,569.36	1,27,238.73
	Purchase of Property, Plant and Equipment	(4,085.88)	(1,518.38)
	Net Cash Flow Investing Activities (B)	**1,25,759.42**	**26,294.54**
C	**CASH FLOWS FROM FINANCING ACTIVITIES**		-
	Proceeds from issuance of share capital & borrowings		-
	Interest paid	-	(35,478.90)
	Net cash used in financing activities (C)	**-**	**(35,478.90)**
	Net increase/(decrease) in cash and cash equivalents(A+B+C)	(1,73,671.72)	(1,84,250.61)
	Cash and cash equivalents at beginning of period	38,07,708.09	39,91,956.32
	Cash and cash equivalents at end of period	**36,34,036.37**	**38,07,707.71**

This is the Statement of Cash Flow referred to in our report of even date

As per our report attached of even date

For M.S.Krishnaswami & Rajan
Chartered Accountants
Firm Regn No. 01554S

M.S.Murali
Partner
Membership No. 26453

For and behalf of Board of Directors

P.G.Chandra Mohan
Director
DIN: 06975353

S.Kumar
Director
DIN: 07661365

Place: Chennai
Date : 03 December,2024

MSE FINANCIAL SERVICES LTD
Notes annexed to and forming part of the Consolidated Financial Statements

Rs. in '00

Particulars	**As at 31st March 2024**	**As at 31st March 2023**
Note 3		
Share Capital		
Authorised Capital		
13,50,00,000[2023: 13,50,00,000 shares] Equity Shares of Re.1 each	13,50,000.00	13,50,000.00
1,00,00,000[2023:1,00,00,000 shares] 6% Non Cummulative,Non Convertible,Redeeemable Preference Shares of Rs.10/-each	10,00,000.00	10,00,000.00
	23,50,000.00	23,50,000.00
Issued, Subscribed and Paid Up Capital		
13,41,10,346 [2023: 13,41,10,346 shares] Equity Shares of Re.1 each	13,41,103.46	13,41,103.46
6% 1,00,00,000 [2023: 1,00,00,000 shares] Non cumulative Non convertible redeemable Preference Shares of Rs.10/-each	10,00,000.00	10,00,000.00
	23,41,103.46	23,41,103.46
Total	**23,41,103.46**	**23,41,103.46**

(a) Reconciliation of Number of Shares:
Equity Shares:

Particulars	**As at 31st March 2024**		**As at 31st March 2023**	
	No. of Shares	**Amount**	**No. of Shares**	**Amount**
Balance as at the Beginning of the Year(Equity)	13,41,10,346	13,41,103.46	13,41,10,346	13,41,103.46
Less: Shares bought back during the year	-	-	-	-
Add: Issue During The Year(Equity Shares)	-	-	-	-
Balance as at the End of the Year	**13,41,10,346**	**13,41,103**	**13,41,10,346**	**13,41,103.46**

Preference Shares:

Particulars	**As at 31st March 2024**		**As at 31st March 2023**	
	No. of Shares	**Amount**	**No. of Shares**	**Amount**
Balance as at the Beginning of the Year(Preference)	1,00,00,000	10,00,000	1,00,00,000	10,00,000.00
Add: Issued During the Year (Preference Shares)				
Balance as at the End of the Year	**1,00,00,000**	**10,00,000**	**1,00,00,000.00**	**10,00,000.00**

(b) Rights & Restrictions Attached to Shares

The Equity share holders are entitled to receive dividend as and when declared subject to payment of dividend to Preference shareholders if any, right to vote in proportion of holding etc., and their rights, preferences and restrictions are governed by or in terms of their issue and provisions of Companies' Act, 2013.

The Preference shareholders are entitled to receive dividend as and when declared and they have certain preferential right over equity shares of the company. Their rights, preferences and restrictions are governed by or in terms of their issue and provisions of Companies' Act, 2013.

(c)Bonus shares

Aggregate number and class of equity shares alloted for consideration other than cash, bonus etc., in the five years immediately preceding the balance sheet date as on March 31, 2024 Rs.4,09,78,161)

(d) Aggregate number and class of shares allotted as fully paid up persuant to contract(s) without payment being received in cash and aggregate number of shares bought back during the period of five years immediately preceeding March 31,2024 - Nil

(e)Details of Shares held by Shareholders holding more than 5% of the aggregate shares in the company

Particulars	**As at 31st March 2024**		**As at 31st March 2023**	
	No. of Shares held	**%**	**No. of Shares held**	**%**
Equity Shares				
Madras Enterprises Pvt. Ltd.	70,20,000	5%	70,20,000	0.05
Thailambal Chandramohan	3,95,92,810	29.52%	3,95,92,810	0.30
Ramkumar Krishnamoorthy	3,95,92,810	29.52%	3,95,92,810	0.30
Preference Shares				
Madras Enterprises Pvt. Ltd.	75,00,000	75.00%	75,00,000	0.75
Thailambal Chandramohan	12,50,000	12.50%	12,50,000	0.13
Ramkumar Krishnamoorthy	12,50,000	12.50%	12,50,000	0.13

Rs. in '00

NOTE - 4	As at 31st March 2024		As at 31st March 2023	
RESERVES AND SURPLUS				
a) Capital Reserve :		59,778.50		59,778.50
		-		
b) Securities Premium		11,61,784.70		11,61,784.70
		-		
c) General Reserve		-		-
d)Surplus to p&l ac				
Opening Balance	(19,68,657.98)		(20,15,780.00)	
Add:Profit for the year	1,07,215.92		47,122.02	
			-	
		(18,61,442.06)		(19,68,657.98)
TOTAL		(6,39,878.86)		(7,47,094.78)

Notes :

A. Capital reserve represents reserve created pursuant to the business combinations and can be utilised for purposes specified under the Act including issue of Bonus shares.

B.Securities premium represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies' Act, 2013 (the Act) for specified purposes

C.General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as payment

D.Balance Surplus in Statement of Profit and Loss represented by profit is generally available for distribution of didvidend subject to the

Rs. in '00

Note 5		
Long Term Provisions		
(a) Provision for Employee Benefits:		
Provision for Gratuity	7,662.48	5,390.47
Provision for Leave Encashment	4,953.05	2,604.99
Total	**12,615.53**	**7,995.46**

Particulars	As at 31st March 2024	As at 31st March 2023
Note 6		
Trade Payables		
Due to micro and small enterprises		
Due to Creditors other than micro and small enterprises	**39,099.33**	85,917.49
	39,099.33	**85,917.49**

Trade Payables - Ageings Rs. in '00

Particulars	As at 31st March 2024				
	Less than 1 year	**1- 2 years**	**2-3 years**	**More than 3 years**	**Total**
a) MSME	-	-	-	-	-
b) Others	37,961.38	367.20	218.25	552.50	39,099.33
c) Disputed dues - MSME	-	-	-	-	-
d) Disputed dues - Others	-	-	-	-	-
Total	**37,961.38**	**367.20**	**218.25**	**552.50**	**39,099.33**

Particulars	As at March 31, 2023				
	Less than 1 year	**1- 2 years**	**2-3 years**	**More than 3 years**	**Total**
a) MSME	-	-	-	-	-
b) Others	71,139.67	7,300.44	7,477.38		85,917.49
c) Disputed dues - MSME	-	-	-	-	-
d) Disputed dues - Others	-	-	-	-	-
Total	**71,139.67**	**7,300.44**	**7,477.38**	**-**	**85,917.49**

Note 7		Rs. in '00
Particulars	**As at 31st March 2024**	**As at 31st March 2023**
Other Current Liabilities		
Client Account	35,83,525.78	17,56,322.56
Due to clearing corporation	-	16,14,438.55
Sub Brokerage payable	5,858.69	2,619.89
Statutory dues payable	8,049.56	29,032.13
Trade Margin advance Received	53,554.28	54,304.28
Provision for expenses	21,751.98	25,829.79
Access charges received in Advance	24,789.32	94,830.76
Other Liabilities	32,743.31	20,711.09
Total	**37,30,272.92**	**35,98,089.05**
Note 10		
Non-Current Investments		
Unquoted Equity Instruments (Trade, Non-Quoted, stated at Cost)		
1,23,19,762 Equity Shares [31st March 2023: 1,23,19,762] of Re. 1/- each Held in Inter Connected Stock Exchange Ltd		
Cost of Acquisition	3,48,440.47	3,48,440.47
Add:Group share of Profit	1,66,109.85	1,27,590.00
10,00,000 Equity Shares [31st March 2023: 10,00,000] of Rs. 10/- Held in TamilNadu Apex Skill Development Centre for Banking Financial Services & Insurance.	1,00,000.00	1,00,000.00
Total	**6,14,550.32**	**5,76,030.47**
Note 10.1		
Aggregate amount of Quoted Investments	-	-
Aggregate Market value of Quoted Investments	-	-
Aggregate amount of unquoted Investments	6,14,550.32	5,76,030.47
Note 11		
Deferred Tax Liability/ (Asset) - Net		
Deferred Tax Asset		
Deferred Tax Assets in relation to Property,Plant and Equipment	955.43	1,438.22
Deferred Tax Asset on Expenditure allowed upon payment	5,253.90	2,078.82
	6,209.33	**3,517.04**
Note 12		
Long-Term Loans & Advances (Unsecured, Considered Good)		
Rental Advance	20,845.20	27,103.43
	20,845.20	**27,103.43**
Note 13		
Other Non Current Asset		
Long-Term Loans & Advances (Unsecured, Considered Good)		
(a) Security Deposits with Stock Exchanges/Depository	3,62,183.10	2,81,245.00
(b) Advance income tax & TDS receivables (Net of provision)	62,302.35	84,264.59
Total	**4,24,485.45**	**3,65,509.59**

		Rs. in '00
Particulars	As at 31st March 2024	As at 31st March 2023
Note 14		
Current Investment		
Investment in Equity Shares(Traded quoted)	125.41	16,401.35

Rs. in '00

Security Name	No. of Shares	Opening Value as on 01.04.2024	Value of Purchase	Value of Sales	Current value as on 31.03.2024
Avenue supermarts Limited	25	850.83	-	910.88	-
Ballarpur Industries Ltd.	54	0.33	-	-	0.48
Cl Educate Limited	3,000	1,474.50	-	1,880.18	-
Dsq Software Ltd.	50	5.00	-	-	5.00
Fiem Industries Ltd.	50	782.18	-	922.83	-
IcIcI Securities Limited	250	1,068.88	-	1,580.12	-
Indian Railway Catering	50	286.42	935.51	1,353.50	-
Infosys Ltd.	10	142.77	-	133.00	-
Mahindra & Mahindra Ltd.	10	115.86	-	131.98	-
Nettlinx Ltd.	100	200.15	-	199.63	-
Nextgen Animation Mediaa Ltd.	20	2.00	-	-	2.00
Nmdc Ltd.	500	558.00	-	525.50	-
Nmdc steel Limited	500	155.30	-	214.00	-
Pentamedia graphics Ltd.	912	2.64	-	-	9.12
Polar Industries Ltd.	25	2.50	-	-	2.50
Precision camshafts Limited	1,000	952.80	-	1,533.06	-
Quintegra solutions Ltd.	4,700	47.00	-	-	97.76
Rajshree polypack Limited	500	702.25	-	829.68	-
Ramco Industries Ltd.	1,000	1,240.50	1,693.38	4,495.69	-
Reliance Industries Ltd.	10	233.11	-	248.10	-
Secmark consultancy Limited	2,500	2,237.50	-	2,542.49	-
Shalby Limited	2,500	3,365.00	-	4,065.28	-
Shapre infotech india Ltd.	33	3.30	-	-	3.30
Silverline technologies Ltd.	50	5.00	-	-	5.00
Spencers retail Limited	1,000	517.30	-	664.19	-
Ugro capital Limited	1,000	1,450.00	1,384.33	4,438.62	-
Nip etnf1d rtliqbees	1	0.25	-	-	0.25
Bank of maharashtra	-	-	2,362.51	2,430.00	-
Nhc foods Ltd.	-	-	532.84	415.16	-
Qgo finance Limited	-	-	497.81	466.75	-
Ceinsys tech Limited	-	-	4,162.53	7,132.45	-
Loyal equipments Limited	-	-	1,136.55	1,335.78	-
Genus power infrastructures lt	-	-	713.92	1,348.18	-
Karnataka bank Ltd.	-	-	5,966.12	5,293.46	-
Lemon tree hotels Limited	-	-	2,024.97	2,213.99	-
Palred technologies Limited	-	-	1,342.61	1,560.72	-
Power finance corporation Ltd.	-	-	2,229.01	2,691.99	-
Sansera engineering Limited	-	-	4,721.92	4,280.54	-
Tribhovandas bhimji zaveri Ltd	-	-	919.01	999.99	-
UCO bank	-	-	2,137.51	2,185.00	-
	19,850.00	**16,401.35**	**32,760.50**	**59,022.70**	**125.41**

Rs. in '00

Particulars	As at 31st March 2024	As at 31st March 2023
Note 15		
Trade Receivables (Unsecured, Considered Good)		
Outstanding for a period exceeding six months from the date they were due for payment		
a)Unsecured-Considered good	1,13,966.55	1,13,613.46
b)Unsecured Considered Doubtful	10,672.08	28,020.72
	1,24,638.62	1,41,634.18
Less:Provision for doubtful debts	10,672.08	27,195.52
	1,13,966.55	1,14,438.66
c)Other debts		
i)Unsecured-Considered good	-	14,187.56
	1,13,966.55	**1,28,626.22**

Trade Receivables - Ageings Rs. in '00

Particulars	As at 31st March 2024				
	Not Due	Due less than 6 months	6 months -1 year	1-2 years	Total
a) Undisputed Trade receivables - considered good	-	1,13,966.55	-	-	1,13,966.55
b) Undisputed Trade receivables - considered doubtful	-		-	10,672.08	10,672.08
c) Disputed Trade receivables - considered good	-	-	-	-	-
d) Disputed Trade receivables - considered doubtful	-	-	-	-	-
e) Allowance for Credit Loss				(10,672.08)	(10,672.08)
Total	**-**	**1,13,966.55**	**-**	**-**	**1,13,966.55**

Rs. in '00

Particulars	As at March 31, 2023				
	Not Due	Due less than 6 months	6 months -1 year	1-2 years	Total
a) Undisputed Trade receivables – considered good	-	1,27,801.02	-	-	1,27,801.02
b) Undisputed Trade receivables – considered doubtful	-	-	-	28,020.72	28,020.72
c) Disputed Trade receivables - considered good	-	-	-	-	-
d) Disputed Trade receivables - considered doubtful	-	-	-	-	-
e) Allowance for Credit Loss				(27,195.52)	(27,195.52)
Total	**-**	**1,27,801.02**	**-**	**825.20**	**1,28,626.22**

Note 16		
Cash and Cash Equivalents		
Cash on Hand	93.87	326.36
Balances with Banks		
- Client Balance	1,57,190.00	17,91,845.90
- MSEFSL Balance	22,330.47	22,535.83
Bank Balance in Deposit Accounts (with maturity more than 12 months)*	-	
- Client Balance	32,98,172.03	18,23,000.00
- MSEFSL Balance	1,56,250.00	1,70,000.00
*Fixed Deposit under lien with BSE/NSE to meet margin requirements		
Total	**36,34,036.37**	**38,07,708.09**
Note 17		
Short-Term Loans & Advances (Unsecured, Considered Good)		
i) Loans & Advances to Employees	870.00	3,740.00
Others	7,043.57	148.00
GST Input	3,029.95	-
ii) Secured, Considered Good	-	-
Margin Trading Fund receivable	3,83,759.95	2,09,066.85
Note 17.1: Advance receivable from Margin Trading fund is secured by a Lien on shares/securities invested by Trading members.		
	3,94,703.47	**2,12,954.85**
Note 18		
Other Current Assets		
Balance with Government Authorities	-	436.90
Prepaid Expenses	21,054.92	7,467.10
Interest Accrued but not due	59,512.08	84,244.81
Due from clearing corporation	44,840.34	-
Exchange Obligation	1,36,368.47	39,164.74
Others	25.00	5,912.76
Total	**2,61,800.81**	**1,37,226.31**

Note 8

Tangible Assets

2023-24 Rs. in '00

Particulars	**Gross Block**				**Depreciation**					**Net Block**	
	1st April 2023	**Additions**	**Disposals**	**31st March 2024**	**1st April 2023**	**Debited in Retain earnings**	**Dep For the Period**	**Disposals**	**31st March 2024**	**31st March 2024**	**31st Mar 2023**
Office Equipment	4,073.43	1,200.00	-	5,273.43	2,361.60	-	661.98	-	3,023.58	2,249.85	1,711.83
Furniture & Fixtures	4,522.14	-	-	4,522.14	1,589.24	-	410.95	-	2,000.19	2,521.95	2,932.90
Computers	74,010.58	2,259.97	-	76,270.55	69,631.18	-	655.35	-	70,286.53	5,984.02	4,379.40
Air Conditioners	5,628.90	625.91	-	6,254.81	3,719.70	-	801.46	-	4,521.16	1,733.65	1,909.20
Vehicle	-	-	-	-	-	-	-	-	-	-	-
Total	**88,235.05**	**4,085.88**	**-**	**92,320.93**	**77,301.72**	**-**	**2,529.74**	**-**	**79,831.46**	**12,489.47**	**10,933.33**

2022-23 Rs. in '00

Particulars	**Gross Block**				**Depreciation**					**Net Block**	
	1st April 2022	**Additions**	**Disposals**	**31st March 2023**	**1st April 2022**	**Debited in Retain earnings**	**Dep For the Period**	**Disposals**	**31st March 2023**	**31st March 2023**	**31st Mar 2022**
Office Equipment	3,660.93	412.50	-	4,073.43	1,599.76	-	761.84	-	2,361.60	1,711.83	2,061.17
Furniture & Fixtures	3,416.26	1,105.88	-	4,522.14	1,179.41	-	409.83	-	1,589.24	2,932.90	2,236.85
Computers	74,010.58	-	-	74,010.58	66,163.43	-	3,467.75	-	69,631.18	4,379.40	7,847.14
Air Conditioners	5,628.90	-	-	5,628.90	2,944.25	-	775.45	-	3,719.70	1,909.20	2,684.65
Vehicle	-	-	-	-	-	-	-	-	-	-	-
Total	**86,716.67**	**1,518.38**	**-**	**88,235.05**	**71,886.85**	**-**	**5,414.87**	**-**	**77,301.72**	**10,933.33**	**14,829.81**

Note 9

Intangible Assets

2023-24 Rs. in '00

Particulars	**Gross Block**				**Amortization**					**Net Block**	
	1st April 2023	**Additions**	**Disposals**	**31st March 2024**	**As at 1st April 2023**	**Debited in Retain earnings**	**Dep For the Year**	**Disposals**	**31st March 2024**	**31st March 2024**	**As at 31st Mar 2023**
Computer Software	59,609.64	-	-	59,609.64	59,609.64	-		-	59,609.64	-	-
Total	**59,609.64**	**-**	**-**	**59,609.64**	**59,609.69**	**-**	**-**	**-**	**59,609.64**	**-**	**-**

2022-23 Rs. in '00

Particulars	**Gross Block**				**Amortization**					**Net Block**	
	1st April 2022	**Additions**	**Disposals**	**31st March 2023**	**1st April 2022**	**Debited in Retain earnings**	**Dep For the Period**	**Disposals**	**31st March 2023**	**31st March 2023**	**31st Mar 2022**
Computer Software	59,610	-	-	59,609.64	59,182.24	-	42,739.73	-	1,01,921.97	-	42,740.00
Total	**59,610**	**-**	**-**	**59,609.64**	**59,182.29**	**-**	**42,739.73**	**-**	**1,01,921.97**	**-**	**42,740.00**

Notes:

(i)Amount of contractual commitments for acquisition of Property,Plant and Equipment - Refer Note 37

(ii)Impairment loss recognised during the year Nil (2022-23 - Nil)

(iii)Property,Plant and Equipment given as security against borrowings Nil (2022-23 - Nil)

(iv)Borrowing costs and other expenditure capitalised during the year Rs.Nil (2022-23 - Nil)

MSE FINANCIAL SERVICES LTD
Notes annexed to and forming part of the Consolidated Financial Statements

Rs. in '00

Particulars	For the period ended March 31, 2024	For the period ended March 31, 2023
Note 19		
(a) Revenue from		
- Brokerage	7,98,024.63	5,37,072.29
- DP Operation	55,505.07	40,218.36
- Other Operational Income	67,118.69	1,90,553.14
Total	**9,20,648.39**	**7,67,843.79**
Note 20		
Other Income		
Interest Income from Deposits	1,13,569.36	1,27,238.73
Writeback of Liabilities	17,623.16	5,928.55
Realised profit on sale of Shares	9,928.88	-
Unrealised profit on sale of Shares	57.38	172.76
Total	**1,41,178.78**	**1,33,340.04**
Note 21		
Fees and Commission Expenses		
Brokerage Paid to Sub-Brokers	4,59,667.72	2,99,928.96
	4,59,667.72	**2,99,928.96**
Note 22		
Employee Benefits		
Salaries/Ex-gratia/Other funds	1,32,026.91	1,55,670.55
Gratuity	2,272.01	3,894.87
Contributions to Provident Funds	4,797.20	2,980.26
Staff Welfare Expenses	8,465.27	9,201.89
Director remuneration	3,000.00	3,000.00
Total	**1,50,561.39**	**1,74,747.57**
Note 23		
Depreciation and Amortization		
Depreciation on Tangible Assets	2,529.74	5,414.87
Amortization on Intangible Assets	-	427.40
Total	**2,529.74**	**5,842.27**
Note 24		
Finance Cost		
Interest Expenses	-	35,478.90
Total	**-**	**35,478.90**

		Rs. in '00
Particulars	**For the period ended March 31, 2024**	**For the period ended March 31, 2023**
Note 25		
Other Expenses		
Rent	41,837.02	27,757.38
Repairs & Maintenance	2,268.34	10,950.82
Electricity Charges	7,535.66	6,702.34
Travelling & Conveyance	13,468.59	6,591.19
Communication Expenses	20,730.42	15,998.49
DP Operational charges	25,151.07	19,651.49
Subscriptions Charges and fee for Cloud services	31,083.29	26,667.93
Annual Maintenance Software and Networking	43,866.58	43,571.61
Membership & Subscription	3,445.40	4,248.27
Unealised Profit/Loss from Equity Investments	-	574.19
Rates and Taxes	1,926.16	910.92
Printing & Stationery	6,218.04	1,235.24
Professional / Consulting Charges	86,658.43	58,722.44
Audit Fees	-	
- For Statutory Audit	4,000.00	3,000.00
- For Taxation	1,000.00	800.00
- For Consolidation	1,200.00	1,200.00
- Certification Fees	1,400.00	2,196.00
Bad Debts written off	16,523.44	-
Provision for doubtful debts written back	(16,523.44)	-
Sitting Fees for Directors	700.00	700.00
Market/Survey Expenditure	56,063.55	49,351.80
Insurance	1,291.64	-
Advertisment Charges	1,962.12	818.93
POA Stamping Charges	6,271.89	2,093.08
Misc.Expenditure	6,528.49	48,569.00
Total	**3,64,606.69**	**3,32,311.12**

Note 26

CIF value of Imports / FOB value of Exports

CIF value of Imports / FOB value of Exports during the period is NIL (Previous Year : Nil)

Note 27

Earnings/ Expenditure in Foreign Currency

Earnings/ Expenditure in Foreign Currency during the period is NIL (Previous Year : Nil)

Note 28

a)The Company is a Small and Medium Enterprise and having employees less than 50 and hence exempt from disclosure requirement of Gratuity and Leave encashment provisions (under AS 15)

b)Gratuity is administrated through group gratuity scheme with Life Insurance of India. The Fair value of plan assets at the end of the year over the related obligation.

Note 29

Earnings Per share **Rs. In '00**

Particulars	**As at 31st March 2024**	**As at 31st March 2023**
Net Profit/Loss attributable to Equity shareholders	1,07,215.92	47,122.02
Weighted Average Equity shares outstanding during the period	13,41,10,346.00	13,41,10,346.00
Earnings Per Share	0.00	0.00

Note 30

Related Party Disclosures

As per accounting standard 18 on "Related Party Disclosure" issued by the Institute of Chartered Accountants of India the disclosure of transactions with the related party is as under :

(a) Related Party:

Name of the Related Parties	**Relationship**
Inter-Connected Enterprises Limited	Associate
Daily Gong Financial Services Limited	Subsidiary of Associate Company
Talent Tidal Business Services (p) Ltd	Relative of Director is Beneficial owner in the company
Essentia Business Private Limited	Relative of Director is Beneficial owner in the company
Chandramohan P G	Director
Raghavan M S	Director
Kumar S	Director
Gnanavel S	Director
Ayyaswami Chandrasekaran	Director

(b) Transactions with Related Parties Other than reimbursement of Expenses **Rs in '00**

Particulars	As at 31st March 2024	As at 31st March 2023
Expenses		
Training fee paid- Talent Tidel Business Services(p)Ltd	10,000.00	-
Rent Paid -P.G.Chandramohan	10,000.00	-
Sitting Fees for board meetings- Paid to Directors	700.00	700.00
	-	-
Trading Account Balance:	-	-
Essentia Business Private Limited	14,635.48	-
Inter-Connected Enterprises Limited	1,86,736.89	1,223.07

Note 31

The accounts of certain Trade Receivables, Trade Payables, Short/Long Term Loans and Advances, Other Current Assets and Current Liabilities are subject to confirmation/reconciliation and adjustment, if any. The Management does not expect any material difference affecting the current year's financial statements. In the opinion of the management, the current assets, loans and advances are expected to realise at least the amount at which they are stated in the ordinary course of business and provision for all known liabilities have been adequately made in the books of accounts.

Note 32

The company has not been able to compile the details of vendor's status under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The company contends that no overdue amounts along with interest have been payable to enterprise covered under MSMED Act and generally payments are made to vendors within the stipulated time/agreed credit terms. Information pursuant to the provisions of Section 22 of Micro, Small and Medium Enterprises Development Act, 2006. During the year company has not paid any interest in terms of the section 18 of the above mentioned act. No principal amount or interest amount are due at the end of this accounting year which is payable to any Micro, Small or Medium enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006.

Note 33
Restructure of group Companies :

During the year, the Company made a proposal to Daily Gong Financial Services Ltd. (DGFSL), the subsidiary Company of our Associate Company, i.e. Inter-Connected Enterprises Ltd. (ICEL) to De-merge the Stock Broking and Depository Participant Business Division of MSEFSL and merging the same with the business of DGFSL. The proposal involved full settlement of consideration for the business transfer through issuance of equity shares of the Company in the approved exchange ratio and also takeover of the preference shares and working capital assets and liabilities, with no cash outgo. The above proposal is subject to all corporate approvals, consent of SEBI, Exchanges, Depository, Unsecured creditors, other regulatory agencies and NCLT, Mumbai and Chennai. As part of the above, the Company has drawn up Composite Scheme of Arrangement (CSoA) involving its Equity / Preference Share Capital, besides the above proposal of de-merging the Stock Broking and Depository Participant Business. During the year, the Board of Directors of your Company consented to go ahead, subject to the approval of respective Shareholders, SEBI, Stock Exchanges, Depository and other regulatory agencies. The Scheme is a comprehensive one, which involves, De-merger of Stock Broking and Depository Participant Business Division of your Company and merging the same with that of the DGFSL and settlement of consideration based on valuation certificate issued by Independent Registered Valuer by way of issuance of shares of the Company in the approved exchange ratio, to the shareholders of the Company, post restructuring of the share capital of the Company.
The implementation of the Scheme will help consolidation of similar business pursued by two group Companies and will enable the Company to leverage on the economies of scale and grow further. The Scheme has already been approved by the shareholders of respective Companies, SEBI, Stock Exchanges, Depository, Unsecured Creditors, etc. and the proceedings with NCLT, Mumbai and Chennai is likely to be completed in the next few months. The above Scheme, when approved by NCLT, will be effective from 1st April 2023. It is to be noted that, post implementation of the Scheme, your Company will continue to be an Associate Company of ICEL, in view of the proposed issuance of shares to the shareholders of MSEFSL towards settlement of consideration for the transfer of Stock Broking and Depository Participant Business Division of MSEFSL.

Originally it was estimated that the Scheme approval process will be completed and AGM conducted before end of Sept. 2024. However, as the process was getting delayed, the Company had applied and obtained permission from RoC, Chennai, for extension of time upto 31st December 2024 for conduct of AGM of the shareholders of the Company.
In order to comply with the requirements under the Companies Act, 2013, to hold AGM every year and in view of further time that is likely to be taken for securing the approval of NCLT, Mumbai and Chennai, the accounts of the Company for the financial year 2023-24 has been presented, as before, without considering the effect of the Scheme of Arrangement. The shareholders, while reviewing and approving the financials for the year, are required to note that, post formal approval of Scheme of Arrangement, the financial statements of the Company will require re-statement from 1st April 2023.

Note 34
Contingent Liabilities
a) Estimated amount of contracts remaining to be executed on capital account and not provided for is Nil(Previous year Nil)
b) The Department of Commissioner of Central Excise, Chennai has filed an SLP before the Supreme Court, (on levy of Service tax on the brokerage retained by Sub-brokers of the Company during the year 2000 and 2001), against the order passed by the CESTAT, Chennai, dt. 01.06.2009. The CESTAT had passed orders in favour of the Company, thereby deleting the demand of Rs.3,10,382/-. This SLP has been admitted and the appeal is pending before the Hon'ble Supreme Court.
c) The Income Tax department for the AY 2010-11 had made certain adjustments in the assessment order, resulting in a demand of Rs.1,56,520/-. The Company had filed revision petitions with the Assessing Officer. The company has been advised a fair chance of their suceeding their petitions, and hence no provision for the same has been
Future cash flows in respect of the above are determinable only on receipt of judgement/decisions pending with various forums/authorities

Note 35
The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the certain provisions of the Code will come into effect and the rules thereunder has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Note 36
No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company (“Ultimate

Note 37
The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.

Note 38
The Company has not accepted any deposit or amounts which are deemed to be deposits.

Note 39
There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

Note 40
The company did not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956,

Note 41
The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year

Note 42
The company has complied with the number of layers prescribed under the Companies Act,2013 read with Companies (Restriction on number of Layers) Rules,2017.

Note 43
Ratios

Particulars	**Numerator**	**Denominator**	**Current year**	**Previous year**	**Variance**	**Remarks**
Current Ratio	Cuurent Assets	Current Liabilities	1.17	1.16	0.00	
Debt-Equity Ratio	Total Debt (Including lease liabilities)	Shareholders Equity	NA	NA	-	
Debt Service Coverage Ratio	Net Operating Income	Total debt service	NA	NA	-	
Return on Equity Ratio	Net income	Average shareholder's equity.	(0.67)	(0.35)	(0.32)	Due to Increase in Total Income vis a vis Previous Year
Inventory turnover ratio	Cost of Goods Sold	Average Inventory	NA	NA	-	
Trade Receivables turnover ratio	Net Credit Sales	Average Accounts Receivable	NA	NA	-	
Trade payables turnover ratio	Purchases of goods,services	Average Accounts	NA	NA	-	
Net capital turnover ratio	Revenue	Working capital	1.67	1.50	0.18	
Net profit ratio	Profit after Tax	Total Income	0.10	0.05	0.05	
Return on Capital employed	EBIT	Capital employed	0.05	0.02	0.03	

Note 44
The company has re-grouped/ re-classified/ ammended the previous year figures whenever necessary.

As per our report attached of even date
For M.S.Krishnaswami & Rajan
Chartered Accountants
Firm Regn No. 01554S

For and behalf of Board of Directors

M.S.Murali - Partner
Membership No. 26453
UDIN :
Place: Chennai
Date : 03 December,2024

P.G.Chandra Mohan
Director
DIN: 06975353

S.Kumar
Director
DIN: 07661365