Resilient & Responsible

Annual Report 2020-21

Emkay Global Financial Services Limited

Emkay©

Your success is our success

WHAT'S INSIDE

Investor Information

Market Capitalisation as at
31st March, 2021 : **₹ 16026.99 Lacs**

CIN : **L67120MH1995PLC084899**

BSE Code : **532737**

NSE Symbol : **EMKAY**

Bloomberg Code : **EMKAY: Natl India**

AGM Date : **6th August, 2021**

AGM Mode : **Virtual Meeting**

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Disclaimer

This document contains statements about expected future events and financials of Emkay Global Financial Services Limited, which are forward looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results, and events, to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

Resilient & Responsible

What does experience teach us? Learning from example.

It teaches us about putting all of our past understanding into creating a present which is improved and smarter and a future which is progressive and secured. Over the last two decades at Emkay Global Financial Services Ltd, we have consistently put effort into building our Company's prudence. We have steadily worked hard to hone our skills, expertise and technology. Technology is one of the key cornerstones of our business and Emkay has proactively invested in digital assets. The strong IT infrastructure helps us to build efficiencies while giving us an edge. We fortified our processes technologically to progress in tandem with the fast-changing business environment while actively moving ahead on our sustainable roadmap, creating value for all our stakeholders. In the course of our growth, we have built on our capital strength, gained deep risk knowledge, invested in our time-tested processes, practiced high ethical governance and continuously upgraded technology.

On this journey, we have actively built and relied on our people strength. Our team forms the nucleus of our essence. They are the pillars that give us stability, agility and proactiveness. Last year when the world was roiling from the pandemic, we managed to navigate the troubled waters backed by our strong workforce who rendered us the power of move on. These core tenets of our Company have helped us build strong and close relationships with our clients and all other stakeholders. Together, all of these have helped us build a business which is Resilient & Responsible. Resilient towards changes and challenges and Responsible towards our people and clients. Today, we can confidently say that our business can thrive in the face of adversities while scaling ahead responsibly. Our financial performance in FY21 reflects the sheer ability of our Company to not just withstand but also to progress amid uncertainties. As we advance towards tomorrow, we are determined to use our resilience to our benefit while growing responsible towards the generations to come.

Q&A WITH MANAGING DIRECTORS

The year 2020 showed us what a mere cluster of molecules can do. These are exceptional times that we are living in, and the world is undergoing profound changes. What we make of these changes is what will decide our future.

Krishna Kumar Karwa

Prakash Kacholia

Covid-19 has severely impacted economic activities globally. With respect to the pandemic, what is your macroeconomic outlook on the Indian economy and capital markets?

The first wave of the pandemic, which tarted in March 2020, affected output, employment, and growth, disarraying lives and livelihoods. The Government and the RBI's timely fiscal and monetary policy measures helped the swift revival of the economy. GDP growth which fell to -24.30 % in Q1 of FY21, revived to a flat growth in Q4 of FY21, and the year ended at a relatively moderate deceleration of -7.30%. Accommodative monetary stance, low interest rates, and ample liquidity in the interbank market facilitated the recovery. Despite the second wave of the pandemic and the resultant shutdowns across some of the larger cities and towns, the economy is likely to clock a growth rate of 8% to 9% in FY22. The policy of universal vaccination will go a long way in ensuring that we build the capability to thwart any future recurrence of the pandemic.

At Emkay, our view of the economy and markets has always been that the distressful conditions are transient. We need to organise our efforts to use the sterling opportunities that the situation has been offering. After the major fall in the markets, seen in March 2020, our advisory and recommendations consistently highlighted the fact that the markets were offering good value to discerning investors on fundamental valuation parameters. The rise in the markets across sectors and segments, and the subsequent earnings trajectory in Q2 to Q4 of FY21, vindicated our view. We continue to trust the domestic economy's resilience and its role as an engine of growth for the global economy.

How did Emkay cope up in the current scenario? What were your priorities?

With or without the pandemic, our people and clients remain our topmost priority at any given time. This unprecedented global crisis called for extra protection and caution. We ensured the safety of our employees on the one hand and assured uninterrupted service and support to all our clients on the other. We rapidly embraced remote work, with 70% of our employees operating from home within one week of the imposition of the lockdown. We offered support in terms of hospitalisation (if needed), helped arrange medicines, and counselled our employees and their families on coping with such never-seen-before situations. We supported our employees financially and ensured continued insurance coverage. Amid all this, our IT team played a critical role. They helped us ramp up connectivity and enabled seamless adaptation of the remote working style to keep up with this sudden change. All our people shifted to the new mode of working through secure VPN connections. For us, making our people and our clients feel comfortable, safe and secured along with swiftly becoming a part of the new normal was where our priorities lied.

Q: What was the Covid related impact on the business front, and how did you navigate through it?

A: The stock markets saw a sharp downturn in the early months of 2020-21. All our business segments – Broking, Investment banking, Wealth Management and Asset Management – are critically linked to capital markets. And so, the first quarter, to put it simply, was a near-complete washout for almost all the sectors, including ours. However, this was followed by a quick recovery, which saw a sharp rebound in the capital markets and positive investor sentiments. The total fundraising by IPOs has more than doubled YoY, and the data indicates a robust recovery whether you look at new Demat accounts, fresh MF inflows or the indices. So when we take stock of things, the pandemic has definitely delayed many of our plans by about 12 to 18 months. However, we are thrilled to state that we have more than recovered to the pre-Covid levels today. The post-crash rally led to increased activity in the markets, with companies trading at attractive valuations. This gave plenty of opportunities for the domestic institutional investors (DIIs) and foreign institutional investors (FIIs) to invest actively.

Q: The broking industry is witnessing a rising number of discount brokers which can potentially disrupt the industry. How are you addressing this?

A: Our target market is distinctly different from that of discount brokers. They cater to mass and micro-retail participants, whereas our client base includes marquee FIIs, DIIs, hedge funds, banks, insurance companies, mutual funds, private equity firms, family offices, small and medium-sized enterprises and super high net worth individuals (HNIs). What sets our clientele apart is their willingness to pay a higher brokerage to ensure the safety of their wealth. They look for organisations with a proven track record to trust their funds with. Discount brokers cater to mass and micro-retail participants. If anything, we believe they will be beneficial for us. Discount brokers add buoyancy to the markets by attracting retail participants and thus help capture a more significant number of IPOs, more fundraising, larger AUMs for asset managers and so on. So the impact, if there is any at all, is definitely on the positive side.

Q: What are the key pillars of your business that make you responsible and resilient?

A: We would address these points separately. Firstly, the fact that we have been entrusted with the wealth of several large clients, in terms of Asset/ Wealth Management and Broking, talks of our ability to be responsible. Duly maintaining the highest levels of transparency and integrity is a fundamental part of what we do. Our strong track record of over two decades and our stakeholders – who have trusted us with their savings – clearly indicate our intrinsic responsible nature.

Secondly, there are different aspects of our business that add up to our resilience. Our dedicated and capable team always prioritises the client's interest over everything. We have always ensured living up to our stakeholders' expectations (including employees) under all circumstances. Technology forms the nucleus of all our business functions – catalysing the Company's advancement. Our robust technology platforms are our prime differentiator, and they help us add value to our clients. We strongly believe our key pillars of human capital, research, and technology have consistently enabled us to emerge from challenging situations. Collectively, they render us our resilience and help us advance even amid troubled waters.

Q: Could you please elaborate more on technology as one of your core strengths?

A: Our constant endeavour is to offer a seamless experience for our clients, and technology plays a vital role in ensuring a smoother process. We have always focused on automation, providing digital access and newer platforms, revamping our network and ensuring cyber security.

During the year, we onboarded a new trading platform and also expanded our horizons by developing multiple in-house algorithms using APIs. We also implemented a near-real-time sales trading dashboard (using data sources from exchange APIs and trading platforms) that assisted our trading desks to view consolidated information across various platforms and locations on a single screen. We significantly expanded our footprint at the NSE colocation to enable several low-latency/high frequency trading clients. During the last year, we started processing almost 10x more trades on peak days. Our messaging throughput with NSE increased by 50% in the previous year.

Going ahead, we will continue strengthening our execution and research practices. With technology at the core of our business, we will keep leveraging on it to offer value-addition to clients at each step. We are focusing on launching a brand new FIX-enabled algorithmic execution platform for the institutional trading desk. And then, we are coming up with a revamped EMTrade Pro platform for non-institutional clients and the introduction of robotic process automation for several routine processes.

What were some of the key operational highlights of the year?

Last year, we advanced on different levels. Having said that, we would say a few significant highlights enhanced our growth prospects. First and foremost, we made a promising entry into the IPO advisory market under our Investment Banking division. We played the pivotal role of Left Lead Book Running Lead Manager for the ₹ 625 crore IPO of Heranba Industries Limited (HIL). The IPO performed magnificently on all fronts. From oversubscription of more than 80x to the marquee mutual funds, the foreign portfolio investors and insurance firms that invested, to finally the listing day gains of over 30%, it was a successful IPO in all. If we talk of Emkay's contribution to the anchor book, it was more than three quarters. This makes us confident and believe that such a successful IPO is sure to open doors for us in the IPO advisory market.

The second highlight for the year, undoubtedly, was initiating the regulatory procedures for commencing work at our Singapore office. This will tremendously help us expand our wallet share as we tap into several new FIIs and foreign portfolio investors in South-East Asia.

During the year, our IE Business created a record of hosting conferences, including our annual flagship conference 'Emkay Confluence' in August 2020 which was attended by more than 100 companies. Then, we also hosted a small/midcap conference, 'Millions under Billion' in February 2021 with 75 companies and a Digi Banking conference, 'FinShift', with 12 companies and industry specialists who presented at the conference.

Last but not least, we were recognised for our AIF offering Emkay Emerging Stars Fund– Series 1. We won an award for the best post-Covid AIF performance across all categories (basis 6 months Absolute Returns) by PMS AIF WORLD.

Tell us something about your business segments.

Our business verticals include the following:

1) Broking, Advisory, & Research that include equity, commodity and currency – across cash , futures and options segments servicing Institutional Investors like FPIs, MFs, Insurance companies, Banks, Sovereign Funds, AIFs, Private Equity Funds, PMS advisors and AIFs and Non-Institutional Investors including Corporates, Family Offices, Super HNIs and HNIs.

2) Investment Banking offering Merchant Banking, IPO advisory, ECM and M&A advisory services

3) Wealth Management and Estate Planning, offering customised solutions with products across all asset classes

4) Investment Management, offering Equity portfolio management and advisory services across all market caps – discretionary and non-discretionary, including product AIFs.

Across all the verticals, our business is dependent on fee-based income, whether it is brokerage or commission or asset management fees. We steadily and continually put efforts to keep our growth engines alive. Our attention is towards offering an optimal mix of stable, bread and butter businesses while also leveraging new emerging business segments as a focused strategy.

As of now, all our segments are at different growth stages and offer tremendous scope for growth in the coming years. We endeavour to provide differentiated solutions to increase market penetration and more adjacent product offerings to enable comprehensive solutions to our clients. We are investing in technology platforms to continuously improve the client experience and, at the same time, ensure efficiency.

Being run for over 25 years, the Equity broking segment is a mature engine for the Company. Wealth Management business is relatively new. We have been nurturing it for the past three years, and it is now poised for a take-off. Despite a tough year, the segment registered an 87% jump in revenues and a 56% jump in total Assets under Management (AUM). As far as Institutional equities are concerned, our Average Daily Turnover (ADTO) increased 580% over the previous year.

To improve our reach in FPI clients, we are in the process of opening an office in Singapore. We are hiring experienced relationship managers in our Wealth Management vertical. Our investment management vertical has launched a unique first of its kind product offering, 'Alpha Mavens'. We also launched Emkay Value Shastra that brings the country's first asset allocation product on the PMS platform. We are in the process of launching our latest AIF offering, 'Emkay Emerging Stars' series IV. For our non-institutional broking clients, we will soon be launching a completely revamped version of our trading platform, 'EMTRADE'. To sum it up, we believe all our business verticals are poised to grow, and we are fully focused and are investing in each vertical accordingly.

How has the year been in terms of financial performance for Emkay?

We are proud to share with you that your Company has achieved its highest consolidated top line of ₹ 164.98 Cr in the year 2020-21. There has been a sharp turnaround in the bottom line from a loss of ₹ 12 crore in the previous year to a profit after tax of ₹ 11 crore in the year under review. The Board has taken this opportunity to reward its shareholders with a 10% dividend. Overall, our revenues from broking and allied services, asset management and wealth management have grown by 5%, 12% and 87%, respectively. As we advance, we aim to continue an upward growth trajectory.

Among your various business segments, which segments are you most optimistic about and why?

We have two clear answers for this, both considering different aspects. If we talk of maximum growth in terms of percentage, then Wealth Management and Asset Management definitely take the lead. This is because the base of both these businesses is relatively small. We have seen a lot of clients showing interest in investing their savings into stocks. They seek professional advice and look to associate with asset managers and wealth managers with whom they share a strong sense of trust and comfort. People are looking for managers whose incentives are aligned with those of clients, and Emkay perfectly fits the criteria. Our strategy revolves around offering differentiated and diversified product basket, targeting selected home markets and product segments and doubling Assets under Management. On the other hand, with respect to the absolute growth in terms of rupees, the Institutional equity broking division looks most promising. Increasingly, fund houses worldwide are looking to invest in India as an emerging economy with tremendous opportunities. In that regard, they want to deal with only the most trustworthy brokers, and Emkay, without doubt, is one of them.

Any comments for the stakeholders?

Someone has aptly said 'When the going gets tough, the tough get going". We are very grateful to all the team members of EMKAY for taking up the challenge to work tirelessly in the tough pandemic environment and delivering flawless services to the clients. Our bankers have always been supportive, and in an atmosphere of increasing regulatory outreach, they have supported the growing business volumes with enhanced facilities. We express our heartfelt gratitude to our Board members, whose sage advice and counsel during challenging times have been extremely helpful. We thank our auditors, vendors and all regulatory authorities for their support during this pandemic impacted year.

Krishna Kumar Karwa

Prakash Kacholia

Managing Directors

CORPORATE INFORMATION

BOARD OF DIRECTORS	**S. K. Saboo**	Chairman
	R. K. Krishnamurthi	Director
	G. C. Vasudeo	Director
	Dr. Satish Ugrankar	Director
	Dr. Bharat Kumar Singh	Director
	Priti Kacholia	Woman Director
	Krishna Kumar Karwa	Managing Director
	Prakash Kacholia	Managing Director
CHIEF FINANCIAL OFFICER	**Saket Agrawal**	
COMPANY SECRETARY & COMPLIANCE OFFICER	**B. M. Raul**	
CORPORATE IDENTIFICATION NUMBER (CIN)	**L67120MH1995PLC084899**	
WEBSITE	www.emkayglobal.com	
STATUTORY AUDITORS	S. R. Batliboi & Co. LLP. Chartered Accountants	
SECRETARIAL AUDITORS	Parikh & Associates, Practicing Company Secretaries	
INTERNAL AUDITORS	Lovi Mehrotra & Associates, Chartered Accountants	
BANKERS	AXIS Bank Limited	IndusInd Bank Limited
	Bank of India	Kotak Mahindra Bank
	HDFC Bank Limited	State Bank of India
	ICICI Bank Limited	RBL Bank Limited
	Indian Overseas Bank	NSDL Payments Bank
REGISTERED & CORPORATE OFFICE	The Ruby, 7th Floor, Senapati Bapat Marg, Dadar (West), Mumbai-400028 Tel. No: 022-66121212	
ADMINISTRATIVE OFFICE	“C-06”, Ground Floor, Paragon Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400013 Tel. No: 022-66299299	
REGISTRAR & TRANSFER AGENTS	Link Intime India Private Limited C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400 083	

REPORT OF THE BOARD OF DIRECTORS

Dear Members,

Your Directors present the Twenty Seventh Annual Report of your Company and the Audited Financial Statements for the year ended 31st March, 2021.

1. FINANCIAL RESULTS

An overview of the financial performance of your Company along with its Subsidiaries for the year 2020-21 is as under:

(₹) (Amount in Lacs)

Particulars	Standalone for the year ended		Consolidated for the year ended	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Total Income	**14594.65**	**11971.75**	**16498.47**	**13512.72**
EBITDA	2293.03	(354.47)	3028.17	(199.77)
Less : Depreciation and Amortization	748.47	761.89	762.53	771.63
Less : Finance Cost	538.53	607.86	528.79	685.16
Profit before exceptional item and tax	**1006.03**	**(1724.22)**	**1736.85**	**(1656.56)**
Exceptional item	135.00	(75.50)	0.00	0.00
Profit before tax	**1141.03**	**(1799.72)**	**1736.85**	**(1656.56)**
Less : Tax expenses	339.57	(541.86)	553.27	(490.09)
Profit after tax	**801.46**	**(1257.86)**	**1183.58**	**(1166.47)**
(Less)/ Add : Share of (loss)/ profit of associate	-	-	(69.70)	(71.81)
Add : Profit/ (loss) from discontinued operations	-	-	(0.59)	(21.08)
(Loss)/ (profit) attributable to shareholders of the Company	**801.46**	**(1257.86)**	**1113.29**	**(1259.36)**
Opening balance in statement of profit and loss	**528.42**	**2083.09**	**2586.73**	**4148.77**
Other adjustments	-	-	-	(5.87)
Amount available for appropriation	1329.88	825.23	3700.02	2883.54
Appropriations				
Dividend paid on equity shares	-	246.19	-	246.19
Dividend distribution tax on dividend	-	50.62	-	50.62
Transfer to special reserve u/s 45-IC of RBI Act	-	-	66.59	-
Closing balance in statement of profit and loss	**1329.88**	**528.42**	**3633.43**	**2586.73**

2. DIVIDEND

The Board of Directors is pleased to recommend a final dividend at the rate of ₹ 1/- (10 %) per equity share of the face value of ₹ 10 each for the year ended 31st March, 2021 (Previous year ₹ Nil) per equity share. This would involve a payout of ₹ 246.19 Lacs (previous year NIL) based on the number of shares as on 31st March, 2021. The dividend would be paid to all the shareholders, whose names appear in the Register of Members/ list of Beneficial Holders on the Book Closure date. This Dividend is subject to approval of the Members at the forthcoming 27th Annual General Meeting subject to deduction of tax as may be applicable.

3. REVIEW OF OPERATIONS

The Information on the operations of the Company is given in the Management Discussion & Analysis Report forming part of the Annual Report.

Standalone

During the year under review, your Company recorded a total income of ₹ 14,594.65 Lacs as compared to ₹ 11,971.75 Lacs in the previous financial year, marking an increase of 21.91%. The Profit for the same period stood at ₹ 801.46 Lacs as compared to the loss of ₹ 1,257.86 Lacs in the previous financial year.

Consolidated

During the year under review, your Company recorded a total income of ₹ 16,498.47 Lacs as compared to ₹ 13,512.72 Lacs in the previous financial year, marking an increase of 22.10%. The Profit for the same period stood at ₹ 1113.29 Lacs as compared to the loss of ₹ 1259.36 Lacs in the previous financial year.

4. MATERIAL CHANGES BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF REPORT

There have been no material changes and commitments between the end of Financial Year 2020-21 and the date of this report, adversely affecting the financial position of the Company.

5. ANNUAL RETURN

The Annual Return as required under Section 92(3) and Section 134 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is available on the Company's website at http://www.emkayglobal.com/Investor relations.

6. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the Financial Year 2020-21, 4 meetings were held on 17th June, 2020, 14th August, 2020, 30th October, 2020 and 4th February, 2021.

The details of the attendance of Directors at these meetings are as under:

Name of the Director	Category	Board Meetings during Financial Year 2020-21	
		Held	Attended
Mr. S. K. Saboo	NED	4	3
Mr. R. K. Krishnamurthi	NED (I)	4	4
Mr. G. C. Vasudeo	NED (I)	4	4
Mr. Krishna Kumar Karwa	ED	4	4
Mr. Prakash Kacholia	ED	4	4
Mrs. Priti Kacholia	NED	4	1
Dr. Satish Ugrankar	NED (I)	4	4
Dr. Bharat Kumar Singh	NED (I)	4	4

Category: NED - Non Executive Director, NED (I) Non-Executive Director & Independent, ED-Executive Director.

7. DIRECTORS' RESPONSIBILITY STATEMENT

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

a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 the year under review;

c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The Directors have prepared the annual accounts on a going concern basis;

e) 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; and

f) 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.

8. AUDIT COMMITTEE

The Committee comprises of Mr. G. C. Vasudeo as the Chairman and Mr. R. K. Krishnamurthi, Dr. Satish Ugrankar, Dr. Bharat Kumar Singh and Mr. Prakash Kacholia as the members of the Committee. More details pertaining to the Audit Committee are included in the Corporate Governance Report, which forms part of this report.

All the recommendations made by the Audit Committee during the year were accepted by the Board of Directors of the Company.

9. NOMINATION, REMUNERATION AND COMPENSATION COMMITTEE

The Nomination, Remuneration and Compensation Committee constituted by the Board in compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations, 2015] comprises of Mr. G. C. Vasudeo, an Independent Director as the Chairman and Mr. R. K. Krishnamurthi, Dr. Satish Ugrankar and Mr. S. K. Saboo as the members of the Committee.

The Committee consists of only Non-Executive Directors as its members. All the members of the Committee are Independent Directors except Mr. S. K. Saboo who is a Non-Executive Non-Independent Director.

The Remuneration Policy of the Company is available on the Company's website i.e. www.emkayglobal.com/Investor relations. The details of composition, terms of reference of the Nomination, Remuneration and Compensation Committee, numbers and dates of meeting held, attendance of the Directors and remuneration paid to them are given separately in the Corporate Governance Report which forms part of the Board of Directors' Report.

10. PERFORMANCE EVALUATION

In terms of provisions of the Companies Act, 2013 read with Rules issued there under and Regulation 25 of SEBI (LODR) Regulations, 2015 and further circular no. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated 05/01/2017 issued by SEBI on "Guidance note on Board Evaluation", evaluation process was carried out internally for the performance of the Board, its Committees and Individual Directors.

The Independent Directors at their meeting held on 19th March, 2021 have reviewed the performance evaluation of Non-Independent Directors and the Board as a whole including the Chairman.

The Nomination, Remuneration and Compensation Committee carried out evaluation of performance of each Director in their meeting held on 20th May, 2021. The Board of Directors carried out performance evaluation of the Board, each Director and the Committees for the Financial Year ended 31st March, 2021 in their meeting held on 20th May, 2021 based on various aspects which, inter alia, included the level of participation in the Board Meetings, understanding of their roles and responsibilities, business of the Company along with the effectiveness of their contribution.

11. AUDITORS AND THEIR REPORT

Pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 ("the Act") read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), S. R. Batliboi & Co. LLP, Chartered Accountants bearing Firm Registration Number 301003E/E300005 with the Institute of Chartered Accountants of India (ICAI) were appointed as the Statutory Auditors of the Company at the 23rd Annual General Meeting (AGM) held on 11th August, 2017 for a period of five years commencing from the conclusion of the 23rd Annual General Meeting (AGM) till the conclusion of the 28th Annual General Meeting of the Company to be held for the Financial Year 2021-2022 subject to ratification of their appointment by the members at every subsequent AGM. In accordance with the amendment to section 139 of the Act, the requirement of ratification of appointment by members every year is no longer required.

M/s. S. R. Batliboi & Co LLP have confirmed their eligibility and qualification required under section 139 and 141 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force, for their continuation as statutory auditors.

In terms of the Listing Regulations, the Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI.

There are no qualifications or observations or remarks made by the Auditors in their report.

Reporting of Fraud

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013.

CHANGE IN ACCOUNTING POLICY

As per MCA Notification G.S.R. 365 (E) dated 30.03.2016 stock broking companies were covered under Non-Banking Finance Companies and the IND-AS was applicable to NBFC listed entities having net worth below ₹ 500 cr. effective from April 2019.

Accordingly, the Company has adopted Indian Accounting Standards (IND - AS) with effect from April 1, 2019 with effective date of such transition as April 1, 2018.

12. SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. Parikh & Associates, Company Secretaries, Mumbai to carry out Secretarial Audit of the Company for the Financial Year 2020-2021. The Secretarial Audit Report received from them is appended as **"Annexure A"** which forms part of the Board's report.

The Secretarial Audit Report for the Financial Year 2020-21 does not contain any qualification, reservation and adverse remarks.

13. INTERNAL AUDIT

As per the requirements of Section 138 of the Companies Act, 2013 and rules made there under, M/s. Lovi Mehrotra & Associates, Chartered Accountants, Mumbai were appointed as Internal Auditors of the Company for the Financial Year 2020-2021.

The internal control systems are supplemented by extensive internal audits, regular reviews by management and standard policies and guidelines to ensure reliability of financial and all other records to prepare financial statements and other data. The Management Information System (MIS) forms an integral part of the Company's control mechanism. The Company has regular checks and procedures through internal audit periodically. The reports on internal audit are deliberated and executive summary of the same along with Action Taken Report (ATR) for steps taken by the Management to address the issues are placed before the Audit Committee meeting/ Board meeting for their review. Reports of internal auditors are reviewed by the Audit Committee, and corrective measures, if any, are carried out towards further improvement in systems and procedures in compliance with Internal Control System. The Board also recognizes the work of the auditors as an independent check on the information received from the management on the operations and performance of the Company.

14. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD MEETINGS AND GENERAL MEETINGS

The Company has complied with all the applicable mandatory secretarial Standards issued by the Institute of Company Secretaries of India.

15. MANAGEMENT DISCUSSION AND ANALYSIS

A detailed review of the operations, performance and future outlook of the Company and its businesses is given in the Management Discussion and Analysis, which forms part of the Annual Report.

16. PUBLIC DEPOSITS

During the year, your Company has not accepted and/or renewed any public deposits in terms of the provisions of Section 73 and 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 as amended.

17. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees or Investments covered under Section 186 of the Companies Act, 2013, are given under notes to the Financial Statements.

18. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1) OF THE COMPANIES ACT, 2013

The details of the related party transactions, as per requirement of Accounting Standards -18 are disclosed in notes to the financial statements of the Company for the Financial Year 2020-21. All the directors have disclosed their interest in Form MBP-1 pursuant to Section 184 of the Companies Act, 2013 and as and when any changes in their interest take place, such changes are placed before the Board at its meetings. None of the transactions with any of the related parties was in conflict with the interest of the Company. The particulars of contracts or arrangements with related parties referred to in Section 188 (1), in prescribed Form AOC - 2 under Companies (Accounts) Rules, 2014 are appended as **"Annexure B"**.

19. INFORMATION UNDER THE SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has constituted an Internal Complaint Committee under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year no complaint was filed before the said Committee.

20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The prescribed particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo required under Section 134 (3) (m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is attached as **"Annexure C"** which forms part of the Board's Report .

21. LEVERAGING DIGITAL TECHNOLOGY

Innovative ideas and technology are introduced continuously to provide great user experience to our customers, business associates and employees.

In association with the IT Team, the Company with active support from management has been investing time and effort in information technology solutions to demonstrate technological leadership.

22. BUSINESS RISK MANAGEMENT

Pursuant to section 134(3) (n) of the Companies Act, 2013 and as per provisions of the SEBI (LODR) Regulations, 2015 as amended, the Company has adhered to the principles of sound risk management and already has a Risk Management Policy in place. An ongoing exercise is being carried out to identify, evaluate, manage and monitor both business and non-business risks. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework. The details of the same are set out in the Corporate Governance Report which forms part of the Boards' Report.

23. CORPORATE SOCIAL RESPONSIBILITY

In view of applicability of Corporate Social Responsibility (CSR) provisions in the year 2016-2017, in compliance with the requirements of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014, the Board at its meeting held on May 23, 2016, had constituted a Corporate Social Responsibility Committee comprising three Directors of the Company including one Independent Director. The members of the Committee are Mr. G. C. Vasudeo, Mr. Krishna Kumar Karwa and Mr. Prakash Kacholia. The Company has evolved a Corporate Social Responsibility Policy and is actively practicing the same. The objectives of CSR Policy are to contribute to social and economic development of the communities in which the Company operates, to improve the quality of life of the communities through long term value creation for stakeholders and to generate, through its CSR initiatives, a community goodwill for the Company and help reinforce a positive and socially responsible image of the Company as a corporate entity. During FY 2020-21, the company has spent an amount of ₹ 66.88 lacs on CSR activities through a company established under section 8 of the Companies Act, 2013. There is no unspent outstanding amount on CSR activities as on 31st March, 2021.

The Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as **"Annexure D"** which forms an integral part of this report.

24. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has implemented a Vigil Mechanism Policy to deal with instances of fraud and mismanagement, if any. The policy also provides for adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in all cases. The details of the policy are posted on the website of the Company under the link https://www.emkayglobal.com/investor-relations. There were no complaints received during the year 2020-21.

25. DIRECTORS & KEY MANAGERIAL PERSONNEL

Appointments

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment & Qualification of Directors) Rules, 2014 and Articles of Association of the Company, Mr. Sushil Kumar Saboo (DIN: 00373201) aged 78 years, a Non-Executive Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. Your Board recommends his re-appointment to the Shareholders by passing a Special resolution pursuant to Regulation 17(1A) of the SEBI (LODR) Regulations, 2015.

A brief profile of Mr. Sushil Kumar Saboo (DIN:00373201), Director of the Company as required under Regulation 36 (3) of the SEBI (LODR) Regulations, 2015 and justification for his re-appointment are given in the explanatory statement to Notice of the 27th Annual General Meeting.

Dr. Satish Ugrankar (DIN 00043783) was appointed as an Independent Director of the Company pursuant to Section 149 of the Companies Act, 2013 for first term of 5 years at the Annual General Meeting held on 10th August, 2016 and will be holding office upto 9th August 2021. Dr. Ugrankar (DOB 18th September, 1945) turned 75 years old on 18th September, 2020.

Considering the knowledge, expertise and vast experience and the valuable contribution made by Dr. Satish Ugrankar, during his tenure as an Independent Director of the Company, the Nomination, Remuneration and Compensation Committee and the Board approved his appointment as an Independent Director with effect from 10th August, 2021 for second term of five years and has recommended his re-appointment as an Independent Director on the Board of the Company to hold office for the second term of five consecutive years commencing from 10th August, 2021 upto 9th August, 2026 and not liable to retire by rotation by passing a Special resolution.

The Company has received declaration from Dr. Satish Ugrankar that he meets the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 read with the Schedule and Rules issued there under and Regulation 16 of SEBI (LODR) Regulations, 2015, (as amended), he has made online registration with the Indian institute of Corporate Affairs for inclusion of his name in the Independent Director Data bank. His Registration No. is IDDB-DI-202005-026847) and he is eligible for appointment as an Independent Director of the company.

The profile of the Independent Directors forms part of the Corporate Governance Report.

The following four persons were formally noted as Key Managerial Personnel of the Company in compliance with the provisions of Section 203 of the Companies Act, 2013.

- Mr. Krishna Kumar Karwa - Managing Director
- Mr. Prakash Kacholia - Managing Director
- Mr. Saket Agrawal - Chief Financial Officer
- Mr. B. M. Raul - Company Secretary

26. PARTICULARS OF REMUNERATION

In terms of provisions of section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 details of the ratio of remuneration of each Director to the median employee's remuneration is provided in **"Annexure E"** which forms part of the Board's Report.

27. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Internal Auditors monitor and evaluate the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

Pursuant to the provisions of Section 134 (5) (f) of the Companies Act 2013, the Company has devised proper systems to ensure compliance with the provisions of all applicable laws. Each department of the organization ensured that it had complied with the applicable laws and furnished its report to the Head of department who then along with the Company Secretary discussed on the compliance status of the department. Any matter that required attention was immediately dealt with. The Company Secretary reported to the Audit Committee and the Board on the overall compliance status of the Company. Such compliance system was largely found to be adequate and operating effectively. The directors in the Directors' Responsibility Statement under paragraph 7(f) hereinabove have also confirmed the same to this effect.

28. SUBSIDIARY COMPANIES

The Company has 6 wholly owned subsidiaries as on 31st March, 2021. Besides, there are two associate companies within the meaning of Section 2(6) of the Companies Act, 2013.

During the year, the Company has set up a new wholly owned subsidiary in the name of "Emkay Global Financial Services Pte. Ltd." in Singapore to undertake corporate finance advisory services. Certificate of Constitution relating to incorporation of the company has been issued by the concerned Singapore authority on 10th February, 2021. The Company is in the process of getting necessary approvals / permissions from RBI and local Singapore authorities for infusion of share capital and commencement of business activities.

The Consolidated Financial Statements of the Company form part of this Annual Report. Pursuant to the provisions of Section 129 (3) of the Act, a statement containing the salient features of financial statements of the Company's subsidiaries in Form AOC-1 is attached to the financial statements of the Company.

The Company will make available the annual accounts of the subsidiary companies and the related information to any member of the Company who may be interested in obtaining the same. The Annual Report of the Company and all its subsidiary companies are also available on the website of the Company i.e. www.emkayglobal.com.

29. EMPLOYEE STOCK OPTION SCHEMES

With a view to remain a preferred employer, the Company had granted Stock Options under two Schemes viz. Employees Stock Option Plan 2007 (ESOP 2007) and Employee Stock Option Plan 2018 (ESOP 2018) to the employees of the Company and the employees of the Subsidiary Companies.

Details of the shares issued under Employees Stock Option Plan (ESOP) as also disclosure in compliance with SEBI (Share Based Employees Benefits) Regulations, 2014 are uploaded on the website of the Company https://www.emkayglobal.com/key-annocuments. During the year, the Company has issued stock options in excess of 1% of the issued share capital to Mr. Nirav Sheth, CEO - Institutional Clients Group under ESOP 2018 Scheme after passing a Special resolution through the Postal ballot process on 19th December 2020.

(a) ESOP 2007

The Nomination, Remuneration and Compensation Committee of the Company had granted stock options under ESOP-2007 scheme to the eligible employees (each option carrying entitlement for one share of the face value of ₹ 10/- each. The summary of the same as on 31st March 2021 is as under :

Summary of ESOP 2007 as on 31st March 2021:

Total no. of stock options approved under the Scheme		24,26,575
No. of Options	**Date of Grant**	**Exercise Price Per Option**
14,42,000	17.01.2008	₹ 63/-
2,44,000	19.06.2009	₹ 63/-
2,07,500	24.07.2009	₹ 61/-
1,00,000	04.05.2010	₹ 93/-
6,11,500	27.07.2010	₹ 77/-
2,00,000	21.01.2012	₹ 37/-
13,95,000	28.05.2018	*₹ 145.45 (Re-priced at ₹ 75.60)
4,81,000	08.07.2019	₹ 74.65
7,02,120	14.11.2019	₹ 75.60
61,738	14.11.2019	₹ 74.65
1,66,740	24.01.2020	₹ 70.70
2,46,000	04.02.2021	₹ 74.90
Exercise Period		2-3 years
Re-Issued Options		34,31,023
Total no. of stock options granted under the scheme		58,57,598
Stock Options lapsed		38,57,948
Stock Options vested but not exercised		0
Stock Options exercised		2,41,530
Outstanding Stock Options		17,58,120

Note: *1. Re-priced during the Financial Year 2019-20

2. During the Financial Year 2020-21, no options were vested and exercised under the ESOP 2007.

(b) EMPLOYEE STOCK OPTION PLAN - 2010 THROUGH TRUST ROUTE

The Nomination, Remuneration and Compensation Committee of the Company had granted total no. of 6,47,000 options under ESOP-2010 scheme through trust route to the eligible employees (each option carrying entitlement for one share of the face value of ₹ 10/- each) till date. Summary of the same as on 31.03.2021 is as under.

Summary of ESOP 2010 (through trust route) as on 31st March 2021 :

Total no. of stock options approved under the Scheme		24,41,995
No. of options	**Date of Grant**	**Exercise Price Per Option**
5,55,000	21.10.2010	₹ 93/-
27,000	02.05.2011	₹ 63/-
15,000	22.10.2011	₹ 48/-
50,000	21.01.2012	₹ 37/-
Exercise Period		3 years
Total no. of stock options granted under the scheme		6,47,000
Stock Options lapsed		6,06,500
Stock Options vested but not exercised		0
Stock Options exercised		40,500
Outstanding Stock Options		0

d) ESOP 2018

The Nomination, Remuneration and Compensation Committee of the Company had granted options under ESOP-2018 scheme to the eligible new employees (each option carrying entitlement for one share of the face value of ₹ 10/- each) as per criteria determined by the committee

The summary of the same as on 31.03.2021 is as under :

Summary of ESOP 2018 as on 31st March 2021:

Total no. of stock options approved under the Scheme		24,53,403
No. of Options	**Date of Grant**	**Exercise Price Per Option**
4,17,760	14/08/2018	₹ 133.25
3,32,167	30/10/2018	₹ 101.80
4,12,861	08/01/2019	₹ 108.20
9,23,380	01/03/2019	*₹ 108.20 (Re-priced at ₹ 75.60)
1,00,000	01/03/2019	₹ 72.55
2,70,600	28.05.2019	*₹ 93.20 (Re-priced at ₹ 75.60)
24,620	08.07.2019	₹ 74.65
61,738	14.11.2019	*₹ 93.20 (Re-priced at ₹ 75.60)
2,46,000	28.08.2020	₹ 59.60
30,000	07.12.2020	₹ 68.20
6,15,667	04.02.2021	₹ 59.60
Exercise Period		2 years
Re-Issued Options		89.723
Total no. of stock options granted under the scheme		34,34,793
Stock Options lapsed		11,14,548
Stock Options vested but not exercised		0
Stock Options exercised		0
Outstanding Stock Options		23,20,245

Note: *1. Re-priced during the Financial Year 2019-20.

2. During the Financial Year 2020-21, no options were vested and exercised under the ESOP 2018.

The disclosures required to be made in the Directors' Report in respect of the aforesaid ESOP Schemes, in terms of the SEBI (Share Based Employee Benefits) Regulations, 2014 are contained in **"Annexure F"** which forms part of the Board's Report.

30. TRANSFER OF UNCLAIMED DIVIDEND AMOUNTS AND SUCH SHARES TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013, the Company has transferred on due dates, the unpaid or unclaimed dividends upto the financial year 2011-2012 to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded on its website the details of unpaid and unclaimed amounts lying with the Company.

Further, in terms of the provisions of section 124(6) of the Companies Act, 2013 read with The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 notified by the Ministry of Corporate Affairs, New Delhi w.e.f. 7th September, 2016, and further notifications issued by Ministry of Corporate Affairs, amending the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 which has come into force w.e.f. 28th February 2017, 3,105 shares in respect of which dividend had not been paid or claimed for seven consecutive years or more as provided under subsection (6) of Section 124 have been transferred to the Special Demat Account of IEPF Authority as on 31st March, 2021.

The details of the unclaimed/unpaid dividends are available on the Company's website at www.emkayglobal.com and also on Website of Ministry of Corporate affairs at www.mca.gov.in.

31. PARTICULARS OF EMPLOYEES

In terms of the provisions of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules forms part of this Annual Report.

Having regard to the provisions of Section 136 of the Act, the Annual Report excluding the aforesaid information is being sent to members of your Company. The said information is available for inspection at the registered office of your

Company during working hours and any member desirous of obtaining such information may write to the Secretarial Department of your Company and the same will be furnished on request.

32. CORPORATE GOVERNANCE REPORT

The Company adheres to the principles of Corporate Governance mandated by the Securities and Exchange Board of India and has implemented all the prescribed stipulations thereof. As stipulated in Regulation 27 of the SEBI (LODR) Regulations, 2015, a detailed report on Corporate Governance and the requisite Auditor's Certificate confirming compliance with the conditions of Corporate Governance, is appended as "**Annexure G**" which forms part of the Board's Report.

33. SIGNIFICANT AND MATERIAL ORDERS PASSSED BY THE COURTS OR REGULATORS

During the year no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

34. LISTING WITH STOCK EXCHANGES

The Equity shares of the Company are listed on National Stock Exchange of India Ltd. and BSE Ltd.

35. ACKNOWLEDGEMENT

Your Directors would like to take this opportunity to express sincere gratitude to the customers, bankers and other business associates for the continued cooperation and patronage. Your Directors gratefully acknowledge the ongoing co-operation and support provided by the Government, Regulatory Bodies and the Stock Exchanges. Your Directors place on record their deep appreciation for the exemplary contribution made by the employees at all levels. The Directors also wish to express their gratitude to the valued shareholders for their unwavering trust and support.

For and on behalf of the Board of Directors

Krishna Kumar Karwa
Managing Director
DIN: 00181055

Prakash Kacholia
Managing Director
DIN: 00002626

Place: Mumbai

Date: 20th May, 2021

‘ANNEXURE A’

Forming part of The Board of Directors’ Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021

[Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Emkay Global Financial Services Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Emkay Global Financial Services Limited (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company, the information to the extent provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by The Ministry of Corporate Affairs and The Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31st March, 2021, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March, 2021 according to the applicable provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contract (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; (Not applicable to the Company during the audit period)

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)

(vi) Other laws applicable specifically to the Company namely:-

a) Bombay Stock Exchange Rules, Bye-law & Regulation

b) National Stock Exchange Rules, Bye-law & Regulation

c) Depository Act, 1996

d) Securities Transaction Tax Rules, 2004

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

(ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were taken unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines etc.

We further report that during the audit period no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

For Parikh & Associates
Company Secretaries

Place: Mumbai

Date: May 20, 2021

Signature:

Mitesh Dhabliwala

Partner

FCS No: 8331 CP No: 9511
UDIN: F008331C000346922

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

‘ANNEXURE A’

To,

The Members

Emkay Global Financial Services Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates
Company Secretaries

Signature

Mitesh Dhabliwala
Partner

Place: Mumbai
Date : May 20, 2021

FCS No: 8331 CP No: 9511
UDIN: F008331C000346922

ANNEXURE "B"

Forming part of the Board of Directors' Report

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms' length transactions under fourth proviso thereto

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

	Particulars				
a	Name(s) of the related party and nature of relationship	Emkay Commotrade Limited - Wholly Owned Subsidiary	Emkay Fincap Limited - Wholly Owned Subsidiary	Emkay Investment Managers Limited - Wholly Owned Subsidiary	Emkay Wealth Advisory Limited (formerly known as Emkay Insurance Brokers Limited) - Wholly Owned Subsidiary
b	Nature of contracts/ arrangements / transactions	Recovery of Rent, Electricity, Water Charges, Telephone Expenses, Building Maintenance etc. for the use of office premises of the holding company.			
c	Duration of the contracts / arrangements / transactions	From 1st April, 2020 to 31st March, 2021.			
d	Salient terms of the contracts or arrangements or transactions including the value, if any	Reimbursement of certain common expenses such as Rent, Electricity, Water Charges, Telephone Expenses, Building Maintenance etc. by the subsidiary companies on the basis of cost incurred by the holding company and dividing the same by the total number of employees sitting in the premises to arrive at cost per employee and recovering this from the subsidiary companies on the basis of number of employees of the subsidiary companies.			
e	Justification for entering into such contracts or arrangements or transactions	The wholly owned subsidiary companies are not having their own office premises.			
f	Date(s) of approval by the Board	24.01.2020	24.01.2020	24.01.2020	24.01.2020
g	Amount paid as advances, if any	N.A	N.A	N.A	N.A
h	Date on which the special resolution was passed in general meeting as required under first proviso to section 188 ##	N.A	N.A	N.A	N.A

Note:

1. As per 5th proviso to section 188(1) of the Companies Act, 2013 passing of shareholders resolution under 1st proviso is not applicable for transactions between holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the Annual General Meeting for approval.

2. Necessary omnibus approval of the Audit Committee has been obtained prior to entering into all the related party transactions.

Your Company enters into various transactions with related parties as per the provisions of the Companies Act, 2013 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The Audit Committee and the Board of Directors of the Company have formulated the Policy on dealing with RPTs and a Policy on materiality of RPTs which is uploaded on the website of the Company and can be accessed through the following link: https://www.emkayglobal.com/investor-relations

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

(a) Name(s) of the related party and nature of relationship	–	N.A
(b) Nature of contracts/arrangements/transactions	–	N.A
(c) Duration of the contracts / arrangements/transactions	–	N.A
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	–	N.A
(e) Date(s) of approval by the Board, if any:	–	N.A
(f) Amount paid as advances, if any:	–	N.A

During the Financial Year ended 31st March, 2021, there are no transactions with related parties which qualify as a material transaction in terms of the applicable provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large.

On behalf of the Board of Directors

Krishna Kumar Karwa	**Prakash Kacholia**
Managing Director	Managing Director
DIN: 00181055	DIN: 00002626

Place: Mumbai

Date: 20th May, 2021

ANNEXURE "C"

Forming part of The Board of Directors' Report

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

a) **Energy Conservation:** Since the Company is engaged in financial services, it does not consume substantial energy. However, as a responsible organization, the Company has adopted various environment friendly measures in order to conserve energy. The same are as follows:

1. Installation of capacitors to save power.
2. Installation of power saving TFT monitors.
3. Enabled automatic power off modes on idle monitors.
4. Minimal air-conditioning usage.
5. Fixed time schedules (timers enabled) for operating air-conditioners
6. Shutting off electronic devices when not in use.
7. Installation and replacement (wherever possible) of power saving electrical equipments like LED over CFL.
8. Preventive maintenance of all electrical equipments for better efficiency and power consumption.
9. Educating employees on ways to conserve electricity and other natural resources and a strict adherence to the same is ensured.

b) **Technology Absorption:** It is the policy of your Company to keep abreast of all the technological advancements in its field of operation and particularly so in the field of Information Technology. The Management places immense importance on careful analysis and absorption of the latest technology as well as on the development of technologies that abet the achievement of business goals and improve its performance in the long run.

c) **Details of Foreign Exchange Earnings and Outgo:**

i) The foreign exchange inflows were ₹ 242.97 Lacs

ii) The foreign exchange outflows were ₹ 418.18 Lacs

On behalf of the Board of Directors

Krishna Kumar Karwa	**Prakash Kacholia**
Managing Director	Managing Director
DIN: 00181055	DIN: 00002626

Place: Mumbai

Date: 20th May, 2021

ANNEXURE “D ”

Forming part of the Board of Directors’ Report

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2020-21

[Annexure -II]

1. Brief outline on CSR Policy of the Company

Corporate Social Responsibility (CSR) forms an important part of the Company’s philosophy of giving back to the society.

The objective of the CSR Policy of the Company is to contribute to social and economic development of the communities in which the Company operates and to generate through its CSR initiatives, a community goodwill for the Company and help reinforce a positive and socially responsible image of the Company as a corporate entity.

The CSR policy of the Company is available at the weblink of the Company at https://www.emkayglobal.com/Investor Relations/ Policy & Disclosures.

2. Composition of CSR Committee

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. G. C. Vasudeo	Chairman - Independent Director	2	2
2	Mr. Krishna Kumar Karwa	Member - Executive Director	2	2
3	Mr. Prakash Kacholia	Member - Executive Director	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.
https://www.emkayglobal.com/Investor-Relations/Policy & Disclosures

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report) - **Not Applicable**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any - **Not Applicable**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1			
2			
3			
	Total		

6. Average net profit /(Loss) of the company as per section 135(5) : ₹ **7,05,54,274/-**

7. (a) Two percent of average net profit /(Loss) of the company as per section 135(5) : **₹ 14,11,086/-**

(b) Surplus arising out of the CSR projects or programmes or activities of the Previous financial years : **NIL**

(c) Amount required to be set off for the financial year, if any : **NIL**

(d) Total CSR obligation for the financial year (7a+7b-7c) : **₹ 14,11,086/-**

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
14,11,086	NIL	-	-	NIL	-
*52,76,653	NIL	-	-	NIL	-

Note : * Unspent CSR amount pertaining to previous years spent during FY 2020-21.

(b) Details of CSR amount spent against ongoing projects for the financial year: **NIL**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Reg. number
1.												
2.												
3.												
	Total											

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
								Name	CSR registration number
1	S.M.B.T. Sevabhavi Trust	(iii)	Yes	Maharashtra	Ahmednagar	10,00,000	No.	Emkay Charitable Foundation (ECF)	CSR00003579
2	Aadhar Foundation	(iii)	Yes	Gujarat	Ahmedabad	5,00,000	No.	Emkay Charitable Foundation (ECF)	CSR00003579
3	Omkar Andh Apang Samajik Sanstha	(ii,iii)	Yes	Maharashtra	Mumbai	17,00,000	No.	Emkay Charitable Foundation (ECF)	CSR00003579
4	The Shirpur Education Society	(ii)	Yes	Maharashtra	Dhule	15,00,000	No.	Emkay Charitable Foundation (ECF)	CSR00003579
5	The Vishal Mumbai Shikshan Prasarak Mandal	(ii)	Yes	Maharashtra	Mumbai	19,87,739	No.	Emkay Charitable Foundation (ECF)	CSR00003579
	Total					**66,87,739**			

(d) Amount spent in Administrative Overheads: **NIL**

(e) Amount spent on Impact Assessment, if applicable: **NIL**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : **₹ 66,87,739/-**

(g) Excess amount for set off, if any -

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	14,11,086
(ii)	Total amount spent for the Financial Year 2020-21	14,11,086
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years :

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)	
				Name of the Fund	Amount (in ₹)	Date of transfer		
1	2019-20	-	29,00,516	-	-	-	-	-
2	2018-19	-	23,34,903	-	-	-	-	-
3	2017-18	-	41,234	-	-	-	-	-
	Total		**52,76,653**					

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **Not Applicable**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing
1								
2								
3								
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year : **Not Applicable**

(asset-wise details)

(a) Date of creation or acquisition of the capital asset(s)

(b) Amount of CSR spent for creation or acquisition of capital asset

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) : **Not Applicable**

Krishna Kumar Karwa	**Prakash Kacholia**	**G. C. Vasudeo**
Managing Director	Managing Director	Chairman - CSR Committee
DIN: 00181055	DIN: 00002626	DIN: 00021772

Place: Mumbai
Date: 20th May, 2021

ANNEXURE “E”

Forming part of the Board of Directors’ Report

A) RATIO/ MEDIAN

Disclosure pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

<table>
<tr><th>Sr. No.</th><th>Disclosure Requirement</th><th colspan="3">Disclosure Details</th></tr>
<tr><td rowspan="9">1</td><td rowspan="9">Ratio of the remuneration of Director to the median remuneration of the employees for the Financial Year</td><td>Name</td><td>Title</td><td>Ratio</td></tr>
<tr><td>Krishna Kumar Karwa</td><td>Managing Director</td><td>10.97</td></tr>
<tr><td>Prakash Kacholia</td><td>Managing Director</td><td>10.97</td></tr>
<tr><td>S. K. Saboo</td><td>Chairman</td><td>0.07</td></tr>
<tr><td>R. K. Krishnamurthi</td><td>Independent Director</td><td>0.10</td></tr>
<tr><td>G. C. Vasudeo</td><td>Independent Director</td><td>0.15</td></tr>
<tr><td>Dr. Satish Ugrankar</td><td>Independent Director</td><td>0.10</td></tr>
<tr><td>Priti Kacholia</td><td>Woman Director</td><td>0</td></tr>
<tr><td>Dr. Bharat Kumar Singh</td><td>Independent Director</td><td>0.09</td></tr>
<tr><td rowspan="5">2</td><td rowspan="5">Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year</td><td>Name</td><td>Title</td><td>% increase in remuneration from FY 19-20 to FY 20-21</td></tr>
<tr><td>Krishna Kumar Karwa</td><td>Managing Director</td><td>(-) 17.65%</td></tr>
<tr><td>Prakash Kacholia</td><td>Managing Director</td><td>(-) 17.65%</td></tr>
<tr><td>Bhalchandra Raul</td><td>Company Secretary</td><td>0%</td></tr>
<tr><td>Saket Agrawal</td><td>Chief Financial Officer</td><td>0%</td></tr>
<tr><td>3</td><td>Percentage increase in the median remuneration of employees in the financial year</td><td colspan="3">7.18%</td></tr>
<tr><td>4</td><td>Number of permanent employees including Directors on the rolls of Company at the end of the year</td><td colspan="3">424</td></tr>
<tr><td>5</td><td>Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration</td><td colspan="3">For employees other than Key Managerial Personnel who were in employment in FY19-20 as well as in FY 20-21, the average increase in their remuneration was 0.12% whereas average increase in remuneration of Key Managerial Personnel was (-)13.33% for the same period.</td></tr>
<tr><td>6</td><td>Affirmation that the remuneration is as per the remuneration policy of the Company</td><td colspan="3">The Company’s Directors/Key Managerial Personnel and Employees are paid remuneration as per the Remuneration Policy</td></tr>
</table>

On behalf of the Board of Directors

Krishna Kumar Karwa	**Prakash Kacholia**
Managing Director	Managing Director
DIN: 00181055	DIN: 00002626

Place: Mumbai
Date: 20th May, 2021

ANNEXURE "F"

Forming part of the Board of Directors' report

Disclosures with respect to Employees Stock Option Scheme of the Company

Disclosures in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended, are set below.

Sr. No.	Particulars	ESOP Scheme-2007	ESOP Scheme-2010 (Through Trust Route)	ESOP Scheme 2018
1	Total Number of Options under the plan	24,26,575	24,41,995	24,53,403
2	Options Granted during the year	2,46,000	-	8,91,667
3	Exercise Price & the Pricing formula	Exercise price considered is the closing market price as on the day preceding the date of the grant on that stock exchange which has had the maximum trading volume of the Company's shares.	Exercise price considered is the closing market price as on the day preceding the date of the grant on that stock exchange which has had the maximum trading volume of the Company's shares.	Exercise price considered is the closing market price as on the day preceding the date of the grant on that stock exchange which has had the maximum trading volume of the Company's shares.
4	Options vested (during the year)	0	0	0
5	Options exercised (during the year)	0	0	0
6	The total number of shares arising as a result of exercise of options during the year.	0	0	0
7	Options lapsed (during the year)	4,46,978	0	91,548
8	Money realized by exercise of options (during the year)	0	0	0
9	Total number of options in force at the end of the year.	17,58,120	0	23,20,245
10	Employee wise details of options granted to			
	i. Key Managerial Personnel (a) Mr. Saket Agrawal, Chief Financial officer (b) Mr. B. M. Raul, Company Secretary	(During FY 2018-19) 25,000 10,000	Nil	Nil
	ii. Employees holding 5% or more of the total number of options granted during the year.	Nil	Nil	Nil
	iii. Employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil	Nil	1. Mr. Nirav Sheth, CEO-Institutional Equities (8,61,667 Employee Stock Options)

Sr. No.	Particulars	ESOP Scheme-2007	ESOP Scheme-2010 (Through Trust Route)	ESOP Scheme 2018
11	Diluted Earnings per share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with ("Indian Accounting Standards (Ind AS) 33" Earnings per share)	3.25 Standalone 4.52 Consolidated	-	3.25 Standalone 4.52 Consolidated
12	Weighted average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	₹ 75.05 (weighted average exercise price) ₹ 33.63 (weighted average fair value)	-	₹ 69.42 (weighted average exercise price) ₹ 29.19 (weighted average fair value)
13	A description of the method and significant assumptions used during the year to estimate the fair values of options including the following weighted average information: 1. Risk free interest rate 2. Expected life 3. Expected volatility 4. Expected dividend yield 5. The price of the underlying shares in market at the time of option grant	• Stock Price-Closing price on recognized stock where Company's shares are listed on date immediately prior to date of Grant • Volatility • Risk free rate of return • Exercise price • Time of Maturity • Expected dividend yield	-	• Stock Price-Closing price on recognized stock where Company's shares are listed on date immedietely prior to date of Grant • Volatility • Risk free rate of return • Exercise price • Time of Maturity • Expected dividend yield

On behalf of the Board of Directors

Krishna Kumar Karwa
Managing Director
DIN: 00181055

Prakash Kacholia
Managing Director
DIN: 00002626

Place: Mumbai
Date: 20th May, 2021

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MANAGEMENT DISCUSSION & ANALYSIS

GLOBAL ECONOMY

The year 2020-21 saw all the economies across the world come under the grip of the Covid-19 pandemic. Nationwide lockdowns and a standstill in economic activities challenged the economic growth and employment. As a result, the global economy contracted by 3.50 per cent in 2020 compared to a growth of 2.30 per cent in 2019 (Source: IMF). The other significant events during the year included the presidential elections in the US (Joe Biden replaced Donald Trump), and the completion of Brexit. Fiscal expansion and continued monetary accommodation will be the critical factors for revival in economic growth. The vaccination drive has raised hopes of a sustainable recovery. However, with the second wave of the pandemic, uncertainty still prevails. The recovery and revival across nations largely depends on universal vaccination supported by adequate medical and health infrastructure and effective and continued policy support.

INDIAN ECONOMY

The first wave of the pandemic, which started in March 2020, affected output, employment, and growth while throwing lives and businesses into disarray. The Government and the RBI's timely fiscal and monetary policy measures helped the swift revival of the economy. GDP growth which fell to -24.30 per cent in Q1 of 2020-21, revived to a flat growth in Q4 of 2020-21, and the year ended at a relatively moderate deceleration of -7.30 per cent. Accommodative monetary stance, low interest rates, and ample liquidity in the interbank market facilitated the recovery. The second wave of the pandemic seems to have peaked out, and even with shutdowns across some of the larger cities and towns, the economy is likely to clock a growth rate of 8 per cent to 9 per cent in 2021-22. The policy of universal vaccination will go a long way in ensuring that we build the capability to thwart any future recurrence of the pandemic. As a strong move towards the AtmaNirbhar Bharat, the Government introduced the Production Linked Incentive (PLI) scheme, the benefits of which were extended to the ten key sectors like food processing, battery storage, automobile components and specialty steel, among others. All these measures take India's manufacturing sector towards a path of sustainable recovery and growth.

INDIAN EQUITY MARKET

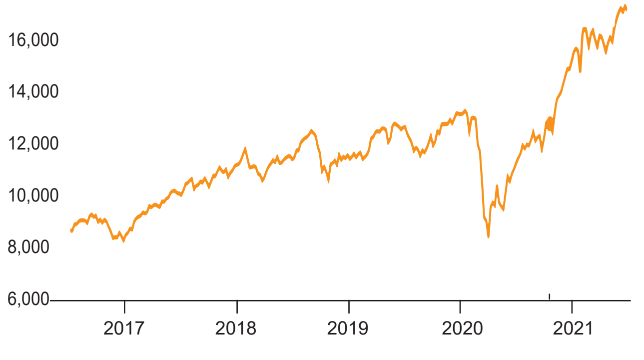
For the markets, the year 2020-21 started with the unprecedented health scare of global magnitude. The ungauged future impact of the pandemic on all economic activities led to a sharp fall in markets, but a swift response from the fiscal and monetary policies to support growth led to markets posing a smart recovery. As the impact of the pandemic was largely priced-in, and the growth expectations were gradually normalised from one of extreme pessimism, the earnings, as well as the multiples awarded to those earnings, started improving.

The recovery was led by safe haven sectors such as pharma, given the demand inelasticity of its products and the implicit benefit accruing due to the pandemic. The continued fiscal and monetary support coupled with street-estimates-beating earnings growth improved the breadth of the markets, with even cyclicals surging on the back of improving commodity prices and expectations of a strong demand recovery. The Nifty 50 TRI, Nifty Midcap 50 TRI and Nifty Smallcap 50 TRI posted returns of 72 per cent, 114 per cent and 134 per cent, respectively, for 2020-21.

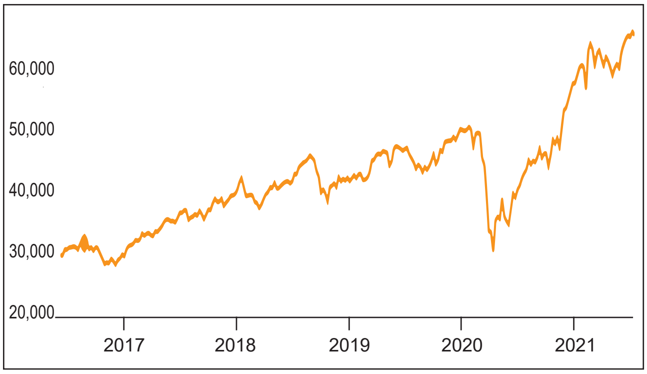
The improvement in liquidity conditions on the back of strong policy support was responsible in no small measure for the bull run witnessed in 2020-21. The liquidity support, increased retail participation, and buoyant market sentiment led to a slew of IPOs hitting the markets. As a result, the stock markets witnessed 55 initial public offerings (IPOs), with a cumulative capital raised of ₹ 46,029.71 crore, up 115per cent year-on-year (YoY) from ₹ 21,382.35 crore. Furthermore, ₹ 64,058.61 crore was raised through a total of 21 rights issues, up 15per cent YoY from ₹ 55,669.79 crore through 17 rights issues.

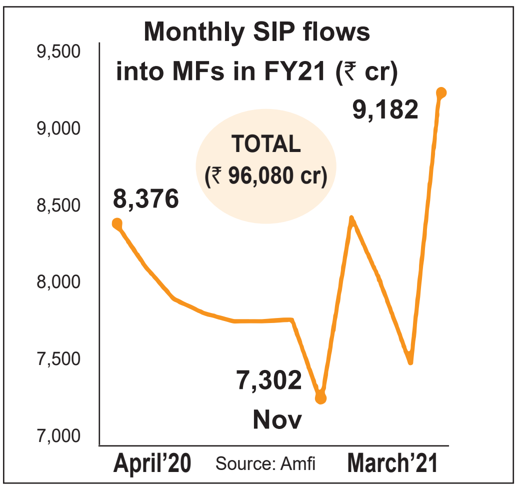
At the current juncture, it may not be appropriate to say that all the positives have been priced-in. However, it can be safely said that the market valuations are not reflecting pessimistic expectations. Therefore, going ahead investors will have to be much more discerning in their stock selection and stick with good management with proven track record of delivering healthy growth.

Nifty 50 Price



Sensex Price





Business Overview

Emkay Global Financial Services Limited ('Emkay' or 'the Company' or 'we') was incorporated on 24th January, 1995, as Emkay Share and Stock Brokers Private Limited, by two first-generation entrepreneurs. The Company got listed on the stock exchanges in 2006 and acquired its current name in the year 2008.

Today, the Company offers a host of transactional and advisory services across equity, debt, currency and commodities. It has a vast client base including foreign institutional investors, domestic mutual funds, banks, insurance companies, private equity firms, corporate houses, small and medium-sized enterprises and high net worth individuals. The diversity of its services is backed by a team of research experts, robust infrastructure and well-managed processes.

BUSINESS SEGMENTS

Equity

At Emkay, we believe in consistent value investing and value creation. Our research team is a crucial pillar that helps in identifying undervalued stocks through in-depth qualitative and quantitative analysis. We cater to institutional and non-institutional clients and help in building portfolios with the most well researched, stable and promising stocks. During the financial year, the institutional segment contributed 57 per cent of the total equity broking business, while the non-institutional segment accounted for the remaining. The total number of institutional and non-institutional clients stood at 406 and 1,44,000+, respectively, in 2020-21.

Research

Our strength of research lies in generating unparalleled, differentiated, extensive and exhaustive real-time insights. Emkay has an industry-wide reputation for high quality, differentiated research. Our timely information to our clients has always helped them in making informed decisions and in creating wealth.

Our coverage of stocks increased to 305 in 2020-21, comprising 48 of Nifty 50 and all 30 of the BSE Sensex companies. We have a competent team of more than 30 analysts and research associates with rich experience and sound domain knowledge in their respective industries. Despite the lockdown, we successfully conducted our flagship conference 'Emkay Confluence' virtually, which received an overwhelming response, with more than 100 corporates participating. We further hosted Alcobev conference, FinShift-Digi-Banking Conference', and organised our first 'Millions Under Billion' small and mid-cap conference with participation from 75 companies.

Asset Management

For Emkay Investment Managers Limited (EIML), the financial year 2020-21 proved to be an inflection point in more ways than one. While the crisis tested the resilience and temperament of all the teams, it also helped sharpen our value proposition to our investors and advisors from a holistic perspective. EIML's clientele includes marquee family offices, HNIs, corporates, NRIs and trusts. A team of highly experienced and qualified portfolio managers and analysts leverage proprietary frameworks across their investment strategies to deliver consistent long-term returns.

We believe that capital preservation and client comfort is of utmost importance in asset management. Hence we ensure that the investors understand what exactly they are investing in. Our most enormous success has been in terms of a straightforward narrative explaining why both our 'Classical Alpha' and 'Smart Alpha' frameworks have consistently delivered superior performance.

EIML's proprietary governance framework 'E-QUAL' has been able to score managements based on parameters like management capability, management integrity and ability to distribute wealth, amongst others.

On the other hand, the 'Smart Alpha' framework identifies stocks and themes like value migration and consumption. The 'Smart Alpha' framework is probably the only one of its kind in the country. Through its robust risk management processes, it delivers consistent returns by mitigating selection and allocation biases in a portfolio.

Key highlights during the year

- Emkay Emerging Stars – Series 1, an AIF offering, won an award for the best performance from the PMS-AIF world.
- A website **(www.emkayim.com)** dedicated to the vertical and important social media handles were launched on 15th August, 2020. All the digital properties have gained consistent traction over the months since their launch.
- Emkay's Value Shastra, launched in collaboration with MSJ Mister Bond Pvt Ltd, brought the country's first asset allocation product on the PMS platform to the customers. It is one of those rare breeds of investment options that flags off an exit route to the investor for his investments, basis its proprietary algorithm
- In the last quarter of the financial year, EIML also launched 'Emkay Alpha Mavens', a one-of-a-kind investment option for Ultra HNIs, family offices, and trusts. Its 3C value proposition of **Customization, Cost effectiveness** and **Comfort** on performance fees, immediately generated quick appreciation and interest from a highly savvy set of customers.

Wealth Management

The services offered under this segment include portfolio creation, investment planning, portfolio monitoring and re-balancing, transactional support, MIS and information support and advisory towards treasury management to corporate. Estate and succession planning services are also offered through the subsidiary Emkay Wealth Advisory Private Limited (Emkay Wealth). Its research division regularly releases publications focused on the economy, markets and the various asset classes. Emkay Wealth follows a disciplined approach across distribution, product, client selection, asset allocation and technology.

In less than three years since inception, Emkay Wealth has scaled operations to 9 locations pan India and has a strength of 27 top quality private bankers/wealth managers across these locations. During the year, the revenue of Emkay Wealth increased by 87 per cent to ₹ 476 lac and Assets Under Management increased by 56 per cent to ₹ 182,118 lac.

We remain entirely open architecture. Our client acquisition strategy works on a multitude of options, and we are optimistic about the future of our business.

Investment Banking

The year 2020-21 was a pivotal year for the Investment Banking division. The most significant event was our blockbuster entry into the IPO advisory segment. In 2020-21, Emkay played the crucial role of Left Lead Book Running Lead Manager (BRLM) for the ₹ 625 crore IPO of Heranba Industries Limited (HIL). Its IPO was oversubscribed (> 80x) with prominent mutual funds, foreign portfolio investors and insurance firms bidding for the anchor book. Emkay's individual contribution to the anchor book was >75 per cent. IPO investors earned bumper listing day gains of over 30 per cent.

Apart from the HIL IPO, we also saw a series of successful transactions, including a rights Issue (Mold-Tek Packaging), Tender Offer Buyback (Dhanuka Agritech), Open Market Buyback (Eclerx) and promoter block offer for sale (Valiant Organics). Emkay is also advising a delisting transaction.

The tremendous success of these transactions resulted in an aggravated reputation and is expected to culminate in market share gains. We expect to maintain this growth momentum in the coming year, owing to our healthy pipeline of mandates.

Currency and Commodity

The lockdowns resulted in a complete slowdown of international trade during the year. Emkay focuses on targeting corporate clients looking to the exchange platform for hedging their currency/commodity risks. The ban on exports/imports for a longer portion of the financial year caused us to lose some market share. As a result, our YoY volumes declined by nearly 10 per cent and 12 per cent in the currency and commodity segments, respectively. However, with the pace of vaccination picking up and the slow resumption of business activities across the country, we hope to regain our market share. For this purpose, we continue to invest in technology platforms backed by skilled manpower to leverage upon the normalisation of commercial activities.

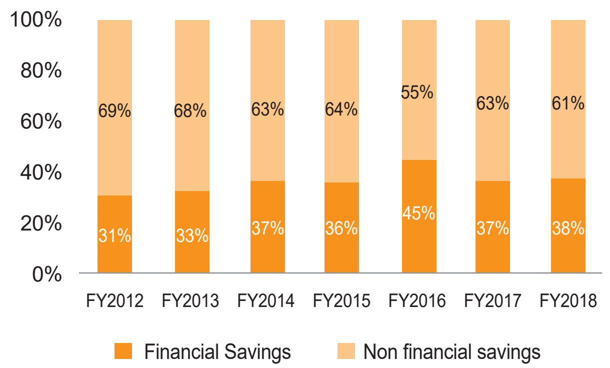
OPPORTUNITIES

Large Potential IPO and M&A Pipeline

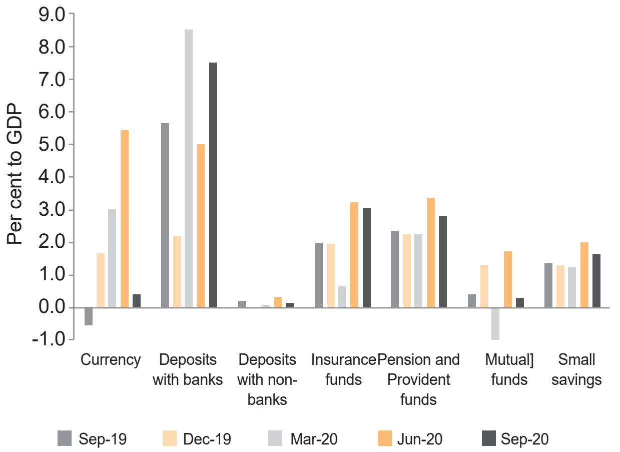
With continuous support by the Government towards entrepreneurship (e.g. ease of doing business), India sees an increasing number of startups and small businesses. With the advent of SME exchange, it has become easier for SMEs to get listed. Furthermore, the rising penetration of private equity and venture capital in Indian startups is expected to result in increased M&As and IPOs.

Financialisation of Household Savings

Despite having the 3rd largest household savings globally, over 60 per cent of India's household savings are in physical assets such as real estate and gold. Gradually, this is shifting towards financial assets. Even within financial assets, a large part of savings is in bank deposits, which barely compensates for inflation. Equity savings as a percentage of financial savings are expected to reach 10.2 per cent by 2026 *(Source: https://economictimes.indiatimes.com/markets/stocks/news/india70-domestic-retail-investors-are-breaking-free-beating-all-odds/articleshow/60065087.cms).*



(Source: https://marcellus.in/wp-content/uploads/2020/09/marcellus_kings-of-capital.pdf#page=27)



*(Source: https://rbidocs.rbi.org.in/rdocs Bulletin*PDFs/04AR_ 190320212E0855E 3FD1C4C47A98B1F47EDE0FA44.PDF#page=6)

Digital Penetration

The total number of internet users in India grew by 8.2 per cent YoY (Source: https://datareportal.com/reports/digital-2021-india), demonstrating the large untapped digital market for rural India. Rising internet access, driven by the Government's 'Digital India' initiative, will make it easier for financial services firms to reach the massive unserved and underserved rural markets.

THREATS

Rising Preference towards Index Funds

Investors have increasingly realised that the number of active managers who can consistently generate net (post-fees) alpha are very few. Having burnt their fingers in PMSs that invest in dodgy companies, investors have now recognised that the index return of around 15 per cent (historically) is satisfactory. They are now paying negligible fees (0.1 per cent expense ratio typically) and just getting market returns, resulting in an emerging trend of preference towards passive, low-cost index funds and ETFs. This may reduce our total market opportunity.

Large Ticket Size Requirement

Unlike mutual funds, where the minimum investment can be as low as ₹ 500, the minimum investment in a PMS is at ₹ 50 lac as per SEBI regulations and ₹ 1 crore for AIFs. This, to an extent, reduces the total addressable market for Emkay.

Risk	Impact	Mitigation
Technology Risk	A large number of users could lead to temporary crashing of the server and inconvenience for clients	During the financial year, we implemented a new cloud-based CRM for Commodity PCG Desk and developed Web API Services (for data exchange) for Wealth CRM to prevent any inconvenience to clients.
Cyber Security Risk	The absence of proper critical security systems in place can result in cyber-attacks and hacking of our platform	Our efficient IT security system and our skilled software team help prevent, protect, detect, and respond to any cyber security threats.
Competition Risk	A rising number of new entrants in the industry could pose a threat to our market share	We have high-quality research, advisory services, and alpha-generating skills, which differentiate us from competitors.

Financial Performance

Consolidated:

The Company recorded a total income of ₹ 16,498 lac in 2020-21 as against ₹ 13,513 lac in 2019-20, an increase of 22 per cent. The Company's EBIDTA stood at ₹ 2,564 lac compared to a loss of ₹ 679 lac in 2019-20. The Company saw a turnaround and reported Profit/(Loss) after Tax (continuing operations) at ₹ 1,113 lac against ₹ (1,259) lac in 2019-20.

Standalone:

The Company recorded a total income of ₹ 14,595 lac as against ₹ 11,972 lac in 2019-20, an increase of 22 per cent. The Company's EBIDTA stood at ₹ 1,969 lac compared to loss of ₹ 907 lac in 2019-20. The Profit/(Loss) after Tax stood at ₹ 801 lac against ₹ (1,258) lac in 2019-20.

Last year was phenomenal for Emkay, as we recorded the highest ever consolidated revenue of ₹ 16,498 lac. The growth was backed by sound progress across all the verticals with Broking vertical recording a 580 per cent jump in average daily turnover on YoY basis.

	2020-21	2019-20	2020-21	2019-20
	₹ in crore			
Revenue	145.95	119.72	164.98	135.13
Earnings before interest, tax and depreciation & amortization	19.69	(9.07)	25.64	(6.79)
Profit before tax	11.41	(18.00)	17.37	(16.57)
Profit for the year	8.01	(12.58)	11.13	(12.59)
Total Assets	518.00	345.92	564.84	380.66
EPS (In ₹)	3.26	(5.11)	4.52	(5.03)

Metrics	Standalone			Consolidated		
Particulars	31st March, 2021	31st March, 2020	% Change increase (decrease)	31st March, 2021	31st March, 2020	% Change increase (decrease)
Current ratio	1.06	1.10	-3.64%	1.16	1.36	-14.71%
Debt equity ratio	NA	0.07	NA	0.060	0.052	14.82%
Net profit margin	5.49%	-10.51%	Loss to Profit	6.75%	-9.32%	Loss to Profit
Return on net worth	6.13%	-10.46%	Loss to Profit	6.69%	-8.24%	Loss to Profit
Interest coverage ratio	3.86	(2.95)	Loss to Profit	5.47	(2.11)	Loss to Profit

HUMAN RESOURCES

The Company believes that its employees are the key to its success and is committed to equipping them with advanced skills. Thus, enabling them to evolve with ongoing technological advancements seamlessly.

We allotted company laptops and data cards to some employees during the year and facilitated continued work from home (WFH) through secured VPN gateways to access the required Drives/Systems. We made exclusive arrangements with a car vendor to provide thoroughly sanitised vehicles and arranged Essential Services E-Pass for every employee who needed to work from the office. In addition, we stationed security and housekeeping personnel in our offices and facilitated an uninterrupted supply of sanitisers, hand-wash solutions, and gloves to ensure office cleanliness and hygiene and maintained emergency food stocks and First-Aid.

Going forward, as unlock guidelines enable more employees to work from the office, we shall continue our focus on employee health and safety by following all the necessary protocols required for ensuring a safe working environment. We are also in discussion with a few hospitals and would soon be carrying out a vaccination drive for our employees and their kin.

We are committed to being a responsible employer, and we constantly strive to promote a healthy, collaborative and holistic working environment. Despite work from home, we continued to ensure an inclusive and interactive work culture.

During the year, we conducted various short training programs at regular intervals. The programs primarily focused on building skills related to communication, time management, client pitches and customer orientation, and internal knowledge sharing and cyber security. We helped in upgrading both the Behavioural and Functional skillset of our employees.

Employees are the key stakeholders and lifeline of our organisation. In these tough times, we ensured that appraisals and increments were done timely and communicated effectively. In addition, we extended our HRSM system for filing to enable ease of filing of ITR (Income Tax Returns). We also introduced a helpdesk where the employees could seamlessly resolve their queries.

60 Total training programs conducted in 2020-21

330 Participations across the organisation

At Emkay, we continue to stand by our employees, promote gender equality, focus on building skills and improving efficiency. Our policy initiatives help in nurturing future leaders who will take our legacy forward.

INTERNAL CONTROL SYSTEMS AND ADEQUACIES

The Company's internal control systems are adequate, effective and commensurate with its size of business. These internal control systems are provided in various ways. A competent management along with the implementation of standard policies and processes, is put in place. Alongside, maintenance of an appropriate audit program with an internal control environment and effective risk monitoring and management information systems also aid the purpose. The Company regularly and continuously upgrades these systems, keeping in line with the best available practices. The internal control systems are supplemented by extensive internal audits. There are regular reviews by the management and standard policies and guidelines as well. These policies and guidelines ensure the reliability of financial and all other records to prepare financial statements and other data. The Management Information System (MIS) forms an integral part of the Company's control mechanism. The Company carries out regular checks and procedures. This is done through periodical internal audits conducted by an independent audit firm. The reports are deliberated, and an executive summary of the same, along with Action Taken Reports (ATR) and steps taken by the management to address the issues, are placed before the Audit Committee meeting/Board meeting for a review. The Audit Committee reviews reports of internal auditors. If any, the corrective measures for the same are carried out to improve further systems and procedures in compliance with Internal Control Systems. The Board also recognises the auditors' work as an independent check on the information received from the management on the operations and performance of the Company.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could influence the Company's operations include economic developments within the country, demand and supply conditions in the industry, input prices, changes in Government regulations, tax laws and factors such as litigation and industrial relations.

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company has set for itself the objective of achieving excellence in its business. As a part of its growth strategy, the Company believes in adopting the 'best practices' that are followed in the area of Corporate Governance. The Company emphasizes the need for full transparency and accountability and conducting its business in a highly professional and ethical manner, thereby enhancing trust and confidence of all its stakeholders. The Company continuously monitors its governance practices and benchmarks itself to the best governed companies across the industry. The Company believes in pursuing holistic growth and realizes its responsibility towards its stakeholders and environment. The Board considers itself as a Trustee of its Shareholders and acknowledges its responsibilities towards them for creation and safeguarding of their wealth. The Company not only adheres to the prescribed corporate governance practices as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 but is also committed to sound corporate governance principles and constantly strives to adopt emerging best practices.

A report on compliance with the principles of Corporate Governance as prescribed by SEBI in Chapter IV read with Schedule V of SEBI (LODR) Regulations, 2015 is given below:

2. BOARD OF DIRECTORS (BOARD)

2.1 Composition of Board

The Company has an optimum combination of Executive and Non-Executive Directors in its Board and comprises of Eight Directors, each having expertise in their field of operation including one Woman Director. The total number of Non-Executive Directors is more than 50% of the total number of Directors which is in conformity with the requirement of Regulation 17 (1) (a) of SEBI (LODR) Regulations, 2015. The Chairman of the Board is a Non- Executive Director, and there is optimum combination of half of the Board of Directors as independent directors as per Regulation 17 (1) (b) of the SEBI (LODR) Regulations, 2015. As on 31st March 2021 the Company's Board consist of eight Directors.

2.2 The brief profile of each Director is given below:

(i) Mr. S. K. Saboo (Non-Executive, Non Independent Director)

Mr. Sushil Kumar Saboo has more than 53 years of corporate management experience. Presently he is the Group Advisor (Chairman's Office) for Aditya Birla Group, one of the premier business groups of India.

(ii) Mr. R. K. Krishnamurthi (Non-Executive, Independent Director)

Mr. R. K. Krishnamurthi, a Solicitor in the Mumbai High Court and the Supreme Court of England, has a rich and wide experience of over 48 years in the field of Law. He is a retired Partner of Mulla & Mulla Craigie Blunt & Caroe, a reputed firm of Advocates, Solicitors and Notaries. He has worked and practiced as a lawer & legal advisor to several companies in the matters related to corporate affairs and Corporate Law. He is on the Board of Madhav Marbles and Granites Limited

(iii) Mr. G. C. Vasudeo (Non-Executive, Independent Director)

Mr. G. C. Vasudeo is a fellow member of the Institute of Chartered Accountants of India, The Institute of Company Secretaries of India, an Associate member of The Institute of Cost and Works Accountants of India and a Law Graduate from the University of Mumbai. He is having wide and rich industrial experience of over 42 years. He retired as Managing Director & Country Manager of SI Group-India Private Limited. He held various positions including Head of Corporate Finance, Accounts, Information Technology and Company Secretarial matters. He also headed the Marketing and Purchase function during his tenure. He was instrumental in restructuring of the Group and also in mergers and acquisitions for the Group.

(iv) Dr. Satish Ugrankar (Non Executive Independent Director)

Dr. Satish Ugrankar is M.S., D'ORTH (CPS), and F.C.P.S. (CPS), (Mumbai). He was on the Board of FDC Limited for around 50 years.

(v) Mr. Krishna Kumar Karwa (Managing Director, Promoter)

Mr. Krishna Kumar Karwa, a rank holder Member of the Institute of Chartered Accountants of India, is the Promoter, Managing Director of the Company. Mr. Krishna Kumar Karwa has a rich and varied experience of 33 years in all aspects of the Equity Capital Markets. He was a Director of Titagarh Agrico Private Limited. He was also on the Board of West Coast Paper Mills Limited as an Independent Director.

(vi) Mr. Prakash Kacholia (Managing Director, Promoter)

Mr. Prakash Kacholia, a Member of the Institute of Chartered Accountants of India, is the Promoter and Managing Director of the Company. Mr. Prakash Kacholia has a rich experience of 32 years in the capital markets with a focus on the derivative segment. He was associated as Director with various prominent Companies like Central Depository Services (India) Limited, BSE Limited and BOI Shareholding Limited.

(vii) Mrs. Priti Kacholia (Non-executive, Woman Director)

Mrs. Priti Kacholia is a woman Director on the Board of Directors of the Company. She holds rich knowledge in the field of Business management. Mrs. Priti Kacholia is wife of Mr. Prakash Kacholia-Managing Director of the Company.

(viii) Dr. Bharat Kumar Singh (Non Executive, Independent Director)

Dr. Bharat Kumar Singh is B.E (Mech), MBA (IIM-C), Ph.D (Mumbai Univ. (JBIMS). Dr. Bharat Kumar Singh comes with a well-rounded experience of 46 years out of which 14 years were spent in two large MNCs (ITC & Sandoz Group) and 32 years in Indian Houses (RPG & Aditya Birla Group) in senior capacity. He has a wide experience in acquiring knowledge of business space, Restructuring, Reorganising and building relationships with the relevant Institutions. Presently he is on the Board of Aditya Birla Power Company Limited and Aadhyathma Management Pvt. Limited.

2.3 The Composition of the Board, Directorship/ Committee positions in other companies as on 31st March, 2021 and number of Meetings held and attended during the year are as follows:

In light of the unprecedented times faced by the companies in India due to COVID 19 pandemic, the Ministry of Corporate Affairs (MCA) vide its notifications dated March 19, 2020 had granted relaxations for conducting its Board meetings through video conferencing or other audio visual means for all matters including the otherwise restricted matters mentioned in Rule 4 of the Companies (Meeting and Board and its Power) Rule 2014. During the year, all Board meetings were conducted through permissible Video Conferencing(VC) and/or Other Audio Visual Means (OAVM) mode.

Name of the Director	Category	No. of Board Meetings held during his/ her tenure and attended in 2020-21		Whether attended last AGM held on 28.08.2020	Number of Directorships in other public companies*	Number of Committee positions held in other public companies #		List of Directorship held in other listed companies and category of Directorship
		Held	Attended			Chairman	Member	
Mr. S. K. Saboo	NED	4	3	Y	2	-	-	-
Mr. R. K. Krishnamurthi	NED (I)	4	4	Y	3	1		1.Madhav Marbles and Granites Limited NED (I)
Mr. G. C. Vasudeo	NED (I)	4	4	Y	2	-	1	-
Dr. Satish Ugrankar	NED (I)	4	4	Y	-	-	-	-
Mr. Krishna Kumar Karwa	ED	4	4	Y	1 Retired from role of Independent Director of West Coast Paper Mills Limited after completion of second term on 1st February, 2021.	-	-	-
Mr. Prakash Kacholia	ED	4	4	Y	1	-	1	-
Mrs. Priti Kacholia	NED	4	1	Y	-	-	-	-
Dr. Bharat Kumar Singh	NED (I)	4	4	Y	2	-	-	-

Note:

1. Category: NED: Non-Executive Director, NED (I) : Non-Executive Director and Independent, ED - Executive Director & Promoter
2. None of the above Directors are related inter-se to any other Director on the Board, except for Mr. Krishna Kumar Karwa and Mr. S. K. Saboo who are related to each other and Mr. Prakash Kacholia and Mrs. Priti Kacholia who are related to each other.
3. None of the Non-Executive Directors except Mrs. Priti Kacholia hold any shares or convertible instruments in the Company.
4. None of the Directors hold the office of a Director in more than the permissible number of companies under the Companies Act, 2013 or Regulation 25 and 26 of the SEBI (LODR) Regulations, 2015

* excluding private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013, trusts and alternate directorships as per Regulation 26 of the SEBI (LODR) Regulations, 2015.

only Audit Committee and Stakeholders Relationship Committee have been considered as per Regulation 26 of the SEBI (LODR) Regulations, 2015.

THE BOARD HAS IDENTIFIED THE FOLLOWING SKILLS /EXPERTISE WITH THE INDIVIDUAL BOARD MEMBERS WITH REFERENCE TO THE COMPANY'S BUSINESS AND INDUSTRY.

Name of Director	Area of Expertise
Mr. S. K. Saboo	Corporate Management Experience.
Mr. R. K. Krishnamurthi	Solicitor, Law including International Law.
Mr. G. C. Vasudeo	Global Business, Banking, Corporate Finance, Accounts, Information Technology, Merger and Acquisitions.
Dr. Satish Ugrankar	Board Service and Governance.
Dr. Bharat Kumar Singh	Corporate Strategy & Business Development, Restructuring and Reorganization, Global Business.
Mrs. Priti Kacholia	Business Management.
Mr. Krishna Kumar Karwa	Equity Capital Market, Finance, Banking and Accounting, Global Business and Wealth Management.
Mr. Prakash Kacholia	Equity Capital Market with focus on derivatives segment Finance, Banking and Accountancy and Wealth Management.

INDEPENDENT DIRECTORS

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/profession, and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination, Remuneration and Compensation Committee, for appointment, as Independent Directors on the Board. The Committee, inter alia, considers qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such persons. The Board considers the Committee's recommendation, and takes appropriate decision. Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under the law. The Non-Executive Directors, including Independent Directors on the Board, possess the requisite experience and specialization in diverse fields such as legal, finance, banking, administration etc.

The Company has issued letters of appointment to Independent Directors which cover the Code for Independent Directors as per schedule IV as provided in the Companies Act, 2013 and the Company has disclosed the terms and conditions of appointment of an Independent Director on the website of the Company. The Company has also informed to the BSE Limited and the National Stock Exchange of India Limited regarding the appointment of Independent Directors. The Company has also received a declaration from them in the manner as provided in the Companies Act, 2013.

A sample of the letter of appointment is available on the website of the Company and can be accessed through the link: www.emkayglobal.com/investorrelations/Policy & Disclosures

Based on the disclosures received from all the Independent Directors and also in the opinion of the Board, the Independent Directors fulfill the conditions specified in the Companies Act, 2013 and Listing Regulations and are Independent of the management.

Independent director databank registration

Pursuant to Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 all directors have completed the registration/renewal with the Independent Directors Databank. Requisite disclosures have been received from the directors in this regard.

Familiarization Programme

Your Company has put in place a structured induction and familiarization programme for all its Directors including the Independent Directors. The Company through such programmes familiarizes not only the Independent Directors but also any new appointee on the Board, with a brief background of the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model, operations of the Company, etc. They are also informed of the important policies of the Company including the Code of Conduct for Board Members and Senior Management Personnel and the

Code of Conduct to Regulate, Monitor and Report, Trading by Insiders, etc.

The familiarization programme for Independent Directors in terms of Schedule V (C) (2) (g) of Regulation 34(3) of SEBI (LODR) Regulations, 2015 is uploaded on the website of the Company and can be accessed through the following link:www.emkayglobal.com/investor relations/ Policy & Disclosures

Evaluation of Board Effectiveness

In terms of provisions of the Companies Act, 2013 read with Rules issued there under and Regulation 25 of SEBI (LODR) Regulations, 2015 and further as per **Guidance note on Board Evaluation issued by SEBI** to help companies to improve the evaluation process by the companies, derive the best possible benefit and achieve the objective of the entire process.

Accordingly, the Board of Directors, on recommendation of the Nomination, Remuneration and Compensation Committee, has evaluated the effectiveness of the Board. Further, the performance evaluation of the Board, each Director and the Committees was carried out for the financial year ended 31st March, 2021. The evaluation of the Directors was based on various aspects which, inter alia, included the level of participation in the Board Meetings, understanding of their roles and responsibilities, business of the Company along with the effectiveness of their contribution. In the evaluation, the Directors who are subject to evaluation, do not participate.

Meetings of Independent Directors

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and regulation 25 of the SEBI (LODR) Regulations, 2015 and as per Clause VII of Schedule IV of the Companies Act, 2013, Regulation 25(3) and (4) of the SEBI (LODR) Regulations, 2015 and as per guidance note on Board Evaluation, a separate meeting of the Independent Directors of the Company was held on 19th March 2021 without the attendance of non-independent directors and members of management to inter alia:

- review the performance of Non-Independent Directors and the Board as a whole
- review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-executive Directors
- assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Board Meetings

In view of the lockdown declared by the Indian Government across the country from 24th March, 2020 and its extension from time to time due to the outbreak of COVID-19 pandemic and its resurgence, several relaxations had been provided by the Ministry of Corporate Affairs (MCA) vide its notifications dated March 19, 2020, and March 24, 2020 and the Securities and Exchange Board of India (SEBI) vide its Circular dated March 19, 2020. Further the Institute of Company Secretaries of India had also issued its Guidance Note dated April 4, 2020 on the applicability of Secretarial Standards on board and general meetings and the mandatory requirement of holding meetings of the Board of the companies within the intervals provided in section 173 of the Companies Act, 2013 (120 days) was extended by a period of 60 days till 30th September 2020

During the Financial Year 2020-21, 4 Board Meetings were held on 17th June 2020, 14th August 2020, 30th October 2020 and 4th February 2021.

The Company Secretary prepares the agenda papers in consultation with the Managing Directors and circulates the same to each Director sufficiently before Board and Committee Meetings. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meetings. Wherever it is not practicable to attach any document to the agenda, the same is tabled before the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted. To enable the Board to discharge its responsibilities effectively, both the Managing Directors apprise the Board at every meeting on the overall performance of the Company, followed by a detailed presentation.

The Board periodically reviews strategies, business plans, annual operating and capital expenditure budgets and evaluates the functions of the management in order to meet shareholders' aspiration. Some of the important matters that are discussed in the meeting of the Board are listed below: (The list mentioned below is only indicative and not exhaustive)

- The minutes of the Board meeting of unlisted Subsidiary Companies.
- Minutes of the meetings of Audit Committee and other Committees of the Board.
- Declaration of Independent Directors at the time of appointment/annually and every year.
- Annual operating plans of various businesses, budgets and any updates on the same.
- Statement of all significant transactions, related party

transactions and arrangements with the Subsidiary Companies.

- Quarterly Results of the Company on Standalone & Consolidated basis.
- Annual Financial Results of the Company, Auditor's Report and the Report of the Board of Directors.
- Dividend/Interim Dividend declaration, if any.
- Compliance Certificate certifying compliance with all the laws as applicable to the Company.
- Consideration and review of investments and exposure limits.
- Action taken report on the decisions taken at the previous meeting of the Board and other Committees.

The information as specified in Regulation 17 (7), Part A of Schedule II, of the SEBI (LODR) Regulations, 2015 is regularly made available to the Board, whenever applicable, for discussion and consideration.

The minutes of the proceedings of each Board and Committee Meeting are duly recorded. A draft of the minutes is circulated to all the members of the Board/ Board Committees for their comments.

Board Committees

The Board has constituted Committee(s) of Directors, with adequate delegation of powers. The Company Secretary of the Company acts as the Secretary to the Committees. The Board is responsible for constituting, assigning and co-opting the members of the Committees. Each Committee has its own charter which sets forth the purposes, goals and responsibilities of the Committees.

3. AUDIT COMMITTEE

A. Qualified and Independent Committee.

The present composition of the Audit Committee is as follows:

Mr. G. C. Vasudeo	Chairman
Mr. R. K. Krishnamurthi	Member
Dr. Satish Ugrankar	Member
Mr. Prakash Kacholia	Member
Dr. Bharat Kumar Singh	Member

The Audit Committee comprises of four Non-Executive Independent Directors and one Executive Director. The Chairman of the Audit Committee, Mr. G. C. Vasudeo is a Non- Executive Independent Director having expertise in the field of accounting and related financial management. All the members of the Committee are financially literate.

The Statutory Auditors, Internal Auditors, Managing Director, Chief Financial Officer (CFO) and Chief Operating Officer (COO) are permanent invitees to the Meetings and Company Secretary acts as the Secretary to the Audit Committee of the Board of Directors.

Meetings

During the Financial Year 2020-21, Five Meetings of the Committee were held on 17th June 2020, 14th August 2020, 30th October 2020, 4th February 2021 and 19th March 2021. The attendance of each Committee member was as under:

Name	No. of Meetings attended
Mr. G. C. Vasudeo	5
Mr. R. K. Krishnamurthi	5
Dr. Satish Ugrankar	5
Mr. Prakash Kacholia	4
Dr. Bharat Kumar Singh	4

The Chairman of the Audit Committee attended Annual General Meeting to answer shareholders' queries.

Terms of Reference

The role and terms of reference of the Audit Committee are set out in Regulation 18(3) read with Part C of Schedule II of the SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013, besides other terms as may be referred to by the Board of Directors of the Company. The terms of reference of the Audit Committee broadly are:

1. Approval of annual internal audit plan;
2. Review and approval of related party transactions;
3. Review of financial reporting systems;
4. Ensuring compliance with regulatory guidelines;
5. Reviewing the quarterly, half yearly and annual financial results;
6. Discussing the annual financial statements and auditors report before submission to the Board with particular reference to the (i) Director's Responsibility Statement; (ii) major accounting entries; (iii) significant adjustments in financial statements arising out of audit findings; (iv) compliance with SEBI (LODR) Regulations, 2015 etc.;
7. Interaction with statutory, internal and cost auditors;
8. Recommendation for appointment and remuneration of auditors;
9. Reviewing and monitoring the auditor's independence and performance etc;
10. Reviewing the functioning of the whistle blower mechanism/ vigil Mechanism;
11. Evaluation of internal financial controls and risk management systems

12. Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

Further the Audit Committee also mandatorily reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the Audit Committee; and
6. Statement of deviations:
    (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (LODR) Regulations, 2015;
    (b) Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7) of SEBI (LODR) Regulations, 2015.

In addition to the above, the Audit Committee also reviews the financial statements and details of investments made by the Subsidiary Companies.

4. NOMINATION, REMUNERATION AND COMPENSATION COMMITTEE:

The composition of the Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015.

The composition of the Nomination, Remuneration and Compensation Committee is as follows:

Mr. G. C. Vasudeo	Chairman
Mr. S. K. Saboo	Member
Mr. R. K. Krishnamurthi	Member
Dr. Satish Ugrankar	Member

The Committee comprises of only Non-Executive Directors as its members. All the members of the Committee are Independent except Mr. S. K. Saboo. As per Regulation 19 of SEBI (LODR) Regulations, 2015, Chairman of the Board shall not chair the Nomination, Remuneration and Compensation Committee. Mr. G. C. Vasudeo, an Independent Director, has been appointed as a Chairman of the Committee.

Meetings

During the Financial Year 2020-21, Four Meeting were held on 17th June 2020, 28th August 2020 30th October 2020 and 4th February 2021. The attendance of each Committee member was as under:

Name	No. of Meetings attended
Mr. G. C. Vasudeo	4
Mr. R. K. Krishnamurthi	4
Mr. S. K. Saboo	3
Dr. Satish Ugrankar	4

Terms of Reference

The Nomination, Remuneration and Compensation Committee determines the Company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment and carry out the role as per the corporate governance regulations framed by the authorities from time to time as under :

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of the Directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of performance of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.
5. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of the performance evaluation of Independent Directors.

Performance Evaluation Criteria for Independent Directors:

The performance evaluation criteria for independent directors is determined by the Nomination, Remuneration and Compensation Committee and indicative list of factors on which evaluation was carried out includes participation and contribution by a director, commitment, effective deployment of knowledge and expertise and independent judgment in the interest of the company.

The Chairman of the Nomination, Remuneration and Compensation Committee remains present at the Annual General Meeting, to answer the shareholders' queries.

The Nomination, Remuneration and Compensation Committee also meets as and when required for the purpose of proper administration and implementation of the ESOP Schemes formulated by the Company from time to time.

The main function of the Committee includes implementation, administration and superintendence of the ESOP Scheme formulated by the Company from time to time and to formulate the detailed terms and conditions for the same including.

a) The quantum of options to be granted under an ESOP Scheme per employee and in aggregate.

b) The Eligibility Criteria

c) The Schedule for Vesting of Employee Stock Options;

d) The conditions under which the Employee Stock Option vested in Employees may lapse in case of termination of employment for misconduct;

e) The procedure for making a fair and reasonable adjustment to the number of Employee Stock Options and to the Exercise Price in case of a corporate action such as rights issues, bonus issues, merger, sale of division and others.

f) The procedure and terms for the Grant, Vest and Exercise of Employee Stock Option

g) The procedure for cashless exercise of employee stock options, if required

h) Approve forms, writings and/or agreements for use in pursuance of the ESOP Schemes.

i) Frame suitable policies and systems to ensure that there is no violation by an employee of

    (a) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and

    (b) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003

j) Frame any other byelaws, rules or procedures as it may deem fit for administering ESOP.

Remuneration Policy

The Remuneration policy of your Company is a comprehensive policy which is competitive, in consonance with the industry practices and rewards good performance of the employees of the Company. The policy ensures equality, fairness and consistency in rewarding the employees on the basis of performance against set objectives

The Board of Directors and Nomination, Remuneration and Compensation Committee of the Board of Directors are authorized to decide the remuneration of Executive Directors subject to the approval of the Members and Central Government, if required. Payment of remuneration to the Managing Directors is governed by the letter of appointment issued to them by the Company, containing the terms and conditions of appointment approved by the Board of Directors and Nomination, Remuneration and Compensation Committee and the Shareholders. The remuneration structure comprises of salary, perquisites, retirement benefits and performance linked bonus. No stock options are granted to the Executive Directors of the Company.

Remuneration to Non-Executive Independent Director:

During the financial year, the Non-executive Independent Directors did not have any pecuniary relationship or transactions with the Company.

The remuneration / commission is fixed as per the slabs and conditions mentioned in the Companies Act, 2013. Commission to Non-Executive Independent Directors may be paid within the monetary limit approved by shareholders, subject to the limit of 1% of the net profits of the Company computed as per the applicable provisions of the Act.

The Non-Executive Independent Director may receive remuneration by way of fees for attending meetings of the Board or the Committee thereof. Provided that the amount of such fees shall not exceed one lakh rupees per meeting of the Board or Committee as may be prescribed in the Companies Act, 2013 and also subject to approval of the Board of Directors.

Sitting fees for Board / Committees paid to all Non-Executive Directors including Independent Directors fixed by the Board of Directors were within the limit as prescribed in the Companies Act, 2013. An Independent Director is not entitled to any stock option of the Company.

Details of Remuneration paid to Managing Director(s) for the Financial Year 2020-21

On the basis of the recommendation of the Nomination, Remuneration and Compensation Committee and the Board of Directors of the Company, the members of the company at the 25th Annual General Meeting held on 12th August, 2019 had approved re-appointment of Mr. Krishna Kumar

Karwa and Mr. Prakash Kacholia as Managing Directors (MDs) of the Company for a period of three years with effect from October 1, 2019 to September 30, 2022 at monthly salary of ₹ 10,00,000 (Rupees Ten Lac only) with such annual increments as may be decided by the Nomination, Remuneration and Compensation Committee and the Board of Directors of the Company from time to time plus perquisites.

In view of the depressed economic conditions caused due to the outbreak of COVID-19 pandemic all over the World and especially, its impact on the business of the Company, both the MDs had voluntarily offered reduction of 30 % in their respective monthly salary of ₹ 10,00,000 (Rupees Ten Lac only) each with effect from 1st April, 2020 and made a request to the NRC committee to restore their respective salary to the original amount of ₹ 10,00,000 (Rupees Ten Lac only) per month as and when the business environment stabilizes and pay the differential amount due to 30% reduction with retrospective effect from the date of deduction. In view of improved performance during FY 2020-21, the NRC committee has decided to restore the original salary of both the MDs to the original salary level of ₹ 10,00,000 (Rupees Ten Lac only) per month plus corresponding pro-rata retirement benefits such as employers' provident fund contribution and gratuity with effect from 1st April, 2021.

5. REMUNERATION OF DIRECTORS

The following table gives details of remuneration paid to Directors. During 2020-21, the company did not advance any loan to any of its Directors. Further, no Director has been granted any stock options of the Company during the year.

Name of the Director	Relationship with other Directors	Sitting fees	Salary and Perquisites	Provident Fund	Commission to Non-executive Directors/ performance incentive to Executive Directors	Total	No. of Stock options, if any
S. K. Saboo	Related to Krishna Kumar Karwa	60,000	0	0	0	60,000	None
R. K. Krishnamurthi	None	1,30,000	0	0	0	1,30,000	None
G. C. Vasudeo	None	1,30,000	0	0	0	1,30,000	None
Dr. Satish Ugrankar	None	1,30,000	0	0	0	1,30,000	None
Krishna Kumar Karwa (Managing Director)	Related to S. K. Saboo	0	84,00,000	10,08,000	0	94,08,000	None
Prakash Kacholia (Managing Director)	Related to Priti Kacholia	0	84,00,000	10,08,000	0	94,08,000	None
Priti Kacholia	Related to Prakash Kacholia	0	0	0	0	0	None
Dr. Bharat Kumar Singh	None	80,000	0	0	0	80,000	None

Notes :

1. Sitting fees are paid for attending Board Meetings and Board level Committees i.e. Audit, and Nomination, Remuneration and Compensation Committee
2. As per the calculation made u/s 198 read with section 197 of the Companies Act, 2013, the company is not having sufficient net profit to consider payment of commission to non-executive Independent Directors for the financial year ended March 31, 2021.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

(a) The Stakeholders Relationship Committee of the Company comprises of three Directors as under:

Mr. R. K. Krishnamurthi	Chairman
Mr. Prakash Kacholia	Member
Mr. Krishna Kumar Karwa	Member

The Chairman of the Committee is the Non-Executive Independent Director. In case there is a request for transfer of shares, demat - remat of shares during a fortnight, the Committee meeting is held fortnightly else the Committee meets once in every quarter.

During the financial year 2020-21, 4 meetings of the Committee were held. These meeting were held on 16th June 2020, 13th August 2020, 29th October 2020 and 3rd February 2021.

The attendance of each Committee member was as under:

Name	No. of Meetings attended
Mr. R. K. Krishnamurthi	4
Mr. Krishna Kumar Karwa	4
Mr. Prakash Kacholia	4

The Stakeholders Relationship Committee looks into the redressal of shareholder and investor grievances, issue of duplicate / consolidated share certificates, remat /demat of shares and review of cases for refusal of transfer/ transmission and reference to statutory and regulatory authorities.

(b) Mr. B. M. Raul, the Company Secretary designated as the Compliance Officer under SEBI (LODR) Regulations. 2015 has been complying with the requirements of the Securities Law and the SEBI (LODR).

(c) Details of Shareholders/Investors Complaints for the financial year 2020-21 :

Number of shareholders' complaints received during the year	Nil
Number not solved to the satisfaction of shareholders	Nil
Number of pending complaints	Nil

7. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The composition of the committee is in Compliance with section 135(1) of the companies Act 2013.

The members of the CSR Committee are as under :

- Mr. G. C. Vasudeo — Chairman
- Mr. Krishna Kumar Karwa — Member
- Mr. Prakash Kacholia — Member

Meetings:

During the Financial Year 2020-21, 2 Meeting of the Committee were held on 16th June 2020 and 29th October 2020. The attendance of each Committee member was as under:

Name	No. of Meetings attended
Mr. G. C. Vasudeo	2
Mr. Krishna Kumar Karwa	2
Mr. Prakash Kacholia	2

Terms of Reference

The term of reference of the CSR committee broadly are as under:

- Formulation of the corporate social responsibility policy and its review from time to time.
- Recommending various categories of expenditures on the CSR activites in alignment with the CSR policy and in compliance with the regulatory requirements.
- Monitoring the implementation of framework of CSR policy.
- Carrying out any other function in compliance with any statuary notification, amendment or modification, as may be applicable, necessary or appropriate.

8. GENERAL BODY MEETINGS

Details of venue, date and time of the last three Annual General Meetings (AGM) held:

Financial Year	AGM No.	Venue	Date	Time
2019-2020	26th	Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	28th August 2020	11.00 a.m
2018-2019	25th	M. C. Ghia Hall, Fort, Mumbai	12th August 2019	12.00 Noon
2017-2018	24th	M. C. Ghia Hall, Fort, Mumbai	14th August, 2018	4.00 p.m.

Special Resolutions passed at the last three AGM:

1. **At the 26th AGM held on 28th August 2020 through Video Conferencing (VC) / Other Audio Visual Means (OAVM)**
    - Continuation of Directorship of Dr. Satish Ugrankar (DIN - 00043783) as an Independent Director

- Continuation of Directorship of Mr. R. K. Krishnamurthi (DIN-00464622) as an Independent Director
- Continuation of Directorship of Dr. Bharat Kumar Singh (DIN-00274435) as an Independent Director

2. **At the 25th AGM held on 12th August 2019**
    - Appointment of Mr. S. K. Saboo (DIN-00373201), aged 76 years, who retired by rotation and being eligible, had offered himself for re-appointment
    - Re-appointment of Mr. G. C. Vasudeo as an Independent Director for second term of 5 years.
    - Re-appointment of Mr. R. K. Krishnamurthi as an Independent Director for second term of 5 years.
    - Re-appointment of Mr. Krishna Kumar Karwa as Managing Director for a period of 3 years with effect from October 1, 2019 and Payment of remuneration to him.
    - Re-appointment of Mr. Prakash Kacholia as Managing Director for a period of 3 years with effect from October 1, 2019 and Payment of remuneration to him.
    - Grant of stock options to Mr. Yatin Kumar Singh, Head of Investment Banking in excess of one per cent of issued equity capital under Employee Stock Option Plan-2018 (ESOP-2018).
    - Grant of stock options to Mr. Sunil Tirumalai, Head of Research and Strategist in excess of one per cent of issued equity capital under Employee Stock Option Plan-2007 (ESOP-2007).
3. **At the 24th AGM held on 14th August 2018**
    - Increase in Authorized Share Capital of the Company and consequent alteration to the capital clause of the Memorandum of Association.

Postal Ballot:

During the year, following special resolutions were passed by the Company through postal ballot.

1. **Special Resolution passed on 19.12.2020**

Particulars	Total No. of Valid Votes	Votes Assenting the Resolution	% of Votes Cast	Votes Dissenting the Resolution	% of Votes cast
Approval for grant of Stock Options to Mr. Nirav Sheth, CEO-Institutional Equities in Excess of 1% of Issued Equity Capital of the Company under Employees Stock Option Plan-2018	1,86,31,675	1,86,31,046	100 (Rounded off)	629	0.00

a. Person who conducted the Postal Ballot Exercise: Mr. P. N. Parikh (Membership No. FCS 327) failing him Mr. Mitesh Dhabliwala (Membership No. FCS 8331) of M/s. Parikh & Associates, Company Secretaries in whole time practice was appointed as Scrutinizer for conducting Postal Ballot and E-voting.

b. Procedure for Postal Ballot:

i. The Board of Directors, by resolution passed at the Board Meeting held on 30th October 2020 had appointed Mr. P. N. Parikh failing him Mr. Mitesh Dhabliwala of M/s Parikh & Associates, Practicing Company Secretaries.

ii. Due to difficulty in dispatch of the Postal Ballot Notice along with the Explanatory Statement and Postal Ballot form by post or courier, on account of continuing COVID-19 pandemic situation and as permitted under the MCA Circulars, the company had completed dispatch of the Postal Ballot Notice on 19th November, 2020, in electronic mode only to all its members who had registered their email id with the Depository Participants and with the company's Registrar and Transfer Agent i.e Link Intime India Private Limited as on the cut-off date of 6th November 2020.

iii. The voting under the Postal Ballot was kept open from 9.00 am on 20th November 2020 to 5.00 pm on 19th December 2020 (remote e-voting).

iv. On 21st December 2020, The Managing Director announced the results of the Postal Ballot as per the Scrutinizer's Report.

2. **Proposal for Postal Ballot:**

At present there is no Special Resolution proposed to be passed through postal ballot.

9. **MEANS OF COMMUNICATION**

- The Quarterly / Annual Financial Results of the Company are normally published in the Business Standard and Sakal.
- The Quarterly / Annual Financial Results were promptly displayed on the Company's website www.emkayglobal.com.
- All the official news releases are regularly sent to the Stock Exchanges and are promptly displayed on the Company's website.
- No presentations made to the institutional investors or to the analysts during the year.

10. **GENERAL SHAREHOLDER INFORMATION**

Sr. No.	AGM: Date, time and venue	6th August, 2021, at 3.00 p.m through the mode of Video Conferencing (VC) and Other Audio Visual Means (OAVM)
(a)	Financial Year	1st April, 2020 to 31st March, 2021
(b)	Date of Book Closure	Saturday, 31st July, 2021 to Friday, 6th August, 2021 (Both days inclusive)
(c)	Dividend Payment Date	Dividend if declared at the Annual General Meeting shall be paid to all eligible shareholders from 10th August, 2021 onwards.
(d)	Listing on Stock Exchanges	• BSE Limited, P. J. Tower, Dalal Street, Mumbai 400001 • National Stock Exchange of India Limited, Exchange Plaza, BKC, Bandra (East), Mumbai 400051
(e)	Stock Code / Symbol	• BSE-532737 • National Stock Exchange of India Limited-EMKAY
(f)	Listing Fees	The Company has paid listing fees to BSE Limited and National Stock Exchange of India Limited for the Financial Year 2020-21
(g)	ISIN Number	INE296H01011
(h)	Registrar and Transfer Agents	Link Intime India Private Limited, C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400 083 Tel No: +91 22 49186000 Fax: +91 22 49186060
(i)	Share Transfer System	The Company has a Stakeholder Relationship Committee comprising of its Directors. In case there is a request for transfer of shares, demat-remat of shares during a fortnight, the Committee meeting is held fortnightly else the committee meets once in every quarter. The List of valid transfers / transmission / remat etc. prepared by the Registrar & Transfer Agent in respect of transfer cases received by them, if any, is placed before the Stakeholders Relationship Committee for its approval/confirmation
(j)	Dematerialization of Shares and liquidity	As on 31.03.2021 99.98% of the Equity Share Capital comprising 2,46,14,516 equity shares out of total 2,46,19,030 equity shares were dematerialized.
(k)	Outstanding GDR /ADR /Warrants or any Convertible Insruments, Conversion Date and likely impact on equity.	The Company has not issued any GDR /ADR /Warrants.
(l)	Commodity price risk or foreign exchange risk and hedging activities	The Company is not exposed to commodity price risk since it is engaged in business of providing financial services. The Company's foreign exchange risk is negligible and hence it has not undertaken any hedging activities.

(m)	Plant Locations	The Company is into financial services business and does not have any plant locations
(n)	Address for correspondence	**Registered Office:** The Ruby, 7th Floor, Senapati Bapat Marg, Dadar(West), Mumbai-400028 **Administrative Office:** Paragon Center, C-06, Ground Floor, Pandurang Budhkar Marg, Worli, Mumbai-400 013.
		Registrar and Transfer Agent: Link Intime India Private Limited C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083
(o)	List of Credit Rating along with any revision thereto during the relevant financial year for all debt instrument.	N.A. The Company does not have any debt instrument

Market Price Data

The Market Price of the Company's Shares traded on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) during each month of the last Financial Year from 1st April, 2020 to 31st March, 2021 is as follows:

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2020	29.45	25.50	41.45	25.20
May, 2020	36.60	30.90	38.90	33.20
June, 2020	51.80	36.00	51.40	34.55
July, 2020	52.85	42.80	53.15	42.75
August, 2020	63.95	42.10	65.00	41.60
September, 2020	60.25	48.00	61.50	48.2
October, 2020	64.40	55.05	64.55	56.10
November, 2020	72.80	60.00	71.50	60.20
December, 2020	83.20	63.95	84.00	63.00
January, 2021	83.90	65.20	83.00	66.10
February, 2021	77.65	65.30	78.30	64.10
March, 2021	90.95	63.70	91.05	63.05

Categories of Share Holding as on 31st March, 2021

The Shareholding of different categories of the shareholders as on 31st March, 2021 is given below:

Category	No. of Shareholders	No. of Shares	% of total
(A) Promoters and Promoter Group Shareholding			
Individual / Hindu Undivided family	6	1,35,02,500	54.85
Bodies Corporate	1	48,51,484	19.71
Total (A)	**7**	**1,83,53,984**	**74.56**
(B) Public Shareholding			
Other Bodies Corporate	57	1,04,288	0.42
NRI (including Non Repatriable)	210	4,26,900	1.73
Clearing Members	46	1,81,485	0.74
Indian Public	9,301	51,38,710	20.87
IEPF	1	3,105	0.01
HUF	246	3,84,001	1.56
Foreign Portfolio investors	1	26,557	0.11
Total (B)	**9,862**	**62,65,046**	**25.44**
(C) Non Promoter-Non Public Shareholding	0	0	0
Total (C)	0	0	0
Total (A+B+C)	**9,869**	**2,46,19,030**	**100.00**

Distribution of Shareholding according to size class as on 31st March, 2021

The Shareholding distribution of the equity shares as on 31st March, 2021 is given below:

Number of Shares held (Face value of ₹10 each)	Shareholders		Shares	
	Number	% of total	Number	% of total
1-500	8,593	85.4855	9,51,053	3.8631
501-1000	608	6.0485	4,87,328	1.9795
1001-2000	399	3.9694	6,15,595	2.5005
2001-3000	165	1.6415	4,26,711	1.7333
3001-4000	100	0.9948	3,57,069	1.4504
4001-5000	46	0.4576	2,21,613	0.9002
5001-10000	80	0.7959	5,89,204	2.3933
10001 & above	61	0.6068	2,09,70,457	85.1799
Total	**10,052**	**100.0000**	**2,46,19,030**	**100.0000**

11. OTHER DISCLOSURES

A. Related Party Transactions (RPT)

a) The Audit Committee and the Board of Directors of the Company have formulated the Policy on dealing with RPTs and a Policy on materiality of RPTs which is uploaded on the website of the Company and can be accessed through the following link:www.emkayglobal.com/investor relations.

b) Your Company enters into various transactions with related parties as per the provisions of the Companies Act, 2013 and Regulation 23 of the SEBI (LODR) Regulations, 2015.

c) During the financial year ended 31st March 2021, there are no transactions with related parties which qualify as materially significant transaction in terms of the provisions of Regulation 23 of the SEBI (LODR) Regulations, 2015.

d) There are no materially significant related party transactions of the Company which conflict with the interests of the Company at large.

e) A statement in summary form of all the transactions with related parties is placed periodically before the audit committee.

f) Transactions with related parties, as per requirements of Indian Accounting Standard (Ind AS) 24, are disclosed in this annual report.

B. There was no non-compliance and no penalties or strictures were imposed by the stock exchanges or by the SEBI or any other statutory authority on the Company in any matter related to capital market in connection with its equity share capital from the date of listing.

C. Whistleblower Policy/ Vigil Mechanism

The Company is committed to provide an open, honest and transparent working environment and seeks to eliminate fraudulent activities in its operations. To maintain high level of legal, ethical and moral standards and to provide a gateway for employees to report unethical behavior and actual or suspected frauds, the Company has adopted the Whistleblower Policy / vigil mechanism with effect from 1st April, 2014, in line with Regulation 22 of the SEBI (LODR) Regulations, 2015. No personnel have been denied access to the Audit Committee.

The Whistleblower Policy / vigil mechanism broadly covers a detailed process for reporting, handling and investigation of fraudulent activities and providing necessary protection to the employees who report such fraudulent activities / unethical behaviour. The Whistleblower Policy is available on the Company's website i.e. www.emkayglobal.com/investor relations

D. Details of compliance with mandatory and non-mandatory requirements of SEBI (LODR) Regulations, 2015 : Your Company has complied with all the mandatory requirements of SEBI (LODR) Regulations, 2015.

E. Disclosure of commodity price risks and commodity hedging activities

The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out .Therefore there is no disclosure to offer in term of SEBI circular No.SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018.

F. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A): Not Applicable

G. A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority: The Certificate of Company Secretary in practice is annexed herewith as a part of the report.

H. Where the Board had not accepted any recommendation of any Committee of the Board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof: Not Applicable

I. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.: Details relating to fee paid to the Statutory Auditor are given in note to the Standalone Financial Statement and note to the Consolidated Financial Statement.

J. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013: During the year, no complaint was filed under the said act.

Following is the status of the compliance with the non-mandatory requirements:

a) Audit qualifications:

During the year under review, there was no audit qualification on the Company's financial statements.

b) Separate posts of Chairman and Managing Director:

The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director.

c) Reporting of Internal Auditor:

As per the requirements, the internal auditor may report directly to the Audit Committee. The same is reported by briefing the Audit Committee through discussion and presentation of the observations, review, comments and recommendations etc. in the Internal Audit presentation by the Internal Auditor of the Company.

d) Code of Conduct:

Your Company has adopted a Code of Conduct for all the employees including Board Members and Senior Management Personnel of the Company in accordance with the requirement under SEBI (LODR) Regulations, 2015. The Code of Conduct has been posted on the website of the Company. All the Board Members and the Senior Management Personnel have affirmed their compliance with the said Code of Conduct for the financial year ended 31st March, 2021. A certificate signed by the Managing Directors / CEO is annexed to this report as 'Annexure 1.'

e) Code of Conduct for Prevention of Insider Trading :

The Board of Directors at its meeting held on 14th August 2020 has revised the existing Insider Trading Policy and Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information in line with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2020 and the same can be accessed through the following link: **www.emkayglobal.com/investor-relations**.

f) CEO / CFO Certification :

The certificate required under SEBI (LODR) Regulations, 2015 duly signed by the Managing Directors / CFO has been given to the Board and the same is annexed to this report as "Annexure 2."

g) IPO Unclaimed Shares Demat Suspense Account

As per the directive issued by the Securities Exchange Board of India (SEBI), the Company had opened a Beneficiary Account with Emkay Global Financial Services Limited, in the capacity of Depository Participant of CDSL in the name and style of "Emkay Global Financial Services Limited A/C, IPO-Unclaimed Securities Suspense Account" and credited the unclaimed shares lying in the Escrow Account which were not transferable in any manner. The said account was held by the Company purely on behalf of the allottees who were entitled to the shares but had not claimed their shares

As per Rule 6 of the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 which came into force on 28.02.2017 "the shares were required to be credited to the Demat Account of the Authority opened by the Authority for the said purpose.

In accordance with provisions of section 124 and 125 of the Companies Act, 2013, during the financial year 2017-18, the Company has transferred 391 no. of shares lying in Unclaimed Securities Suspense Account to the Demat Account opened by IEPF Authority. As on 31st March, 2021 there are no shares lying in the said Depository Account.

Further, in compliance with the aforesaid SEBI Circular, the Company had opened an account with HDFC Bank Ltd in the name and style of "EGFSL – IPO Unclaimed Shares Unpaid Dividend Account" and credited the said bank account with the dividends declared on Unclaimed IPO Shares. As on 31 March 2021, an amount of ₹ 780.50 was lying in the said bank account.

Transfer of unclaimed / unpaid amounts to the Investor Education and Protection Fund:

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF").

Since no dividend was declared for the FY 2012-13, there had not been unpaid or unclaimed dividend for seven consecutive years or more hence the Company has not transferred any dividend to the IEPF during FY 2020-21.

Transfer of Equity Shares in respect of which dividend had not been paid or claimed for seven consecutive years or more to the Special Demat Account of the Investor Education and Protection Fund (IEPF) Authority.

In accordance with the provisions of section 124 and 125 of the Companies Act, 2013, during the financial year 2020-21 there were no share in respect of which dividend had not been paid or claimed for seven consecutive years or more hence the Company has not transferred any Shares to the Demat Account of IEPF Authority.

Shares which are transferred to the Demat account of IEPF Authority can be claimed back by the shareholders from the IEPF Authority by following the procedure prescribed under the aforesaid rules.

h) Subsidiary Companies

The Company has six wholly owned unlisted subsidiaries as under:

1. Emkay Fincap Limited
2. Emkay Commotrade Limited
3. Emkay Wealth Advisory Limited (Formerly Known as Emkay Insurance Brokers Limited)
4. Emkay Investment Managers Limited
5. Emkayglobal Financial Services IFSC Private Limited
6. Emkay Global Financial Services Pte. Ltd., Singapore

Out of the above six subsidiaries, Emkay Fincap Limited is a material non-listed Indian subsidiary as per SEBI (LODR) Regulations, 2015 whose turnover or net worth exceeds 10% of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year ended 31st March, 2020. As required under SEBI (LODR) Regulations, 2015, an Independent Director of the Company has been appointed on the Board of Emkay Fincap Limited.

The Company monitors the performance of its subsidiaries, inter alia, by following means:

1. The Financial Statements, in particular the investments made by the unlisted subsidiary companies are placed before the Company's Audit Committee as well as before the Board.
2. The Minutes of Board and Audit Committee Meetings of the subsidiaries are placed at the Board Meetings of the Company.
3. Details of significant transactions and arrangements entered into by the unlisted subsidiary companies with the Company are placed before the Company's Board, as and when applicable.

Policy on determining 'Material Subsidiaries' is uploaded on the website of the Company **https://www.emkayglobal.com/investor-relations**

i) Risk Management Framework

The Company has in place a mechanism to inform the Board about the risk assessment and minimization procedures and periodical review to ensure that management controls risk through means of a properly defined framework.

j) Commodity price risk or foreign exchange risk and hedging activities:

The Company is not exposed to commodity price risk since it is engaged in business of providing financial services.

The Company's foreign exchange risk is negligible and hence it has not undertaken any hedging activities.

k) Listing Fees

The Company has complied with SEBI (LODR) Regulations, 2015 with respect to payment of Annual Listing fees to the Exchanges and Annual Custodial fees to the Depositories.

l) Reclassification of Public shareholding:

SEBI vide its letter No. CFD/CMD/RV/OW/25811/2016 dated 14.09.2016, had informed to be guided by the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. As per the proviso to Regulation 3(12) of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, (SBEB Regulations) any ESOP Trust, which at the commencement of the regulations holds secondary shares, is required to appropriate these shares on the stock exchange to the extent that these shares remained un-appropriated by granting Stock Options within one year from the notification of the regulations i.e by 27.10.2015 or sell in the secondary market within 5 years from the date of notification of the regulations i.e by 27.10.2019. In compliance with the requirement, ESOP trust has sold the remaining shares in the secondary market in June 2019.

The Company has made all disclosures regarding compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (LODR), 2015 in the section on Corporate Governance of the annual report.

There is no non-compliance of any requirement under para (2) to (10) of schedule V of SEBI (LODR) Regulations, 2015 in Corporate Governance Report.

On behalf of the Board of Directors
For Emkay Global Financial Services Limited

Krishna Kumar Karwa Managing Director DIN: 00181055	**Prakash Kacholia** Managing Director DIN: 00002626

Place: Mumbai

Date: 20 .05.2021

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
Emkay Global Financial Services Limited
7th Floor, The Ruby, Senapati Bapat Marg, Dadar (West) Mumbai – 400028

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Emkay Global Financial Services Limited** having **CIN L67120MH1995PLC084899** and having registered office at 7th Floor, The Ruby Senapati Bapat Marg, Dadar (West) Mumbai – 400028 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of Director	DIN	*Date of Appointment in Company
1.	Prakash Kacholia	00002626	01/10/2010
2.	Girindrachandra Vasudeo Chandrakant	00021772	20/01/2006
3.	Satish Ugrankar Shripad	00043783	12/08/2015
4.	Krishna Karwa Kumar	00181055	01/10/2010
5.	Bharat Kumar Singh	00274435	29/01/2018
6.	Sushil Kumar Saboo Madan Lal	00373201	15/10/1995
7.	Ravikumar Krishnamurthi	00464622	10/11/2005
8.	Priti Prakash Kacholia	03481747	30/03/2015

*the date of appointment is as per the MCA Portal.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates
Practising Company Secretaries

Mitesh Dhabliwala
FCS: 8331 CP: 9511

Mumbai, May 20, 2021

UDIN: F008331C000346955

CERTIFICATE OF CORPORATE GOVERNANCE

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

The Members of Emkay Global Financial Services Limited

1. The Corporate Governance Report prepared by Emkay Global Financial Services Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2021 as required by the Company for annual submission to the Stock exchange.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:
   i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
   ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
   iii. Obtained and read the Register of Directors as on March 31, 2021 and verified that atleast one woman director was on the Board of Directors throughout the year;
   iv. Obtained and read the minutes of the following committee meetings / other meetings held from April 01, 2020 to March 31, 2021:
      (a) Board of Directors;
      (b) Audit Committee;
      (c) Annual General Meeting (AGM) / Extra Ordinary General Meeting (EGM);
      (d) Nomination and Remuneration Committee;
      (e) Stakeholders Relationship Committee;

v. Obtained necessary declarations from the directors of the Company.

vi. Obtained and read the policy adopted by the Company for related party transactions.

vii. Obtained the schedule of related party transactions during the year and balances at the year- end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee.

viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2021, referred to in paragraph 4 above.

Other matters and Restriction on Use

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/ E300005

per **Viren H. Mehta**
Partner
Membership Number: 048749
UDIN: 21048749AAAAIV6327

Place of Signature: Mumbai
Date: May 20, 2021

ANNEXURE-1

CODE OF CONDUCT

In accordance with Regulation 26 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we, Krishna Kumar Karwa - Managing Director and Prakash Kacholia - Managing Director of the Company confirm that the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended 31st March, 2021.

For **EMKAY GLOBAL FINANCIAL SERVICES LIMITED**

Krishna Kumar Karwa	**Prakash Kacholia**
Managing Director	Managing Director

Place: Mumbai

Date: 20.05.2021

ANNEXURE-2

CEO/ CFO CERTIFICATE

We hereby certify that

A. We have reviewed financial statements and the cash flow statement for the year ended on 31.03.2021 and that to the best of our knowledge and belief:

   (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit committee

   (1) significant changes in internal control over financial reporting during the year ended on 31.03.2021;

   (2) significant changes in accounting policies during the year ended on 31.03.2021 and that the same have been disclosed in the notes to the financial statements; and

   (3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Krishna Kumar Karwa	**Prakash Kacholia**	**Saket Agrawal**
Managing Director	Managing Director	Chief Financial Officer

Place: Mumbai

Date: 20th May, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Members of Emkay Global Financial Services Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of Emkay Global Financial Services Limited ("the Company"), which comprise the Balance sheet as at March 31 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
1. IT systems and controls	
The financial accounting and reporting systems of the Company are fundamentally reliant on IT systems and IT controls to process significant transaction volumes. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure accurate financial reporting. Therefore, due to the pervasive nature and complexity of the IT environment, the assessment of the general IT controls and the application controls specific to the accounting and preparation of the financial information is considered to be a key audit matter.	We performed the following procedures assisted by specialized IT auditors on the IT infrastructure and applications relevant to financial reporting: • Tested the design and operating effectiveness of IT access controls over the information systems that are important to financial reporting and various interfaces, configuration and other identified application controls. • Tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. • Tested the Company's periodic review of access rights. We also inspected requests of changes to systems for appropriate approval and authorization. • In addition to the above, we tested the design and operating effectiveness of certain automated and IT dependent manual controls that were considered as key internal controls over financial reporting. • Tested the design and operating effectiveness compensating controls in case deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises of the Annual Report but does not include the standalone Ind AS financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read such other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and to comply with the relevant applicable requirements of the standard on auditing for auditor's responsibility in relation to other information in documents containing audited financial statements. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, 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.

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates

and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 43 to the standalone financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which

INDEPENDENT AUDITOR'S REPORT (CONTD.)

there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Viren H. Mehta**
Partner
Membership Number: 048749
UDIN: 21048749AAAAIT8661

Place of Signature: Mumbai
Date: May 20, 2021

ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

Re: Emkay Global Financial Services Limited

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

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

(iii) (a) The Company has granted unsecured loan to a firm, covered in the register maintained under section 189 of the Act. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the company's interest.

(b) The Company has granted loans to a firm covered in the register maintained under section 189 of the Act. The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment is regular.

(c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Act which are overdue for more than ninety days.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the services of the Company.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, value added tax, goods and service tax, cess and other statutory dues applicable to it.

As informed, the provisions of wealth tax, sales tax, duty of excise and duty of custom are currently not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, service tax, value added tax, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

As informed, the provisions of wealth tax, sales tax, duty of excise and duty of custom are currently not applicable to the Company.

(c) The particulars of dues on account of Service Tax as at March 31, 2021 which have not been deposited by the Company on account of a dispute, are as follows

(viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.

Name of the Statute	Nature of Dues	Amount of Demand	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax on broking income earned from FII & other foreign clients	₹ 84,780,563 (Net of ₹ 3,843,538 paid)	F.Y 2012-13 & F.Y 2013-14	Commissioner of CGST and Central Excise Commissioner of CGST and Central Excise

ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE (CONTD.)

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer/further public offer/ debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

(xvi) According to the information and explanations given to us, we report that the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Viren H. Mehta**
Partner
Membership Number: 048749
UDIN: 21048749AAAAIT8661

Place of Signature: Mumbai
Date: May 20, 2021

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF EMKAY GLOBAL FINANCIAL SERVICES LIMTED

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

We have audited the internal financial controls with reference to standalone financial statements of Emkay Global Financial Services Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone financial statements 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 with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THESE STANDALONE FINANCIAL STATEMENTS

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF EMKAY GLOBAL FINANCIAL SERVICES LIMTED (CONTD.)

OPINION

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Viren H. Mehta**
Partner
Membership Number: 048749
UDIN: 21048749AAAAIT8661

Place of Signature: Mumbai
Date: May 20, 2021

STANDALONE BALANCE SHEET
AS AT 31 MARCH, 2021

(₹) in Lacs

PARTICULARS		Note No.	As at 31 March, 2021	As at 31 March, 2020
ASSETS				
1	**Financial assets**			
	Cash and cash equivalents	7	13,506.09	6,168.30
	Bank balance other than cash and cash equivalents	8	15,939.02	11,522.92
	Stock in trade (Securities held for trading)	9	-	163.00
	Trade receivables	10	6,441.92	5,221.74
	Loans	11	12.48	121.34
	Investments	12	6,219.41	4,908.27
	Other financial assets	13	5,522.10	1,847.81
			47,641.02	**29,953.38**
2	**Non-financial assets**			
	Current tax assets (net)	14	159.01	137.59
	Deferred tax assets (net)	15	313.52	477.54
	Property, plant and equipment	16	2,878.17	3,034.60
	Right-of-use-assets	48	473.97	663.76
	Capital work-in-progress	-	12.25	10.45
	Intangible assets under development	-	17.00	-
	Other intangible assets	16	37.68	70.91
	Other non financial assets	17	267.64	243.36
			4,159.24	**4,638.21**
TOTAL ASSETS (1+2)			**51,800.26**	**34,591.59**
LIABILITIES AND EQUITY				
LIABILITIES				
1	**Financial Liabilities**			
	Payables			
	(I) Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	18	11,658.82	12,208.33
	(II) Other payables			
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
	Borrowings (other than debt securities)	19	-	800.00
	Deposits	20	169.17	176.74
	Other financial liabilities	21	24,843.71	8,120.71
			36,671.70	**21,305.78**
2	**Non-financial Liabilities**			
	Current tax liabilities (net)	22	23.91	23.91
	Provisions	23	1,137.45	303.25
	Other non-financial liabilities	24	893.84	931.84
			2,055.20	**1,259.00**
3	**EQUITY**			
	Equity share capital	25	2,461.90	2,461.90
	Other equity	26	10,611.46	9,564.91
			13,073.36	**12,026.81**
TOTAL LIABILITIES AND EQUITY (1 + 2 + 3)			**51,800.26**	**34,591.59**

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

As per our report of even date

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 301003E/ E300005

per **Viren H. Mehta**
Partner
Membership No.048749

Place : Mumbai
Date : May 20, 2021

For and on behalf of the Board of **Emkay Global Financial Services Limited**

Krishna Kumar Karwa
Managing Director

Prakash Kacholia
Managing Director

Saket Agrawal
Chief Financial Officer

Bhalchandra Raul
Company Secretary

Place : Mumbai
Date : May 20, 2021

STANDALONE STATEMENT OF PROFIT & LOSS
FOR THE YEAR ENDED 31 MARCH, 2021

(₹) in Lacs

	PARTICULARS	Note No.	For the year ended 31 March, 2021	For the year ended 31 March, 2020
	REVENUE FROM OPERATIONS			
	(i) Interest income	27	818.20	745.51
	(ii) Fees and commission income	28	12,409.30	10,883.83
	(iii) Net gain on fair value changes	29	807.25	-
	(iv) Reversal of impairment provision on financial instruments	34	-	7.67
	(v) Others	30	102.02	201.09
(I)	**Total revenue from operations**		**14,136.77**	**11,838.10**
(II)	**Other Income**	31	457.88	133.65
(III)	**Total income (I + II)**		**14,594.65**	**11,971.75**
	EXPENSES			
	(i) Finance costs	32	538.53	607.86
	(ii) Net loss on fair value changes	29	-	318.17
	(iii) Fees and commission expenses	33	1,490.23	1,361.99
	(iv) Impairment on financial instruments	34	14.57	-
	(v) Employee benefits expenses	35	8,136.85	7,118.12
	(vi) Depreciation and amortization expenses	36	748.47	761.89
	(vii) Other expenses	37	2,659.97	3,527.94
(IV)	**Total expenses**		**13,588.62**	**13,695.97**
(V)	**Profit/ (loss) before exceptional items and tax (III - IV)**		**1,006.03**	**(1,724.22)**
(VI)	**Exceptional items**	59	135.00	(75.50)
(VII)	**Profit/ (loss) before tax (V - VI)**		**1,141.03**	**(1,799.72)**
(VIII)	**Tax expense**			
	(i) Current tax		175.55	-
	(ii) Deferred tax charge / (credit)		164.02	(540.87)
	(iii) Earlier years adjustments		-	(0.99)
	Total tax expenses (VIII)	54	**339.57**	**(541.86)**
(IX)	**Profit/(loss) after tax (VII - VIII)**		**801.46**	**(1,257.86)**
(X)	**Other comprehensive income/(loss)**			
	Items that will not be classified to profit or loss			
	(i) Actuarial gain / (loss) on defined benefit plans		48.29	(38.76)
	(ii) Income tax relating to above item	54	(8.45)	-
Other comprehensive income / (loss) (X)			**39.84**	**(38.76)**
(XI)	**Total comprehensive income for the year (IX - X)**		**841.30**	**(1,296.62)**
(XII)	**Earnings per share (face value of ₹10 per equity share)**	38		
	Basic (in ₹)		**3.26**	**(5.11)**
	Diluted (in ₹)		**3.25**	**(5.11)**

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

As per our report of even date

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 301003E/ E300005

per **Viren H. Mehta**
Partner
Membership No.048749

Place : Mumbai
Date : May 20, 2021

For and on behalf of the Board of **Emkay Global Financial Services Limited**

Krishna Kumar Karwa
Managing Director

Prakash Kacholia
Managing Director

Saket Agrawal
Chief Financial Officer

Bhalchandra Raul
Company Secretary

Place : Mumbai
Date : May 20, 2021

STANDALONE STATEMENT OF CHANGES IN EQUITY
AS AT 31 MARCH, 2021

1. EQUITY SHARE CAPITAL

Equity shares of ₹ 10/- each issued, subscribed and fully paid

PARTICULARS	Equity Share Capital	
	No of Shares	(₹) in Lacs
As at 1 April 2019	24,619,030	2,461.90
Changes during the year	-	-
As at 31 March 2020	24,619,030	2,461.90
Changes during the year	-	-
As at 31 March 2021	24,619,030	2,461.90

2. OTHER EQUITY

(₹) in Lacs

PARTICULARS	Reserves and Surplus				Other Comprehensive Income	Total
	Securities premium	Retained earnings	General reserve	Equity settled share based payment reserve	Items that will not be reclassified to profit or loss - actuarial gains/(losses) on defined benefit plans	
Balance as at 1 April 2019	**6,994.94**	**2,083.09**	**1,761.51**	**199.94**	**(52.18)**	**10,987.29**
Fair value of stock options - charge for the year				171.04		171.04
Profit / (loss) after tax	-	(1,257.86)	-	-	-	(1,257.86)
Other comprehensive income/(loss) (net) for the year	-	-	-	-	(38.76)	(38.76)
Total	**6,994.94**	**825.23**	**1,761.51**	**370.98**	**(90.94)**	**9,861.72**
Dividend including tax thereon	-	(296.81)	-	-	-	(296.81)
Balance as at 31 March 2020	6,994.94	528.42	1,761.51	370.98	(90.94)	9,564.91
Balance as at 1 April 2020	**6,994.94**	**528.42**	**1,761.51**	**370.98**	**(90.94)**	**9,564.91**
Fair value of stock options - charge for the year	-	-	-	205.25	-	205.25
Profit / (loss) after tax	-	801.46	-	-	-	801.46
Other comprehensive income/(loss) (net) for the year	-	-	-	-	39.84	39.84
Total	**6,994.94**	**1,329.88**	**1,761.51**	**576.23**	**(51.10)**	**10,611.46**
Dividend including tax thereon	-	-	-	-	-	-
Balance as at 31 March 2021	**6,994.94**	**1,329.88**	**1,761.51**	**576.23**	**(51.10)**	**10,611.46**

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

As per our report of even date

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 301003E/ E300005

per **Viren H. Mehta**
Partner
Membership No.048749

Place : Mumbai
Date : May 20, 2021

For and on behalf of the Board of **Emkay Global Financial Services Limited**

Krishna Kumar Karwa
Managing Director

Prakash Kacholia
Managing Director

Saket Agrawal
Chief Financial Officer

Bhalchandra Raul
Company Secretary

Place : Mumbai
Date : May 20, 2021

STANDALONE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

(₹) in Lacs

	PARTICULARS	For the year ended 31 March 2021		For the year ended 31 March 2020	
A.	**Cash flow from operating activities**				
	Profit before tax, exceptional / extraordinary items		**1,006.03**		**(1,724.22)**
	Add: (less) : Adjustment for :				
	Impairment on financial instrument (Gross)	0.95		(13.67)	
	Share based payment to employees	191.03		155.09	
	Fair value (gain)/loss on investments, stock in trade and derivative trades	(1,161.93)		582.09	
	Finance costs	481.20		548.62	
	Finance cost pertaining to lease liability	57.33		59.24	
	Depreciation and amortisation	428.83		437.41	
	Depreciation and amortisation on right-of-use assets	319.64		324.48	
	Net (gain)/loss on disposal of property, plant and equipment	(0.50)		(4.93)	
	(Net of loss on discard)				
	Interest income	(35.60)		(34.12)	
	Interest income : Fair valuation of security deposit	(17.15)		(17.31)	
	Unrealised foreign exchange loss (Net)	(3.12)		6.49	
	Income on lease closure and lease rental waiver	(45.25)		(1.68)	
	Dividend income	(220.75)	(5.32)	(0.44)	2,041.27
	Operating profit before working capital changes		**1,000.71**		**317.05**
	Add: (less) : Adjustment for changes in working capital:				
	(Increase)/decrease in trade receivables	(1,222.47)		515.82	
	(Increase)/decrease in other receivables	-		1.94	
	(Increase)/decrease in other financial assets	(3,665.18)		(1,223.40)	
	(Increase)/decrease in other non financial assets	(24.27)		15.91	
	(Increase)/decrease in loan	109.33		(121.81)	
	(Increase)/decrease in stock in trade (held for trading)	163.00		(221.16)	
	Increase/(decrease) in trade payables	(549.51)		5,484.65	
	Increase/(decrease) in other payables	-		32.11	
	Increase/(decrease) in other financial liabilities	16,883.20		2,751.61	
	Increase/(decrease) in provisions	882.87		(556.77)	
	Increase/(decrease) in other non financial liabilities	(38.00)		257.00	
	Increase/(decrease) in deposits with banks and other items	(4,415.67)	8,123.30	(1,275.64)	5,660.26
	Cash generated from operations		**9,124.01**		**5,977.31**
	Income tax paid (net of refund)		(205.42)		(117.53)
	Cash flow before exceptional / extraordinary items		**8,918.59**		**5,859.78**
	Exceptional / extraordinary items		135.00		(75.50)
	Net cash generated/ (used in) from operating activities (A)		**9,053.59**		**5,784.28**
B.	**Cash flow from investing activities**				
	Purchase of property, plant, equipment and intangibles	(259.25)		(475.35)	
	Proceeds from sale of property, plant and equipment	1.78		21.74	
	Purchase of investments measured at FVTPL	-		(460.50)	
	Investment in subsidiary company	-		(150.00)	
	Write back / provision for diminution in value of non current Investment	(135.00)		75.50	
	Interest received	35.60		34.12	
	Dividend received	220.75	(136.12)	0.44	(954.05)
	Net cash (used in)/generated from investing activities (B)		**(136.12)**		**(954.05)**

STANDALONE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021 (CONTD.)

(₹) in Lacs

PARTICULARS		For the year ended 31 March 2021		For the year ended 31 March 2020	
C.	**Cash flow from financing activities**				
	Cash payment of lease liability and interest	(298.65)		(350.60)	
	(Repayment) of short-term borrowings	(800.00)		(200.00)	
	Finance costs paid	(481.20)		(548.62)	
	Dividend and dividend tax (paid)	-		(296.81)	
	Increase / (decrease) in unpaid dividend	1.16	(1,578.69)	0.65	(1,395.38)
	Net cash (used in)/generated from financing activities (C)		**(1,578.69)**		**(1,395.38)**
D.	**Add : Exchange difference on translation of foreign currency cash and cash equivalents**		(0.99)		2.54
	Net increase / (decerease) in cash and cash equivalents (A+B+C+D)		**7,337.79**		**3,437.39**

PARTICULARS	For the year ended 31 March 2021	For the year ended 31 March 2020
Net increase in cash and cash equivalents (A+B+C)	7,337.79	3,437.39
Cash and cash equivalents at the beginning of the year	6,168.30	2,730.91
Cash and cash equivalents at the close of the period	13,506.09	6,168.30
Notes :		
1. Components of cash and cash equivalents		
Balances with banks		
- In India with schedueld banks	3,226.95	6,160.76
- Fixed deposit with original maturity of less than three months	10,275.95	-
Cash on hand	3.13	5.52
Others	0.06	2.02
Total cash and cash equivalents	**13,506.09**	**6,168.30**

2. The above cash flow statement has been prepared under the “Indirect method” as set out on the Indian Accounting Standard (Ind AS-7) Statement of Cash Flow.

3. Also refer note 57 for change on liabilities arising from financing activities.

4. Cash and cash equivalent excludes borrowings and other commitments and balance in unclaimed dividend accounts.

5. Previous year’s figures are re-grouped/ recasted/ re-arranged wherever considered necessary.

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

As per our report of even date

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 301003E/ E300005

per **Viren H. Mehta**
Partner
Membership No.048749

Place : Mumbai
Date : May 20, 2021

For and on behalf of the Board of **Emkay Global Financial Services Limited**

Krishna Kumar Karwa
Managing Director

Prakash Kacholia
Managing Director

Saket Agrawal
Chief Financial Officer

Bhalchandra Raul
Company Secretary

Place : Mumbai
Date : May 20, 2021

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2021

1. CORPORATE INFORMATION

Emkay Global Financial Services Limited ('the Company') is a public limited company domiciled in India and was incorporated in 1995 and got listed in 2006. The Company is a member of National Stock Exchange of India Limited (NSE), Bombay Stock Exchange Limited (BSE), National Commodities and Derivatives Exchange Limited (NCDEX), Multi Commodity Exchange of India Limited (MCX), Metropolitan Stock Exchange of India Limited (MSEI) and depository participant with Central Depository Services (India) Limited (CDSL). The Company is engaged in the business of providing Equity, Currency and Commodity Broking Services, Investment Banking, Depository Participant Services and Wealth Management Services including distribution of third party financial products. The Company's registered office is at The Ruby, 7th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028.

2. BASIS OF PREPARATION

The accompanying financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

Historical cost convention

The financial statements have been prepared on a historical cost convention on accrual basis of accounting except for the following:

- certain financial instruments which are measured at fair value
- defined benefit plan assets measured at fair value
- share-based payment obligations

Use of estimates and judgments

The preparation of financial statements requires the management to make judgments, accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Areas involving a higher degree of judgment or complexity, or areas where assumptions are significant to the Company are discussed in Note 6 - Significant accounting judgments, estimates and assumptions.

Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency.

3. PRESENTATION OF FINANCIAL STATEMENTS

These financial statements have been prepared in all material aspects in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind As') as prescribed under section 133 of the Companies Act, 2013 ("the Act') read with Companies (Indian Accounting standards) Rule 2013 as amended and other relevant provisions of the Act.

The financial statements of the Company are presented in order of liquidity and in accordance with Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA).

An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in Note 55.

Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

i. The normal course of business
ii. The event of default
iii. The event of insolvency or bankruptcy of the Company and/or its counterparties

4. STATEMENT OF COMPLIANCE

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and the other relevant provisions of the Act.

5. SIGNIFICANT ACCOUNTING POLICIES

5.1 Revenue from operations

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or a service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

Revenue includes the following:

(i) Brokerage fee income

Revenue from contract with customers is recognised at a point in time when performance obligation is satisfied (when the trade is executed i.e., trade date). This include brokerage fees which is charged per transaction executed on behalf of the customers.

(ii) Fees & commission income

This includes:

a) Income from investment banking activities, research and other fees.

Income from investment banking activities and other fees is recognized as and when such services are completed / performed and as per terms of agreement with the client (i.e. when the performance obligation is completed). Research fees income is recognised when the entity satisfies the performance obligation by providing the service to the client.

b) Income from depository operations.

Revenue from depository services on account of annual maintenance charges have been accounted for over the period of the performance obligation. Revenue from depository services on account of transaction charges is recognised at a point in time when the performance obligation is completed.

c) Income from wealth management services

Commission income (net of taxes and other statutory charges) from distribution of financial products is recognized based on mobilization and intimation received from clients/ intermediaries or over the period of service after deducting claw back as per the agreed terms.

(iii) Interest income

Interest income on a financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR'). The EIR is the rate that exactly discounts estimated future cash flows of the financial assets through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The internal rate of return on financial assets after netting off the fees received and cost incurred approximates the effective interest rate method of return for the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for ECLs).

(iv) Dividend income

Dividend income is recognized when the right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably.

This is generally when the shareholders approves the dividend.

(v) Net gain on fair value changes

Any realised gain or loss on sale of financial assets (including investments, derivatives and stock in trade) being classified as fair value through profit or loss ("FVTPL") is recognised as "Net gain or loss on fair value changes" under "Revenue from operations" or 'Other Expenses" respectively in the statement of profit and loss.

Similarly, any differences between the fair values of financial assets (including investments, derivatives and stock in trade) being classified as fair value through profit or loss ("FVTPL"), held by the Company on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised as "Net gain on fair value changes" under "Revenue from operations" and if there is a net loss the same is disclosed as "Net loss on fair value changes" under "Other Expenses" in the statement of Profit and Loss.

(vi) Delayed payment charges

The same are accounted at a point in time of default.

(vii) Other income

In respect of other heads of Income it is accounted to the extent it is probable that the economic benefits will flow and the revenue can be reliably measured, regardless of when the payment is being made. An entity shall recognise a refund liability if the entity receives consideration from a customer and expects to refund some or all of that consideration to the customer.

5.2 Financial instruments

(i) Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments, as described in Note 6.1. Financial instruments are initially measured at their fair value (as defined in Note 6.3), except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from, this amount. Trade receivables are measured at the transaction price. When the fair value of financial instruments at initial recognition differs from the transaction price, the company accounts for the Day 1 profit or loss, as described below.

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the company recognizes the difference between the transaction price and fair value in net gain on fair value changes.

(ii) Classification of financial instruments

The Company classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost
2. Financial assets to be measured at fair value through other comprehensive income (FVOCI)
3. Financial assets to be measured at fair value through statement of profit and loss (FVTPL)

The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets.

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The business model is assessed on the basis of aggregated portfolios based on observable factors. These factors include:

- Reports reviewed by the entity's key management personnel on the performance of the financial assets
- The risks impacting the performance of the business model (and the financial assets held within that business model) and its management thereof
- The compensation of the managing teams (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of trades.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

The Company also assesses the contractual terms of financial assets on the basis of its contractual cash flow characteristics that are solely for the payments of principal and interest on the principal amount outstanding.

'Principal' is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss

iii) Financial Assets and Liabilities

(a) Financial assets measured at amortized cost

These financial assets comprise bank balances, loans, trade receivables and other financial assets.

Financial Assets with contractual terms that give rise to cash flows on specified dates, and represent solely payments of principal and interest (SPPI) on the principal amount outstanding; and are held within a business model whose objective is achieved by holding to collect contractual cash flows are measured at amortized cost.

These financial assets are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortized cost. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or a financial liability.

(b) Financial assets measured at fair value through other comprehensive income (FVOCI)

Debt instruments

Investments in debt instruments are measured at fair value through other comprehensive income where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

b) are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income (a separate component of equity). Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognised in statement of profit and loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the statement of profit and loss. As at the reporting date the Company does not have any financial instruments measured at fair value through other comprehensive income.

Equity instruments

Investment in equity instruments are generally accounted for as at fair value through the statement of profit and loss account unless an irrevocable election has been made by management to account for at fair value through other comprehensive income such classification is determined on an instrument-by-instrument basis.

Amounts presented in other comprehensive income for equity instruments are not subsequently transferred to statement of profit and loss. Dividends on such investments are recognised in statement of profit and loss.

(c) Financial assets measured through statement of profit and loss

The financial assets are classified as FVTPL if these do not meet the criteria for classifying at amortized cost or FVOCI.

Items at fair value through statement of profit and loss comprise:

- Investments (including equity shares) and stock in trade held for trading;
- Items specifically designated as fair value through profit or loss on initial recognition; and
- Debt instruments with contractual terms that do not represent solely payments of principal and interest.
- Derivative transactions

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

Financial instruments held for trading

A financial instrument is classified as held for trading if it is acquired or incurred principally for selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not designated in a qualifying hedge relationship.

Trading derivatives and trading securities are classified as held for trading and recognised at fair value.

d) Financial liabilities

The Company classifies its financial liabilities at amortized costs unless it has designated liabilities at fair value through the statement of profit and loss such as derivative liabilities.

Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR.

(e) Undrawn loan commitments

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Company is required to provide a loan with pre-specified terms to the customer. Undrawn loan commitments are in the scope of the ECL requirements.

The nominal contractual value of undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded in the balance sheet. The nominal values of these instruments together with the corresponding ECLs are disclosed in Note 25.

(f) Derivatives

The Company enters into derivative transactions being equity derivative transactions in the nature of Futures and Options in Equity Stock/Index and currency derivative transactions in the nature of Futures and Options in foreign currencies both entered into for trading purposes. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The notional amount and fair value of such derivatives are disclosed separately. Changes in the fair value of derivatives are included in net gain on fair value changes.

(g) Recognition and derecognition of financial assets and liabilities

A financial assets or financial liabilities are recognised in the balance sheet when the Company becomes a party to the contractual provisions of the instruments, which are generally on trade date. Loans and receivables are recognised when cash is advanced (or settled) to the borrowers. Financial assets at fair value through statement of profit or loss are recognised initially at fair value. All other financial assets are recognised initially at fair value plus directly attributable transaction costs.

The Company derecognises its financial assets when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows on the financial assets in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability. A financial liabilities are derecognised from the balance sheet when the Company has discharged its obligation or the contract is cancelled or expires.

(h) Impairment of financial assets

Overview of the ECL principles

The Company recognises loss allowances (provisions) for expected credit losses on its financial assets (including non-fund exposures) that are measured at amortised costs.

The Company applies a three-stage approach to measuring expected credit losses (ECLs) for the following categories of financial assets that are not measured at fair value through statement of profit and loss:

- debt instruments measured at amortised cost
- loan commitments; and
- financial guarantee contracts.

Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance provision is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Company has classified its loan portfolio into Corporates / Firms, Individuals (HNIs) and Individuals (Retail).

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Company does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (DPD) is considered to be applicable for all the facilities of that borrower.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Company classifies all standard advances and advances upto 30 days default under this category. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. 30 Days Past Due is considered as significant increase in credit risk.

Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

Credit-impaired financial assets:

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

a) Significant financial difficulty of the borrower or issuer;
b) A breach of contract such as a default or past due event;
c) The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
e) The disappearance of an active market for a security because of financial difficulties.

Loan Commitments

When estimating lifetime ECL, for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down.

For margin funding facilities that include both a loan and an undrawn commitment, ECLs are calculated and presented together with the loan. For loan commitments, the ECL is recognised within Provisions.

Financial guarantee contracts

The Company's liability under financial guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss.

The mechanics of ECL:

The Company calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Company in accordance with the contract and the cash flows that the Company expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

Exposure at default (EAD)- The Exposure at Default is an estimate of the exposure at a future default date.

Loss given default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Trade Receivables

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated for changes in the forward-looking estimates.

Company also writes off balances that are due generally for more than one year and are not likely to be recovered.

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably.

Collateral Valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, wherever possible. The collateral comes in various forms, such as equity shares, fixed deposits, etc. However, the fair value of collateral affects the calculation of ECLs. To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models.

(i) Write-offs

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the client or borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

(j) Determination of fair value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Company measures certain categories of financial instruments (as explained in note 60 at fair value on each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or

ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

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The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments - Those that include one or more unobservable input that is significant to the measurement as whole.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Difference between transaction price and fair value at initial recognition:

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Company recognises the difference between the transaction price and the fair value in profit or loss on initial recognition (i.e. on day one).

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in statement of profit and loss when the inputs become observable, or when the instrument is derecognised.

5.3 Expenses

(i) Borrowing / finance costs

Borrowing costs

Expenses related to borrowing cost are accounted using effective interest rate. Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Finance costs

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL.

The EIR in case of a financial liability is computed

a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows

c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in in the statement of profit and loss with the corresponding adjustment to the carrying amount of the assets.

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, Rating Fee etc, provided these are incremental costs that are directly related to the issue of a financial liability

(ii) Retirement and other employee benefits

Short term employee benefit

All employee benefits including statutory bonus/ performance bonus/incentives payable wholly within twelve months of rendering the service are classified as short term employee benefits and are charged to the statement of profit and loss of the year.

Post-employment employee benefits

a) Defined contribution schemes

Retirement/ Employee benefits in the form of Provident Fund, Employees State Insurance Scheme and Labour Welfare Fund are considered as defined contribution plan and contributions to the respective funds administered by the Government are charged to the statement of profit and loss of the year when the contribution to the respective funds are due

b) Defined benefit schemes

Retirement benefits in the form of gratuity is considered as defined benefit obligation. The scheme is formed by the Company and fund is managed by insurers to which the Company makes periodic contributions. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

Other Long Term Benefits

As per present policy of the Company, there are no other long term benefits to which its employees are entitled.

(iii) Share-based payments

Equity-settled share-based payments to employees that are granted are measured by reference to the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company’s estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the vesting conditions. It recognises the impact of the revision to original estimates, if any, in statement of profit and loss, with a corresponding adjustment to equity.

In respect of options granted to the employees of the subsidiary companies, the amount equal to the expense for the grant date fair value of the award is recognized as a debit to investment in subsidiary as a capital contribution and a credit to equity.

(iv) Other expenses

All other expenses are recognized in the period they accrue/ occur.

(v) Impairment of non financial asset

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value in- use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit to which the asset belongs.

The carrying amount of assets is reviewed at each balance sheet date whether there is any indication that an asset may be impaired. If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

(vi) Taxes

Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously.

Minimum Alternate Tax (MAT)

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that it is probable that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the MAT Credit Entitlement asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

ii. When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

5.4 Foreign currency translation

Initial recognition:

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Conversion:

Monetary assets and liabilities denominated in foreign currency, which are outstanding as at the reporting date, are translated at the reporting date at the closing exchange rate and the resultant exchange differences are recognised in the Statement of Profit and Loss.

Non–monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

5.5 Cash and cash equivalents

Cash and cash equivalents comprise the net amount of short-term, highly liquid investments that are readily convertible to known amounts of cash (short-term deposits with an original maturity of three months or less) and are subject to an insignificant risk of change in value, cheques on hand and balances with banks. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes).

For the purpose of the statement of cash flows, cash and cash equivalents are as defined above.

5.6 Property, plant and equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation

Depreciation is calculated using the WDV method to write down the cost of property, plant and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013 except for Leasehold Improvements which are amortised on a straight-line basis over the period of lease or estimated period of useful life of such improvement, subject to a maximum period of 36 months. Leasehold improvements include all expenditure incurred on the leasehold premises that have future economic benefits.

The estimated useful lives are as follows:

Particulars	Useful life as prescribed by Schedule II of the Companies Act, 2013	Useful life estimated by Company
Office premises	60 years	60 years
Furniture and fixture	10 years	10 years
Air conditioner	15 years	15 years
Office equipment	5 years	5 years
Vehicles	8 years	8 years
Computer end user	3 years	3 years
Computer data centre and networking	6 years	6 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

5.7 Intangible assets

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the statement of profit and loss. Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss from / upto the date of acquisition/sale.

Amortisation is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives. Intangible assets comprising of software are amortised on a straight-line basis over a period of 3 years from the start of the year of acquisition irrespective of the date of acquisition, unless it has a shorter useful life.

The Company's intangible assets consist of computer software with finite life.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

5.8 Leases (As a lessee)

(i) Identifying a lease

At the inception of the contract, the Company assesses whether a contract is, or contain, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether:

- The contract involves the use of an identified asset, this may be specified explicitly or implicitly.
- The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use, and
- The Company has right to direct the use of the asset.

(ii) Recognition of right of use asset

The Company recognises a right of use asset at the lease commencement date of lease and comprises of the initial lease liability amount, plus any indirect costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

(iii) Subsequent measurement of right of use asset

The right of use asset is subsequently amortized using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term, whichever is lesser. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurement of the lease liability.

(iv) Recognition of lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments and lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option.

(v) Subsequent measurement of lease liability

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, whenever the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the RTU asset, or is recorded in profit or loss if the carrying amount of the RTU asset has been reduced to zero.

The lease payments are apportioned between the finance charges and reduction of the lease liability using the incremental borrowing rate implicit in the lease to achieve a constant rate of interest on the remaining balance of the liability.

(vi) Short-term leases and leases of low-value assets:

The company has elected by class of underlying asset to not recognise right of use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases for which the underlying asset is of low value.

5.9 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised if as a result of a past event, the Company has a present obligation (legal or constructive) that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

5.10 Earning Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

5.11 Dividends on ordinary shares

The Company recognises a liability to make cash distributions to its equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

5.12 Contingencies and events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

5.13 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2021.

6. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company’s financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management’s best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

6.1 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI (Solely Payments of Principal

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTD.)

and Interest) and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the standalone statement of profit and loss in the period in which they arise.

6.2 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

6.3 Fair value measurement

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

6.4 Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

The impairment loss on loans and advances is disclosed in more details in Note 5.2 (iii)(h) overview of ECL principles.

6.5 Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgment regarding the expected behavior and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument

6.6 Contingent liabilities and provisions other than impairment on loan portfolio

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration in the ordinary course of the Company's business.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgment is required to conclude on these estimates.

6.7 Other estimates:

These include contingent liabilities, useful lives of tangible and intangible assets etc.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2021

7. CASH AND CASH EQUIVALENTS

(₹) in Lacs

Particulars	As at 31 March, 2021	As at 31 March, 2020
Cash on hand	3.13	5.52
Balances with banks		
- in current accounts	3,226.95	6,160.76
- Fixed deposit with original maturity of less than 3 months*	10,275.95	-
Others		
Balance in prepaid cards	0.06	2.02
Total	**13,506.09**	**6,168.30**
Breakup of deposits		
Fixed deposits under lien with stock exchanges and clearing corporations	10,255.00	-
Interest accrued on fixed deposits	20.95	-
Total	**10,275.95**	**-**

8. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹) in Lacs

Particulars	As at 31 March, 2021	As at 31 March, 2020
Fixed deposits with original maturity of more than 3 months *	15,933.80	11,119.29
Less: Impairment loss allowance	-	(0.43)
	15,933.80	11,118.87
Margin money deposit	-	400.00
In earmarked accounts - unpaid dividend account	5.22	4.06
Total	**15,939.02**	**11,522.92**
Breakup of deposits		
Fixed deposits under lien with stock exchanges and clearing corporations	7,063.00	2,635.00
Fixed deposits against bank guarantees	8,050.00	8,100.00
Fixed deposits against credit facilities of the company	320.00	300.00
Fixed deposits - free	327.00	-
Interest accrued on fixed deposits	173.80	84.29
Total	**15,933.80**	**11,119.29**

9. STOCK IN TRADE (SECURITIES HELD FOR TRADING)

(₹) in Lacs

Particulars	As at 31 March, 2021	As at 31 March, 2020
At fair value through profit and loss		
Equity shares : quoted, fully paid	-	163.00
Total	**-**	**163.00**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2021 (Contd.)

10. TRADE RECEIVABLES

(₹) in Lacs

Particulars	As at 31 March, 2021	As at 31 March, 2020
Receivables considered good - secured *	1,676.59	318.78
Receivables considered good - unsecured **	4,765.33	4,902.96
Receivables - credit impaired	14.99	12.78
	6,456.91	5,234.52
Less: Impairment loss allowance	(14.99)	(12.78)
Total	**6,441.92**	**5,221.74**
* Secured against securities given as a collateral by the clients		
** Above includes due from a managing director	-	-
** Above includes due from subsidiaries, associates and other related parties	14.35	52.68
** Net of margin		

The Company applies the Ind AS 109 simplified approach for measuring expected credit losses (ECLs) for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are calculated based on actual historic credit loss experience over the preceding three to five years on the total balance of non-credit impaired trade receivables. The Company considers a trade receivable to be credit impaired when one or more detrimental events have occurred, such as significant financial difficulty of the client or it becoming probable that the client will enter bankruptcy or other financial reorganization. When a trade receivable is credit impaired, it is written off against trade receivables and the amount of the loss is recognised in the statement of profit and loss. Subsequent recoveries of amounts previously written off are credited to the statement of profit and loss.

11. LOANS

(₹) in Lacs

Particulars		As at 31 March, 2021	As at 31 March, 2020
(A)	**At amortised cost**		
	Margin trading facility (MTF)	12.48	121.81
	Less: Impairment loss allowance	-	(0.47)
	Total	**12.48**	**121.34**
(B)	**Secured / Unsecured**		
	Secured by tangible assets (Securities)	12.48	118.98
	Unsecured	-	2.83
		12.48	121.81
	Less: Impairment loss allowance	-	(0.47)
	Total	**12.48**	**121.34**
(C)	**Loans in India**		
	Public Sector	-	-
	Others	12.48	121.81
	Less: Impairment loss allowance	-	(0.47)
	Total	**12.48**	**121.34**
(D)	**Stage wise break up of loans**		
	(i) Low credit risk (Stage 1)	12.48	121.34
	(ii) Significant increase in credit risk (Stage 2)	-	-
	(ii) Credit impaired (Stage 3)	-	-
	Total	**12.48**	**121.34**

12. INVESTMENTS

(₹) in Lacs

		Particulars	As at 31 March, 2021	As at 31 March, 2020
I				
	1	**Unquoted investments at cost**		
		in equity instruments of subsidiary companies*		
		Emkay Fincap Limited	2,200.00	2,200.00
		Emkay Commotrade Limited	850.00	600.00
		Emkay Investment Managers Limited	900.00	900.00
		Emkayglobal Financial Services IFSC Pvt. Limited	150.00	150.00
		Emkay Wealth Advisory Limited	410.00	410.00
			4,510.00	4,260.00
		Less: Impairment loss allowance	(462.50)	(597.50)
		Total investments in equity instruments	**4,047.50**	**3,662.50**
	2	**In preference instruments of subsdiary company***		
		- Emkay Commotrade Limited	-	250.00
	3	**Capital contribution in associate***		
		- Azalea Capital Partners LLP	4.50	4.50
II		**At fair value through profit and loss**		
	1	**In alternative investment funds (Category III)**		
		- Emkay Emerging Stars Fund	1,376.64	623.71
		- Emkay Emerging Stars Fund - II	307.24	138.81
		- Emkay Emerging Stars Fund - III	449.44	208.87
		Total	**2,133.32**	**971.39**
	2	**Value of stock options granted to employees of subsidiaries****		
		Emkay Fincap Limited	5.18	3.82
		Emkay Investment Managers Limited	25.72	14.09
		Emkay Wealth Advisory Limited	3.19	1.97
		Total	**34.09**	**19.88**
		Total	**6,219.41**	**4,908.27**
		Investments in India	6,219.41	4,908.27
		Investments outside India	-	-

*The Company has elected to measure investment in subsidiaries and associate at deemed cost as per Ind AS 27/ Ind AS 101.

** The Company has granted stock options to the employees of wholly-owned subsidiary companies where the fair value of the said options are recognized over the vesting period as deemed investment as per Ind AS 102.

13. OTHER FINANCIAL ASSETS

(₹) in Lacs

Particulars	As at 31 March, 2021	As at 31 March, 2020
At amortised cost		
Deposits with stock exchanges/clearing corporations	5,216.29	1,616.04
Other deposits	204.23	206.14
Less: Impairment loss allowance	(1.82)	(1.82)
	202.40	204.32
Other recoverable	102.20	27.26
Recoverable from related parties	1.20	0.19
Total	**5,522.10**	**1,847.81**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021 (Contd.)

14. CURRENT TAX ASSETS (NET)

(₹) in Lacs

Particulars	As at 31 March, 2021	As at 31 March, 2020
Income tax paid (net of provision for tax)	159.01	137.59
Total	**159.01**	**137.59**

15. DEFERRED TAX ASSETS (NET)

(₹) in Lacs

Particulars	As at 31 March, 2021	As at 31 March, 2020
Deferred tax assets:		
Financial assets at fair value through profit and loss	6.47	163.90
Lease liabilities	144.80	192.78
Provisions	4.90	4.62
Disallowances	-	19.46
Carried forward tax losses	396.55	383.21
Total	**552.72**	**763.97**
Deferred tax liabilities		
Property, plant and equipment and other intangible assets	101.18	93.14
Right of use assets	138.02	193.29
Total	**239.20**	**286.43**
Net deferred tax assets	**313.52**	**477.54**

16. PROPERTY, PLANT AND EQUIPMENTS

Current year (₹) in Lacs

Particulars	Gross block				Accumulated depreciation/ amortization				Net block	
	Balance as at 01 April 2020	Additions	Disposals	Balance as at 31 March 2021	Balance as at 01 April 2020	Additions	Disposals	Balance as at 31 March 2021	Balance as at 01 April 2020	Balance as at 31 March 2021
Property, plant and equipment										
Office premises	2,736.19	-	-	2,736.19	259.48	120.36	-	379.84	2,476.71	2,356.35
Furniture & fixtures	87.31	1.24	0.20	88.35	38.81	13.15	0.06	51.90	48.50	36.45
Vehicles	26.88	71.45	-	98.33	14.69	14.50	-	29.19	12.19	69.14
Office equipment	78.11	8.53	1.19	85.45	40.16	15.55	0.67	55.04	37.95	30.41
Computers	614.16	132.60	0.78	745.98	284.05	153.04	0.14	436.95	330.11	309.03
Air conditioners	27.70	-	-	27.70	10.15	3.23	-	13.38	17.55	14.32
Leasehold improvement	203.82	14.09	-	217.91	92.23	63.21	-	155.44	111.60	62.47
Total (A)	**3,774.17**	**227.91**	**2.17**	**3,999.91**	**739.57**	**383.04**	**0.87**	**1,121.74**	**3,034.60**	**2,878.17**
Intangible assets										
Computer software	213.19	12.55	-	225.74	142.28	45.78	-	188.06	70.91	37.68
Total (B)	**213.19**	**12.55**	**-**	**225.74**	**142.28**	**45.78**	**-**	**188.06**	**70.91**	**37.68**
Total (A)+(B)	**3,987.36**	**240.46**	**2.17**	**4,225.65**	**881.85**	**428.82**	**0.87**	**1,309.80**	**3,105.51**	**2,915.85**

16. PROPERTY, PLANT AND EQUIPMENTS

Previous year (₹) in Lacs

Particulars	Gross block				Accumulated depreciation/ amortization				Net block	
	Balance as at 01 April 2019	Additions	Disposals	Balance as at 31 March 2020	Balance as at 01 April 2019	Additions	Disposals	Balance as at 31 March 2020	Balance as at 01 April 2019	Balance as at 31 March 2020
Property, plant and equipment										
Office premises	2,736.19	-	-	2,736.19	132.97	126.51	-	259.48	2,603.22	2,476.71
Furniture & fixtures	84.66	3.88	1.23	87.31	21.20	17.70	0.09	38.81	63.46	48.50
Vehicles	29.10	-	2.22	26.88	9.15	5.54	-	14.69	19.95	12.19
Office equipment	64.97	15.00	1.86	78.11	20.48	20.31	0.63	40.16	44.49	37.95
Computers	363.37	258.68	7.89	614.16	136.92	150.13	3.00	284.05	226.45	330.11
Air conditioners	35.23	0.73	8.26	27.70	6.21	4.94	1.00	10.15	29.02	17.55
Leasehold improvement	103.14	100.79	0.11	203.82	34.28	57.98	0.03	92.23	68.86	111.59
Total (A)	**3,416.66**	**379.08**	**21.57**	**3,774.17**	**361.21**	**383.11**	**4.75**	**739.57**	**3,055.45**	**3,034.60**
Intangible assets										
Computer software	125.25	87.94	-	213.19	87.97	54.31	-	142.28	37.28	70.91
Total (B)	**125.25**	**87.94**	**-**	**213.19**	**87.97**	**54.31**	**-**	**142.28**	**37.28**	**70.91**
Total (A)+(B)	**3,541.91**	**467.02**	**21.57**	**3,987.36**	**449.18**	**437.42**	**4.75**	**881.85**	**3,092.73**	**3,105.51**

17. OTHER NON FINANCIAL ASSETS

(₹) in Lacs

Particulars	As at 31 March, 2021	As at 31 March, 2020
Capital advances	7.50	-
Prepaid expenses	158.84	146.68
MAT credit entitlement	24.00	24.00
Fringe benefit tax refund	5.28	5.28
Income tax refund	0.88	0.88
Deposit against appeal	38.44	38.44
Advances to suppliers and others	6.74	7.43
Goods and service tax input credits available / receivable	25.96	20.65
Total	**267.64**	**243.36**

18. PAYABLES

(₹) in Lacs

Particulars	As at 31 March, 2021	As at 31 March, 2020
Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	11,658.82	12,208.33
Total	**11,658.82**	**12,208.33**
The details of amount outstanding to Micro, Small and Medium Enterprises defined under “ Micro, Small and Medium Enterprises Development Act, 2006” (as identified based on information available with the Company and relied upon by the Auditors is as under)		
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interet accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021 (Contd.)

19. BORROWINGS (OTHER THAN DEBT SECURITIES)

(₹) in Lacs

Particulars	As at 31 March, 2021	As at 31 March, 2020
At amortised cost		
Term loan		
From banks : Secured by way of cash margin	-	400.00
From banks : Unsecured	-	400.00
Total	**-**	**800.00**
Borrowings in India	-	800.00
Borrowings outside India	-	-
Total	**-**	**800.00**

20. DEPOSITS

(₹) in Lacs

Particulars	As at 31 March, 2021	As at 31 March, 2020
At amortised cost		
Deposits from intermediaries - Unsecured	169.17	176.74
Total	**169.17**	**176.74**

21. OTHER FINANCIAL LIABILITIES

(₹) in Lacs

Particulars	As at 31 March, 2021	As at 31 March, 2020
Interest accrued but not due on borrowings	-	2.96
Unpaid dividends	5.22	4.06
Margin from clients	23,856.49	7,019.01
Lease liability (refer note 48)	497.27	662.02
Payable for expenses	385.81	272.16
Accrued salaries and benefits	66.88	82.67
Other liabilities	32.04	77.83
Total	**24,843.71**	**8,120.71**

22. CURRENT TAX LIABILTIES (NET)

(₹) in Lacs

Particulars	As at 31 March, 2021	As at 31 March, 2020
For taxation (net of taxes paid)	23.91	23.91
Total	**23.91**	**23.91**

23. PROVISIONS

(₹) in Lacs

Particulars	As at 31 March, 2021	As at 31 March, 2020
Provision for employee benefits		
- Gratuity (refer note 47)	54.95	127.13
- Bonus	937.50	28.92
- Compensated absences	-	66.82
- Incentive	145.00	80.00
Provision for non fund based exposure on MTF clients	-	0.38
Total	**1,137.45**	**303.25**

24. OTHER NON FINANCIAL LIABILITIES

(₹) in Lacs

Particulars	As at 31 March, 2021	As at 31 March, 2020
Statutory dues	859.27	758.24
Income received in advance	12.58	22.90
Advance received from clients	21.99	150.70
Total	**893.84**	**931.84**

25. EQUITY SHARE CAPITAL

Particulars		As at 31 March, 2021		As at 31 March, 2020	
		Number of Shares	(₹) in Lacs	Number of Shares	(₹) in Lacs
(A)	**Authorised**				
	Equity Shares of ₹ 10/- each	5,00,00,000	5,000.00	5,00,00,000	5,000.00
		5,00,00,000	**5,000.00**	**5,00,00,000**	**5,000.00**
(B)	**Issued, subscribed and fully paid up**				
	Equity Shares of ₹ 10/- each	2,46,19,030	2,461.90	2,46,19,030	2,461.90
	Total Equity share capital	**2,46,19,030**	**2,461.90**	**2,46,19,030**	**2,461.90**

(C) Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Number of Shares	(₹) in Lacs	Number of Shares	(₹) in Lacs
At the beginning of the year	2,46,19,030	2,461.90	2,46,19,030	2,461.90
Shares issued during the year	-	-	-	-
At the end of the year	**2,46,19,030**	**2,461.90**	**2,46,19,030**	**2,461.90**

(D) Terms / rights / restrictions attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10/- each share. Each holder of equity share is entitled to one vote per share. The Company declares and pay dividends in Indian Rupees. The dividend proposed if any, by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting except interim dividend.

In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts.The distribution will be in proportion to the number of equity shares held by the shareholders.

During the previous year ended 31 March, 2020, dividend recognized as distribution to equity shareholders was ₹1.00 per share being final dividend for the year ended 31 March, 2019. The total dividend appropriated amounted to ₹ 246.18 Lacs and dividend distribution tax of ₹ 50.62 Lacs.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2021 (Contd.)

(E) DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% OF THE SHARES IN COMPANY (FACE VALUE OF ₹10 PER SHARE)

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Number of Shares	% Held	Number of Shares	% Held
Krishna Kumar Karwa	49,22,500	19.99	49,22,500	19.99
Prakash Kacholia	47,50,000	19.29	47,50,000	19.29
Emkay Corporate Services Private Limited	48,51,484	19.71	48,51,484	19.71
Preeti Kacholia	18,80,000	7.64	18,80,000	7.64
Raunak Karwa	17,50,000	7.11	17,50,000	7.11

(F) SHARES RESERVED FOR ISSUE UNDER EMPLOYEE STOCK OPTION PLANS

Particulars	As at 31 March, 2021	As at 31 March, 2020
ESOP's reserved for offering to eligible employees for the Company and its subsidiaries under ESOP scheme		
- ESOP's granted and are pending for vesting / exercise	40,78,365	34,79,224
- ESOP's not yet granted	5,60,083	11,59,224
Total	**46,38,448**	**46,38,448**

(G) During the preceding five years the Company has not:

- allotted fully paid up shares without payment being received in cash
- issued fully paid up bonus shares
- bought back shares

(H) Capital management

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity, operating cash flows generated and short term debt.

In addition to above, the Company is required to maintain a minimum networth as prescribed from time to time by the Securities and Exchange Board of India (Stock brokers and sub-brokers) Regulations 1992. The management ensures that this is complied at all times.

26. OTHER EQUITY

(₹) in Lacs

Particulars	As at 31 March, 2021	As at 31 March, 2020
Reserves and surplus		
Securities premium		
Balance at the beginning of the year	6994.94	6994.94
Add : Addition during the year	-	-
Balance at the end of the year	**6994.94**	**6994.94**
Retained earnings		
Balance at the beginning of the year	528.42	2083.09
Add : Profit / (loss) for the year	801.46	(1257.86)
Amount available for appropriation	1329.88	825.23
Less : Dividend paid to equity shareholders	-	246.19
Less : Dividend distribution tax	-	50.62
Balance at the end of the year	**1329.88**	**528.42**
General reserve	**1761.51**	**1761.51**
Equity-settled share-based payment reserve		
Balance at the beginning of the year	370.98	199.94
Add : Share based payments to employees during the year (net)	205.25	171.04
Balance at the end of the year	**576.23**	**370.98**
Other comprehensive income		
Balance at the beginning of the year	(90.94)	(52.18)
Add : Movement in other comprehensive income (net) during the year	39.84	(38.76)
Balance at the end of the year	**(51.10)**	**(90.94)**
Total	**10611.46**	**9564.91**

Nature and purpose of reserves

a) Securities premuim

Securities Premium reserves is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares, writing off the preliminary expenses in accordance with the provisions of the Companies Act, 2013.

b) Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders in Lacs.

c) General reserve

Under the erstwhile Companies Act, 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

d) Equity-settled share-based payment reserve

This reserve is created by debiting the statement of profit and loss account with value of share options granted to the employees by the Company. In case of share options granted by the Company, the reserve will move to the share capital account on issue of shares.

e) Other comprehensive income

Other comprehensive income consist of remeasurement gains/ losses on employees defined benefit plans.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021 (Contd.)

27. INTEREST INCOME

(₹) in Lacs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
On financial assets measured at amortised cost		
Interest on deposits with banks	805.51	728.22
Other interest income	5.83	7.88
Interest on margin trading funding (MTF)	6.86	9.41
Total	**818.20**	**745.51**

28. FEES AND COMMISSION INCOME

(₹) in Lacs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Brokerage and fees income		
Brokerage income	11,243.68	10,544.48
Research and advisory fees	1,080.99	274.37
Depository operations	84.63	64.98
Total	**12,409.30**	**10,883.83**

29. NET GAIN/ (LOSS) ON FAIR VALUE CHANGES

(₹) in Lacs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Net gain / (loss) on financial instruments at fair value through profit or loss		
- Investments	1,161.93	(556.03)
- Stock in trade (held for trading)	13.20	(53.09)
- Derivatives	(367.88)	290.95
Total Net gain / (loss/) on fair value changes	**807.25**	**(318.17)**
Fair value changes:		
- Realised (loss) / gain	(354.68)	263.92
- Unrealised gain / (loss)	1,161.93	(582.09)
Total	**807.25**	**(318.17)**

30. OTHER OPERATING INCOME

(₹) in Lacs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Delayed payment charges from clients	84.71	182.34
Others	17.31	18.75
Total	**102.02**	**201.09**

31. OTHER INCOME

(₹) in Lacs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Dividend income		
- From subsdiary company	220.00	-
- Others	0.75	0.44
Net gain on disposal/discard of property, plant and equipment	0.50	4.93
Interest on loan to related parties	0.77	1.62
Interest on deposits with banks	34.54	27.09
Other interest income	17.44	22.72
Others	183.34	76.85
Foreign exchange rate fluctuations gain (net)	0.54	-
Total	**457.88**	**133.65**

32. FINANCE COSTS

(₹) in Lacs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
On Instruments measured at amortised cost		
Interest on deposits	240.16	96.93
Interest on borrowings	88.03	224.15
Interest on borrowings from subsidiary	13.16	74.59
Interest on lease liability	57.33	59.23
Other borrowing costs	139.85	152.96
Total	**538.53**	**607.86**

33. FEES AND COMMISSION EXPENSES

(₹) in Lacs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Brokerage sharing with intermediaries	1,417.81	1,334.87
Other fees	72.42	27.12
Total	**1,490.23**	**1,361.99**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2021 (Contd.)

34. IMPAIRMENT / (REVERSAL OF IMPAIRMENT) ON FINANCIAL INSTRUMENTS

(₹) **in Lacs**

Particulars		**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
On financial instruments measured at amortised cost			
Receivables		15.84	(8.81)
Other financial assets			
Deposits		0.01	0.12
Fixed deposits		(0.43)	0.17
Loans	Margin trade funding clients		
	: fund based	(0.47)	0.47
	: non fund based	(0.38)	0.38
Total		**14.57**	**(7.67)**

35. EMPLOYEE BENEFIT EXPENSE

(₹) **in Lacs**

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Salaries and other benefits	7,501.39	6,495.08
Share based payments to employees	191.03	155.09
Contributions to provident and other funds	320.94	304.74
Gratuity (refer note 47)	103.24	88.38
Staff welfare expenses	20.25	74.83
Total	**8,136.85**	**7,118.12**

36. DEPRECIATION AND AMORTIZATION

(₹) **in Lacs**

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Depreciation of tangible assets	383.05	383.11
Depreciation of right of use assets	319.64	324.47
Amortization of other intangible assets	45.78	54.31
Total	**748.47**	**761.89**

37. OTHER EXPENSES

(₹) in Lacs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Electricity	86.42	114.25
Repairs and maintenance		
- Building	51.29	59.03
- Others	210.80	220.78
Insurance	17.61	9.72
Rates and taxes	34.67	91.64
Communication, postage and courier	236.74	229.41
Travelling and conveyance	315.52	679.98
Printing and stationery	12.96	46.29
Advertisement and business promotion	35.34	322.13
Donations	0.50	3.15
Corporate social responsibility (refer note 42)	66.88	-
Legal and professional fees	340.87	297.95
Subscription	776.23	732.47
Software expenses	60.23	61.79
Claims and compensation	13.55	1.77
Fees and stamps	10.39	21.93
Payments to stock exchanges	124.69	84.86
Registration fees	7.26	10.95
Depository charges	27.16	29.69
Loss due to execution of error trades	86.51	334.36
Training & development	2.29	36.66
Payments to auditors (refer note below) #	28.93	31.95
Foreign exchange rate fluctuations loss (net)	-	2.61
Others	113.13	104.57
Total	**2,659.97**	**3,527.94**

(₹) in Lacs

# Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Audit fees	17.50	17.50
Tax audit fees	1.50	1.50
Other services including limited review and certificates	9.65	12.30
Reimbursement of expenses	0.28	0.65
Total	**28.93**	**31.95**

38. EARNINGS PER SHARE

(₹) in Lacs

Particulars		For the year ended 31 March 2021	For the year ended 31 March 2020
Profit available for equity shareholders (₹ in lacs)	₹ in Lacs	801.46	(1,257.86)
Weighted average number of shares of ₹10/- each used in computing basic earnings per share	Nos.	2,46,19,030	2,46,19,030
Add : Impact of diluted ESOPS	Nos.	30,877	Nil
Weighted average number of shares of ₹10/- each used in computing diluted earnings per share	Nos.	2,46,49,907	2,46,19,030
Basic earnings per share of ₹10/- each	₹	3.26	(5.11)
Diluted earnings per share of ₹10/- each	₹	3.25	(5.11)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2021 (Contd.)

39. SEGMENT INFORMATION

Primary Segment

The Chief Operating Decision Maker (CODM) monitors the operating results of the business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. The operating segment has been identified considering the nature of services, the differing risks and returns, the organization structure and internal financial reporting system. Business segment has been considered as the primary segment for disclosure. The primary business of the Company relates to one business segment namely "Advisory and Transactional Services" comprising of broking and distribution of securities, investment banking and other related financial intermediation services therefore primary business segment reporting as required by Ind AS "Segment Reporting" is not applicable.

40. FOREIGN CURRENCY TRANSACTIONS

(₹) **in Lacs**

	Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
(a)	**Expenditure in foreign currency (accrual basis)**		
	Fees and commission expenses	251.46	73.70
	Subscription	99.15	91.73
	Consultancy	67.12	-
	Travelling expenses	-	34.41
	Advertisement and business promotion	0.33	14.08
	Software expenses	0.11	0.16
		418.18	**214.08**
(b)	**Earning in foreign currency (accrual basis)**		
	Research and advisory fees	242.97	154.87

41. RELATED PARTY DISCLOSURES

(A) As per Indian Accounting Standard on related party disclosures (Ind AS 24), the names of the related parties of the Company are as follows:

Subsidiary Companies	Emkay Fincap Limited
	Emkay Commotrade Limited
	Emkay Wealth Advisory Limited (formerly Emkay Insurance Brokers Limited)
	Emkay Investment Managers Limited
	Emkayglobal Financial Services IFSC Pvt. Limited
Associate	Azalea Capital Partners LLP
Associate of a wholly owned subsidiary company	Finlearn Edutech Private Limited
Directors and/ or Key managerial personnel (KMP)	S.K.Saboo : Chairman
	Krishna Kumar Karwa : Managing Director
	Prakash Kacholia : Managing Director
	G. C. Vasudeo : Independent Director
	R. K. Krishnamurthi : Independent Director
	Dr. Satish Ugrankar : Independent Director
	Dr. Bharat Kumar Singh : Independent Director
Relatives of directors and/ or Key managerial personnel (Where transactions have taken place)	Preeti Kacholia (Woman Director)
	Priti Karwa
	Raunak Karwa
	Soumya Karwa
	Murlidhar Karwa HUF
	Krishna Kumar Karwa HUF
	Nidhi Kacholia
	Divya Kacholia
	Krishna R Kacholia
	Amit S Saboo
Enterprises owned/controlled by key managerial personnel or their relatives (Where transactions have taken place)	Syntheric Fibres Trading Company
	Emkay Corporate Services Pvt. Limited
	Seven Hills Capital
	Emkay Charitable Foundation
	Krishna Investments
Post-employment benefits plan	Emkay Global Financial Services Limited Employees Group Gratuity Assurance Scheme (Trust)

Additional related parties as per Companies Act, 2013

Chief Financial Officer	Saket Agrawal
Company Secretary	Bhalchandra Raul

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021 (Contd.)

(B) Related party transactions details

No.	Particulars	Nature of transaction	Transaction amount during 2020-21	2019-20	Amount Outstanding as on 31 March 2021	31 March 2020
			Amount in ₹		Amount in ₹	
	Subsidiary Companies					
1	Emkay Fincap Limited	Brokerage income	3,03,908	2,86,068	-	-
		Dividend income	2,20,00,000	-	-	-
		Depository charges	43,510	1,58,385	-	-
		Rent recovery	4,69,664	5,09,598	1,19,518	-
		Reimbursement of expenses	144,480	1,79,394	-	-
		Loan taken & repayment	41,00,00,000	60,00,00,000	-	-
		Interest paid on loan taken	11,67,123	50,73,770	-	-
		Interest income on loan given	-	1,61,644	-	-
		Trade payables	-	-	22,90,981	-
		Investment in equity shares	-	-	22,00,00,000	22,00,00,000
		Investment : ESOP granted to employees	1,36,603	2,01,096	5,18,430	3,81,827
		Loan granted & receipt of loan granted	-	6,00,00,000	-	-
		Trade receivables	-	-	-	1,308
2	Emkay Commotrade Limited	Brokerage income	2,15,862	-	-	
		Depository charges	1,010	2,520	-	-
		Rent recovery	85,528	90,033	-	-
		Reimbursement of expenses	37,676	43,212	-	-
		Reimbursement of expenses paid	-	37,170	-	-
		Payment received on behalf of client	-	1,416	-	-
		Trade payables	-	-	2,16,407	-
		Investment in equity shares	2,50,00,000	-	8,50,00,000	6,00,00,000
		Proceeds from redemption of preference shares	2,50,00,000	-	-	2,50,00,000
		Loan taken & repayment	4,75,00,000	9,00,00,000	-	-
		Interest paid on loan taken	91,096	23,85,246	-	-
		Interest paid on margin deposit	2,25,555	-	-	-
		Margin deposit received	5,25,00,000	-	1,75,00,000	-
		Repayment of margin deposit	3,50,00,000	-	-	-
3	Emkay Wealth Advisory Limited	Rent recovery	4,24,680	5,09,616	-	-
	(Formerly Emkay Insurance Brokers Limited)	Reimbursement of expenses	64,977	1,06,684	-	-
		Investment in equity shares	-	-	4,10,00,000	4,10,00,000
		Investment : ESOP granted to employees	1,21,618	1,96,861	3,18,479	1,96,861
		Purchase of fixed assets	-	33,963	-	-
		Sale of fixed assets	-	99,806	-	-
		Depository charges	845	600	-	-
		Trade Receivables	-	-	16	-
4	Emkay Investment Managers Limited	Brokerage income	21,92,682	1,38,025	-	-
		Depository charges	49,495	84,175	-	-
		Rent recovery	19,61,415	15,24,637	-	-
		Reimbursement of expenses	5,28,332	4,64,722	-	-
		Interest paid on loan taken	57,534	-	-	-
		Loan taken & repayment	7,00,00,000	-	-	-
		Investment : ESOP granted to employees	11,62,822	11,97,709	25,71,950	14,09,128
		Trade receivables	-	-	14,32,807	1,37,200
		Trade payables	-	-	-	2,748
		Investment in equity shares	-	-	9,00,00,000	9,00,00,000
5	Emkayglobal Financial Services IFSC Pvt..Ltd.	Reimbursement of expenses	-	43,930	-	-
		Investment in equity shares	-	1,50,00,000	1,50,00,000	1,50,00,000

(B) Related party transactions details

No.	Particulars	Nature of transaction	Transaction amount during 2020-21	2019-20	Amount Outstanding as on 31 March 2021	31 March 2020
			Amount in ₹		Amount in ₹	
	Associate					
6	Azalea Capital Partners LLP	Depository charges	860	1,070	-	-
		Trade receivables	-	-	53	-
		Investment via capital contribution	-	-	4,50,000	4,50,000
		Reimbursement of expenses	26,570	19,080	-	19,080
		Trade payables	-	-	-	7,120
		Interest Income on Loan Given	76,616	-	-	-
		Loan granted & receipt of loan granted	25,00,000	-	-	-
	Associate of a wholly owned subsidiary company					
7	Finlearn Edutech Private Limited	Sale of assets	-	6,40,215	-	-
		Depository charges	1,130	675	-	-
		Trade payables	-	-	19	33
		Purchase of assets	1,86,000	-	-	-
	Directors and/or Key managerial personnel (KMP)					
8	Krishna Kumar Karwa	Salaries & other benefits	94,08,000	1,14,24,000	-	-
		Brokerage income	42,000	39,151	-	-
		Depository charges	420	660	-	-
		Dividend paid	-	49,22,500	-	-
		Trade payables	-	-	-	21,261
9	Prakash Kacholia	Salaries & other benefits	94,08,000	1,14,24,000	-	-
		Brokerage income	29,896	30,356	-	-
		Depository charges	1,920	2,645	-	-
		Dividend paid	-	47,50,000	-	-
		Trade payables	-	-	24,29,600	73,26,270
10	S. K. Saboo	Brokerage income	26,000	16,700	-	-
		Depository charges	345	345	-	-
		Sitting fees	60,000	80,000	-	-
		Trade payables	-	-	-	195
11	G. C.Vasudeo	Sitting fees	1,30,000	80,000		-
12	R. K. Krishnamurthi	Sitting fees	1,30,000	90,000		-
13	Dr. Satish Ugrankar	Sitting fees	1,30,000	1,20,000		-
14	Dr. Bharat Kumar Singh	Sitting fees	80,000	60,000		-
	Relatives of directors and/or key managerial personnel					
15	Preeti Kacholia	Brokerage income	8,49,171	3,81,175	-	-
		Depository charges	17,865	8,685	-	-
		Dividend paid	-	18,80,000	-	-
		Trade payables	-	-	98,59,712	20,96,972
16	Priti Karwa	Brokerage income	1,362	1,408	-	-
		Depository charges	600	510	-	-
		Trade payables	-	-	-	1,26,480
17	Krishna Kacholia	Brokerage income	-	16		-
		Depository charges	-	1,335		-
18	Raunak Karwa	Salaries & other benefits	16,80,000	20,16,000	-	-
		Depository charges	690	150	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021 (Contd.)

(B) Related party transactions details

No.	Particulars	Nature of transaction	Transaction amount during 2020-21	Transaction amount during 2019-20	Amount Outstanding as on 31 March 2021	Amount Outstanding as on 31 March 2020
			Amount in ₹		Amount in ₹	
		Dividend paid	-	17,50,000	-	-
		Trade receivables	-	-	354	-
19	Soumya K Karwa	Depository charges	480	995		-
		Trade payables	-	-	405	-
		Trade receivables	-	-	-	124
		Brokerage Income	16,344	-	-	-
20	Murlidhar Karwa HUF	Brokerage Income	-	5,400	-	-
		Depository charges	330	465	-	-
		Dividend paid	-	1,00,000	-	-
21	Krishna Kumar Karwa HUF	Brokerage income	4,509	6,726	-	-
		Depository charges	60	150	-	-
		Dividend paid	-	1,00,000	-	-
		Trade receivables	-	-	-	18
		Trade Payables	-	-	2,59,218	-
22	Nidhi Kacholia	Brokerage income	-	70	-	-
		Depository charges	330	645	-	-
		Trade Receivables	-	-	389	-
23	Divya Kacholia	Brokerage income	2	240	-	-
		Depository charges	30	90	-	-
		Trade payables	-	-	982	-
24	Amit S Saboo	Brokerage income	4,242	9,300	-	-
		Depository charges	450	480	-	-
		Trade payables	-	-	965	4,30,739
	Enterprises owned/ controlled by KMP or their relatives					
25	Synthetic Fibres Trading Co	Brokerage income	4,52,703	8,22,120	-	-
		Depository charges	2,575	2,340	-	-
		Trade payables	-	-	80,969	2,21,995
26	Emkay Corporate Services Private Limited	Brokerage income	-	33,419	-	-
		Depository charges	890	1,490	-	-
		Dividend paid	-	48,51,484	-	-
		Trade Receivables	-	-	979	-
27	Krishna Investments	Brokerage and commission payment	49,716	43,169		-
		Trade payables	-	-	1,25,459	82,021
28	Seven Hills Capital	Brokerage income	2,45,891	2,83,201	-	-
		Depository charges	2,255	2,680	-	-
		Trade receivables	-	-	159	51,29,635
29	Emkay Charitable Foundation	Donation	66,87,739	-	-	-
	Post employment benefits plan					
30	EGFSL Employees Group Gratuity Assurance Scheme (Trust)	Gratuity contribution	1,03,24,160	88,37,518	54,94,689	1,27,13,416
	Additional Related Parties as per Companies Act, 2013					
31	Saket Agrawal : Chief financial officer	Salaries & other benefits	40,92,183	45,55,572	-	-
32	Bhalchandra Raul : Company Secretary	Salaries & other benefits	24,89,461	25,15,749	-	-

42. STATEMENT OF CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold needs to spend at least 2% of its average net profit for the immediately three preceding financial years on Corporate Social Responsibility (CSR) activities. A CSR committee has been formed by the Company as per Act.

a) Gross amount required to be spent by the Company during the year is ₹ 14.11 Lacs (P.Y. ₹ 29.01 Lacs)

b) Details of amount spent:

(₹) **in Lacs**

Particulars		**Paid**	**Yet to be paid**	**Balance**
During the year ending 31 March, 2021				
i)	Construction/acquisition of any asset	-	-	-
ii)	On purpose other than (i) above	66.88	-	-
During the year ending 31 March, 2020				
i)	Construction/acquisition of any asset	-	-	-
ii)	On purpose other than (i) above	-	52.77	52.77

Above amount has been spent by Emkay Charitable Foundation a section 8 Company as per the Companies Act, 2013 from the contribution made by the Company. The said Company is classified as related party under Ind AS 24 – “Related party disclosures”.

43. CONTINGENT LIABILITIES

(₹) **in Lacs**

Particulars		**As at 31 March 2021**	**As at 31 March 2020**
1	Claims against the Company not acknowledged as debt	21.56	4.88
2	Guarantees issued by banks	16,100.00	16,200.00
3	Service Tax matters in appeal : net of amount deposited	847.81	847.81

Note: The Company has provided bank guarantees for meeting margin requirements as under:

(₹) **in Lacs**

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
National Stock Exchange of India Limited	12,550.00	12,750.00
BSE Limited	100.00	300.00
Multi Commodity Exchange of India Limited	3,125.00	2,725.00
National Commodity and Derivatives Exchange Limited	325.00	425.00
Total	**16,100.00**	**16,200.00**

44. CAPITAL COMMITTMENTS

(₹) **in Lacs**

Particulars		**As at 31 March 2021**	**As at 31 March 2020**
1	Estimated amounts of contracts remaining to be executed on Capital Account and not provided for (net of advances)	100.21	8.65

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2021 (Contd.)

45. SHARE BASED PAYMENTS

NOTE: DISCLOSURE RELATING TO EMPLOYEE STOCK OPTION SCHEMES

Details of employee stock options

ESOP - 2005
This scheme was approved by the shareholders at the Extra ordinary General meeting held on 28.01.2006 for grant of 3,81,250 equity shares of ₹ 10/- each.

ESOP - 2007
This scheme was approved by the shareholders at the Extra Ordinary General Meeting held on 11.01.2008 for grant of 24,26,575 equity shares of ₹ 10/- each.

ESOP - 2010 - Through Trust Route
This scheme was approved by the shareholders at the Annual General Meeting held on 30.08.2010 for grant of 24,41,995 equity shares of ₹10/- each.

ESOP - 2018
This scheme was approved by shareholders through postal ballot process on 21.03.2018 for grant of 24,53,403 equity shares of ₹ 10/- each.

THE ACTIVITY IN ESOP - 2007, ESOP - 2010 AND ESOP - 2018 DURING THE YEAR ENDED 31 MARCH, 2021 AND 31 MARCH, 2020 IS SET OUT BELOW:

Particulars		As at 31 March, 2021 (Nos.)	Weighted Average Exercise Price (in ₹)	As at 31 March, 2020 (Nos.)	Weighted Average Exercise Price (in ₹)
ESOP - 2007					
Options outstanding at the beginning of the year		19,59,098	74.98	13,95,000	145.45
Add :	Granted	2,46,000	74.90	14,11,598	74.66
Less :	Exercised	-		-	
Less :	Forfeited	-		-	
Less :	Lapsed	4,46,978	74.64	8,47,500	134.33
Options outstanding at the end of the year		**17,58,120**	**75.05**	**19,59,098**	**74.98**
ESOP - 2010					
Options outstanding at the beginning of the year					
Add :	Granted	-	-	-	-
Less :	Exercised	-	-	-	-
Less :	Forfeited	-	-	-	-
Less :	Lapsed	-	-	-	-
Options outstanding at the end of the year		**-**	**-**	**-**	**-**
ESOP - 2018					
Options outstanding at the beginning of the year		15,20,126	75.38	20,86,168	110.49
Add :	Granted	8,91,667	59.89	3,56,958	91.92
Less :	Exercised	-	-	-	-
Less :	Forfeited	-	-	-	-
Less :	Lapsed	91,548	75.60	9,23,000	75.60
Options outstanding at the end of the year		**23,20,245**	**69.42**	**15,20,126**	**75.38**

THE COMPANY HAS DONE FOLLOWING MODIFICATIONS IN OPTIONS DURING CURRENT YEAR

Scheme/ Year/ Nature of Modification	No of Options	Original Weighted Average Fair Value of Options (in ₹)	Revised Weighted Average Fair Value of Options (in ₹)
ESOP - 2007			
Current Year			
Change in vesting dates of Options	6,47,816	38.32	30.33
Previous Year			
Re-pricing of Options	6,35,000	91.32	34.19
ESOP - 2018			
Current Year			
Change in vesting dates of Options	6,78,195	38.18	15.59
Previous Year			
Re-pricing of Options	23,18,506	60.92	35.37

EMPLOYEES' STOCK OPTIONS SCHEME (ESOP)

Particulars	ESOP - 2007	ESOP - 2010 -Trust Route	ESOP - 2018
Date of Board approval	01.12.2007	27.07.2010	29.01.2018
Date of Shareholder's approval	11.01.2008	30.08.2010	21.03.2018
Number of Options granted to			
- Employees of the Company	53,87,598	647,000	33,48,626
- Employees of the subsidiary Companies	4,70,000	-	86,167
Total Options granted	58,57,598	6,47,000	34,34,793
Method of settlement	Equity	Equity	Equity
Vesting period	Ranging from 2 years and 1 month to 7 years and 10 months. Both time based and performance based	Graded vesting over period of 5 years	Ranging from 2 years and 1 month to 7 years and 10 months. Both time based and performance based

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
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WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE

Particulars	ESOP-2007	ESOP-2018
Current year		
- Granted but not vested	5.86 years	5.33 years
Current year		
- Vested but not exercised	N.A.	N.A.
Current year		
- Weighted Average Share Price at the date of exercise for stock options exercised during the year	N.A.	N.A.
Previous year		
- Granted but not vested	6.05 years	5.61 years
Previous year		
- Vested but not exercised	N.A.	N.A.
Previous year		
- Weighted Average Share Price at the date of exercise for stock options exercised during the year	N.A.	N.A.
Exercise Period	Within 2 to 3 years from the date of vesting of options	
Vesting Conditions	Vesting of options would be subject to continued employment with the Company and / or its subsidiaries and thus the options would vest on passage of time. In addition to this, the Nomination, Remuneration and Compensation Committee may also specify certain performance parameters subject to which the options would vest. In case of performance based vesting, the options would vest on achievement of performance parameters.	
Weighted Average Fair Value of Options as on grant date - Current Year	34.20	34.74
Weighted Average Fair Value of Options as on grant date - Previous Year	38.51	43.47
Risk free interest rate	5.96%	5.83% - 6.06%
Dividend Yield	1.34%	1.22% - 1.68%
Expected Volatility	51%	51% - 68%

THE EXERCISE PRICING FORMULA FOR ESOP SCHEMES ARE AS UNDER:

ESOP-2007
The exercise price shall be equal to the latest available closing market price on the date prior to the date on which the Nomination, Remuneration and Compensation Committee finalizes the specific number of options to be granted to the employees.

ESOP-2010
The exercise price shall be calculated on the basis of latest closing price of the Company's equity shares quoted on the Stock Exchange prior to the date of the grant of Options, which for this purpose shall be date on which the Nomination, Remuneration and Compensation Committee meets to make its recommendations for grant of Options.

ESOP-2018
The exercise price shall be the closing price of the Company's equity shares quoted on the Stock Exchange immediately prior to the date of grant of the Options, which for this purpose shall be the date on which the Nomination, Remuneration and Compensation Committee meets to make its recommendations for the grant of the Options. The Stock Exchange to be selected for determining the closing price shall be in accordance with the SEBI ESOP Regulations. The Committee may, at its sole discretion, consider a discount to such closing price.

OTHER INFORMATION REGARDING EMPLOYEE SHARE BASED PAYMENT PLAN IS AS BELOW

(₹) in Lacs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Expenses arising from employees share based payment plans	191.03	155.09
Total carrying amount at the end of the year	553.07	667.39

46. **a) Detailed information in respect of Equity Index / Stock Futures contract outstanding and held for trading purpose (Open Interest) :**

Name of Equity Index/ Stock Futures	As at 31 March, 2021			As at 31 March, 2020		
	No. of Contracts	No. of Units		No. of Contracts	No. of Units	
		Long	Short		Long	Short
FUTSTK LT	-	-	-	67	25,125	-
FUTSTK M&M	-	-	-	2	-	2,000

b) Detailed information in respect of Securities traded (Delivery only)

(₹) in Lacs

Particulars	Purchases		Sales	
	For the year ended 31 March, 2021	For the year ended 31 March, 2020	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Securities	198.09	3,270.53	374.38	3,064.07

47. EMPLOYEE BENEFITS

Disclosure pursuant to Ind As 19 "Employee benefits" is given below:

a) Defined contribution plan

Expenses recognized in Statement of Profit and Loss towards Defined Contribution Plans are as under:

(₹) in Lacs

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Provident Fund	266.82	262.38
ESIC	2.15	2.66
National Pension Scheme	51.96	39.71

b) Defined benefit plan

The Company has defined benefit gratuity plan governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service is entitled to gratuity on departure at 15 days last drawn salary for each competed year of service or part thereof in excess of six months.

The plan is funded with insurance companies in the form of qualifying insurance policy. The following table summarize the components of net benefit expense recognized in the statement of profit and loss, other comprehensive income and amount recognized in balance sheet which has been determined by an actuary appointed for the purpose and relied upon by the auditors.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021 (Contd.)

Sr. No.	Particulars	As at 31 March, 2021	As at 31 March, 2020
i)	**Movement in defined benefit obligation**		
	Present value of obligation as at the beginning	**660.08**	**574.55**
	Current service cost	96.19	82.50
	Interest expense or cost	36.61	39.73
	Re measurements due to :		
	- Actuarial loss / (gain) arising from change in financial assumptions	(1.74)	63.22
	- Actuarial loss / (gain) arising from change in demographic assumptions	(1.35)	0.09
	- Actuarial loss / (gain) arising on account of experience changes	(25.95)	9.33
	Benefits paid	(28.92)	(109.91)
	Acquisition adjustment	(2.60)	0.57
	Present value of obligation as at the end	**732.32**	**660.08**
ii)	**Movement in Plan assets**		
	Fair value of plan asset as at the beginning	**532.92**	**489.64**
	Employer contributions	127.13	84.88
	Investment income	29.56	33.86
	Return on plan assets, excluding amount recognized in net interest expense	19.26	33.88
	Benefits paid	(28.92)	(109.91)
	Acquisition adjustment	(2.60)	0.57
	Fair value of plan asset as at the end	**677.35**	**532.92**
iii)	**Reconciliation of net liability/ asset**		
	Net defined benefit liability/ (asset) as at the beginning of the year	**(127.16)**	**(84.90)**
	Expenses charged to statement of profit and loss	(103.24)	(88.38)
	Amount recognized in other comprehensive income	48.29	(38.76)
	Employer contribution	127.13	84.88
	Net defined benefit liability/ (asset) as at the end of the year	**(54.98)**	**(127.16)**
iv)	**Expenses charged to the Statement of Profit & Loss**		
	Current Service Cost	96.19	82.50
	Net Interest Cost/ (Income) on the net defined benefit liability/ (Asset)	7.05	5.87
	Expenses recognized in the income statement	**103.24**	**88.37**
v)	**Movement in asset ceiling**		
	Effect of asset ceiling at the beginning	**-**	**-**
	Interest on opening balance of asset ceiling	-	-
	Re-measurements due to change in surplus/ deficit	-	-
	Value of asset ceiling as at the end of the year	**-**	**-**
vi)	**Re-measurement (gains)/losses in other comprehensive income**		
	Actuarial (gains)/ losses		
	Change in financial assumptions	(1.74)	63.22
	Change in demographic assumptions	(1.35)	0.09
	Experience adjustments	(25.95)	9.33
	Return on plan assets, excluding amount recognized in net interest expense	(19.25)	(33.88)
	Components of defined benefit costs recognized in other comprehensive income	**(48.29)**	**38.76**

Sr. No.	Particulars	As at 31 March, 2021	As at 31 March, 2020
vii)	**Amount recognized in Balance Sheet**		
	Present value of obligation	732.32	660.08
	Fair value of plan assets	677.35	532.92
	Surplus/ (Deficit)	(54.97)	(127.16)
	Effects of asset ceiling, if any	-	-
	Net Asset / (Liability)	**(54.97)**	**(127.16)**
viii)	**Key actuarial assumptions**		
	Discount Rate (p.a.)	5.60%	5.55%
	Salary growth rate (p.a.)	10.00%	10.00%
ix)	**Category of plan assets**		
	Fund managed by insurers	99.96%	99.69%
	Bank balance	0.04%	0.31%
x)	**Sensitivity analysis for significant assumptions is as shown below**		
	Discount Rate (- 1%) : % Change compared to base due to sensitivity	5.30%	5.10%
	Discount Rate (+1%) : % Change compared to base due to sensitivity	-4.80%	-4.70%
	Salary Growth (- 1%) : % Change compared to base due to sensitivity	-3.70%	-3.70%
	Salary Growth (+1%) : % Change compared to base due to sensitivity	3.80%	3.80%
xi)	**Maturity profile of defined benefit obligation**		
	Weighted average duration (based on discounted cash flows)	5 years	5 years
	Expected cash flows over the next (valued on undiscounted basis):		
	Expected benefit for 1 year	131.68	113.51
	Expected benefit for 2 to 5 years	407.09	385.83
	Expected benefit for 6 to 10 years	273.72	246.27
	Expected benefit for more than 10 years	196.21	148.40
xii)	**Expected contribution during the next annual reporting period**		
	The Company's best estimate of contribution during the next year	153.28	224.35

48. LEASE

The Company has entered into lease contracts for various properties across India for its office premises used in its operations. There are no variable lease payments, residual agreements, sale and leaseback arrangements and other restrictions. The Company also has certain leases with lease terms of 12 months or less. The Company applies the 'Short-term lease' recognition exemption for these leases.

Information about leases for which the Company is lessee are prescribed below:

a) Right of use assets

(₹) in Lacs

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Balance at the beginning of the year	663.76	440.82
Additions	179.84	605.73
Closure	(49.99)	(58.31)
Depreciation on Right-of-Use (ROU) assets	(319.64)	(324.48)
Balance at the end of the year	**473.97**	**663.76**

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FOR THE YEAR ENDED 31 MARCH, 2021 (Contd.)

b) Lease liabilities

(₹) in Lacs

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Balance at the beginning of the year	662.02	436.41
Additions	171.81	576.97
Interest expense on lease liabilities	57.33	59.23
Closure	(52.71)	(59.99)
Benefit on lease payment waiver*	(42.53)	-
Payment of lease liabilities	(298.65)	(350.60)
Balance at the end of the year	**497.27**	**662.02**
Current	269.61	297.07
Non Current	227.66	364.95

*MCA issued covid-19 related rent concessions – amendments to Ind AS-116 for leases. The Company as a lessee has applied practical expedient to the concessions given by the lessor in lease rent due to covid-19 and changes in opening balance of lease liability due to said concessions accounted as gain on lease rental waiver.

c) Contractual maturities of lease liabilities on an undiscounted basis

(₹) in Lacs

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Less than one year	295.27	349.49
One to five years	247.65	392.04
Five years and above	-	-
Total	**542.93**	**741.53**

d) Amount recognized in statement of profit and loss

(₹) in Lacs

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Depreciation on Right-Of-Use (ROU) assets	319.64	324.48
Interest expense on lease liabilities	57.33	59.23
Expense relating to short term leases (included in other expenses)	0.38	0.15
Total	**377.35**	**383.86**

e) Amount recognized in statement of cash flows

(₹) in Lacs

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Payment towards lease liabilities	298.65	350.60

The effective interest rate of lease liabilities is 10.15% with maturities between one to five years.

49. RATINGS ASSIGNED BY CREDIT RATING AGENCY

ICRA Limited has reaffirmed rating of [ICRA] A2+ to the short term non fund based bank facilities of the Company of ₹ 27,500 lacs (Previous year : ₹ 27,500 lacs).

50. ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security are as under :-

(₹) in Lacs

Particulars	**As at 31 March, 2021**	**As at 31 March, 2020**
Financial Assets		
Fixed deposit under lien with stock exchanges	17,318.00	2,635.00
Fixed deposit against bank guarantees	8,050.00	8,100.00
Fixed deposit against credit facilities of the Company	320.00	300.00
Total	**25,688.00**	**11,035.00**
Non Financial Assets		
Office premises mortgaged with bank for credit facilities	2,356.35	2,476.71

51. Trade Payable includes 34.51 Lacs (P.Y. ₹ Nil) and other liabilities under other financial liabilities includes ₹ 1.52 Lacs (P. Y. ₹ 42.66 Lacs) being aggregate amount of deposits in Company's bank accounts made directly by clients whose details are awaited. Appropriate accounting treatment is given on regular basis on receipt of required information as and when received.

52. Income includes ₹ 13.00 Lacs (P.Y. ₹ Nil) and expenses includes ₹ 29.63 Lacs (P.Y. ₹ Nil) pertaining to earlier year.

53. FINANCIAL RISK MANAGEMENT

The Company has established a comprehensive system for risk management and internal controls for all its businesses to manage the risks that it is exposed. The objective of its risk management framework is to ensure that various risks are identified, measured and mitigated and also that policies, procedures and standards are established to address these risks and ensure a systematic response in the case of crystallization of such risks.

The Company has exposure to the following risks arising from financial instruments:

a) Credit risk

b) Liquidity risk

c) Market risk

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021 (Contd.)

The risk management system features ‘three lines of defence approach.

1. The first line of defence comprises its operational departments, which assume primary responsibility for their own risks and operate within the limits stipulated in various policies approved by the Board or by committees constituted by the Board.

2. The second line of defence comprises specialized department such as risk management and compliance. They employ specialized methods to identify and assess risks faced by the operational departments and provide them with specialized risk management tools and methods, facilitate and monitor the implementation of effective risk management practices, develop monitoring tools for risk management, internal controls and compliances, report risk related information and promote the adoption of appropriate risk prevention measures.

3. The third line of defence comprise the internal audit and external audit functions. They monitor and conduct periodic evaluations of the risk management, internal controls and compliance activities to ensure the adequacy of risk controls and appropriate risk governance and provide the Board with comprehensive feedback.

a) Credit risk

It is risk of financial loss that the Company will incur a loss because its customers or counterparties to financial instruments fails to meet its contractual obligation.

The Company’s financial assets comprises of cash and bank balances, trade receivables, loans, investments and other financial assets which comprise mainly of deposits, advances and other receivables.

The maximum exposure to credit risk at the reporting date is primarily from Company’s trade receivable and loans.

Details of exposure to credit risks for trade receivables and loans:

(₹) in Lacs

Particulars	As at 31 March, 2021	As at 31 March, 2020
Trade and other receivables (net of impairment)	6441.92	5221.74
Loan (net of impairment)	12.48	121.34

Trade receivable:

The Company applies the Ind AS 109 simplified approach to measure expected credit losses (ECLs) for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are calculated based on actual historic credit loss experience over the preceding three to five years on the total balance of non-credit impaired trade receivables. The Company considers a trade receivable to be credit impaired when one or more detrimental events have occurred, such as significant financial difficulty of the client or it becoming probable that the client will enter bankruptcy or other financial reorganization. When a trade receivable is credit impaired, it is written off against trade receivables and the amount of the loss is recognized in the income statement. Subsequent recoveries of amounts previously written off are credited to the income statement.

Loans:

Loans comprise of margin trading funding (MTF) for which staged approach is followed for determination of ECL.

Stage 1 : All standard loans in MTF loan book upto 30 days past due (DPD) are considered as Stage 1 assets for computation of expected credit loss.

Stage 2 : Exposure under stage 2 include under-performing loans having 31 to 90 days past due (DPD).

Stage 3 : Exposures under stage 3 include non-performing loans with overdue more than 90 days past due (DPD).

Based on historical data, the company assigns PD to stage 1 and stage 2 and applies it to the EAD to compute the ECL. For Stage 3 assets PD is considered as 100%

The company does not have any loan book which may fall under stage 2 or stage 3.

Following table provides information about exposure to credit risk and ECL on Loan

(₹) in Lacs

Bucketing (Stage)	As at 31 March, 2021		As at 31 March, 2020	
	Carrying Value	ECL	Carrying Value	ECL
Stage 1	12.48	-	121.81	0.47
Stage 2	-	-	-	-
Stage 3	-	-	-	-
Total	**12.48**	**-**	**121.81**	**0.47**

Movement in the allowances for impairment in respect of trade receivables and loans is as follows:

(₹) in Lacs

	31 March, 2021	31 March, 2020
Opening Balance	13.25	27.59
Net re measurement of loss allowance	1.74	(14.34)
Closing Balance	**14.99**	**13.25**

Other financial assets considered to have a low credit risk:

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks with high credit ratings assigned by international and domestic credit rating agencies. Investments comprise of quoted equity instruments, mutual funds which are market tradable. Other financial assets include deposits for assets acquired on lease and with qualified clearing counterparties and exchanges as per the prescribed statutory limits.

In addition to the historical pattern of credit loss, the Company has considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. This can be reflected in the increased haircuts taken on collateral held against such receivables and loans.

b) Liquidity risk

Liquidity risk is the risk that the entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The entity's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to entity's reputation.

Prudent liquidity risk management requires sufficient cash and marketable securities and availability of funds through adequate committed credit facilities to meet obligations when due and close out market positions.

The Company has a view of maintaining liquidity with minimal risks while making investments. The Company invests its surplus funds in short term liquid assets in bank deposits. The Company monitors its cash and bank balances periodically in view of its short term obligations associated with its financial liabilities.

Refer note 55 for analysis of maturities of financial assets and financial liabilities.

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c) Market Risk

Market risk arises when movements in market factors (foreign exchange rates, interest rates, credit spreads and equity prices) impact the Company's income or market value of its portfolios. The Company, in its course of business, is exposed to market risk due to change in equity prices, interest rates and foreign exchange rates. The objective of market risk management is to maintain an acceptable level of market risk exposure while aiming to maximize returns.

(i) Equity Price

The Company's exposure to equity price risk arises primarily on account of its proprietary positions and on account of margin bases positions of its clients in equity cash and derivative segments.

The Company's equity price risk is managed in accordance with its Risk Policy approved by Board.

(ii) Interest rate risk

The Company is exposed to Interest rate risk if the fair value or future cash flows of its financial instruments will fluctuate as a result of changes in market interest rates. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates.

The Company's interest rate risk arises from interest bearing deposits with bank and loan given to customers. Such instrument exposes the Company to fair value interest rate risk. Management believes that the interest rate risk attached to these financial assets is not significant due to the nature of these financial assets

(iii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

Foreign currency risk management

In respect of foreign currency transactions, the Company does not hedge the exposures since the management believes that the same is insignificant in nature and will not have a material impact on the Company.

The Company's exposure to foreign currency risk at the end of reporting period is as shown as under:

Receivables **in Lacs**

Particulars	Currency	As at 31 March, 2021	As at 31 March, 2020
Foreign currency exposure outstanding	USD	0.44	0.33
	INR	31.87	25.18
Foreign currency receivable in next 5 years including interest	USD	0.44	0.33
	INR	31.87	25.18
Unhedged foreign currency exposure	USD	0.44	0.33
	INR	31.87	25.18

Payables **in Lacs**

Particulars	Currency	As at 31 March, 2021	As at 31 March, 2020
Foreign currency exposure outstanding	USD	3.48	3.17
	INR	254.54	239.87
	SGD	0.25	0.06
	INR	13.62	3.20
Foreign currency payable in next 5 years including interest	USD	1.48	1.17
	INR	108.32	88.54
	SGD	0.25	0.06
	INR	13.62	3.20
Unhedged foreign currency exposure	USD	3.48	3.17
	INR	254.54	239.87
	SGD	0.25	0.06
	INR	13.62	3.20

The table below indicates the currencies to which the Company had significant exposure at the end of the reported periods for the non-traded component. The analysis calculates the effect of a reasonably possible movement of the currency rate against INR (all other variable being constant) on the statement of profit and loss.

Payables **(₹) in Lacs**

Currency	Change in currency rate in %	Impact on statement of profit and loss	
		For the year ended 31 March, 2021	For the year ended 31 March, 2020
USD	Depreciation of 5%	11.13	10.73
USD	Appreciation of 5%	(11.13)	(10.73)
SGD	Depreciation of 5%	0.68	0.16
SGD	Appreciation of 5%	(0.68)	(0.16)

The Company basis their assessment believes that the probability of the occurrence of their forecasted transactions is not impacted by COVID-19 pandemic. The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing the impact on the financial statements.

54. TAX RECONCILIATON DISCLOSURE

A) Income tax expenses consists of the following:

(₹) in Lacs

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Current income tax	175.55	-
Deferred tax	164.02	(540.87)
Tax relating to earlier years	-	(0.99)
Tax expense for the year	**339.57**	**(541.86)**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021 (Contd.)

B) Amount recognized in the other comprehensive income:

(₹) in Lacs

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Items that will not be reclassified to profit or loss		
Actuarial gain/ (loss) on defined benefit plans	48.29	(38.76)
Income tax relating to items that will not be reclassified to profit or loss	(8.45)	-
Total	**39.84**	**(38.76)**

C) Amount recognized in the other comprehensive income The reconciliation of estimated current income tax expenses at statutory income tax rate to current income tax expense reported in statement of profit and loss is as follows:

(₹) in Lacs

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Profit before tax	1,141.03	(1,799.72)
Indian statutory income tax rate (%)	29.12%	29.12%
Expected income tax expenses	332.27	(524.08)
Tax effect of adjustments to reconcile expected income tax expenses to reported income tax expenses		
Deductible expenses for tax purpose	(164.41)	(171.59)
Non-deductible expenses for tax purpose	180.62	141.49
Fair value changes of investments	(338.35)	161.92
Others (Net)	141.75	(137.32)
Current year and brought forward losses carry forwarded to subsequent year	12.14	(11.29)
Tax expense in respect of earlier years	-	(0.99)
Tax payable at normal rate (Deferred tax expense)	164.02	(541.86)
Tax payable under section 115JB (MAT)	175.55	-
Total income tax expenses	**339.57**	**(541.86)**

D) Deferred tax disclosure

Movement of deferred tax assets and liabilities

Current year **(₹) in Lacs**

Particulars	**As at April 1, 2020**	**Credit/ (Charge) in the statement of profit and loss**	**As at March 31, 2021**
Financial assets at fair value through profit and loss	163.90	(157.43)	6.47
Lease liabilities	192.78	(47.98)	144.80
Provisions	4.62	0.28	4.90
Disallowances	19.45	(19.45)	-
Carried forward tax losses	383.22	13.33	396.55
Property, plant and equipment and other intangible assets	(93.14)	(8.04)	(101.18)
Right of use assets	(193.29)	55.27	(138.02)
Net deferred tax assets	**477.54**	**(164.02)**	**313.52**

Previous year **(₹) in Lacs**

Particulars	**As at March 31, 2019**	**Credit/ (Charge) in the statement of profit and loss**	**As at March 31, 2020**
Financial assets at fair value through profit and loss	8.00	155.90	163.90
Lease liabilities	127.08	65.70	192.78
Provisions	8.60	(3.98)	4.62
Disallowances	-	19.45	19.45
Carried forward tax losses	-	383.22	383.22
Property, plant and equipment and other intangible assets	(78.63)	(14.51)	(93.14)
Right of use assets	(128.37)	(64.92)	(193.29)
Net deferred tax assets	**(63.32)**	**540.87**	**477.54**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2021 (Contd.)

55. MATURITY ANALYSIS

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled.

Current year (₹) in Lacs

Particulars	As at March 31, 2021		
	Total	Within 12 months	After 12 Months
Assets			
Financial Assets			
Cash and cash equivalents	13,506.09	13,506.09	-
Bank balance other than above	15,939.02	15,514.71	424.32
Stock in trade (Securities held for trading)	-	-	-
Trade receivables	6,441.92	6,441.92	-
Loans	12.48	12.48	-
Investments	6,219.41	-	6,219.41
Other financial assets	5,522.10	5,062.19	459.90
Total	**47,641.02**	**40,537.39**	**7,103.63**
Non Financial Assets			
Current tax assets (net)	159.01	-	159.01
Deferred tax assets (net)	313.52	-	313.52
Property, plant and equipment	2,878.17	-	2,878.17
Right of use assets	473.97	-	473.97
Capital work-in-progress	12.25	-	12.25
Intangible assets under development	17.00	-	17.00
Other intangible assets	37.68	-	37.68
Other non-financial assets	267.64	181.57	86.07
Total	**4,159.24**	**181.57**	**3,977.67**
Total Assets	**51,800.26**	**40,718.96**	**11,081.30**
Liabilities			
Financial Liabilities			
Trade payable	11,658.82	11,658.82	-
Borrowings (other than debt security)	-	-	-
Deposits	169.17	-	169.17
Other financial liabilities	24,843.71	24,616.05	227.66
Total	**36,671.70**	**36,274.87**	**396.83**
Non-financial Liabilities			
Current tax liabilities (net)	23.91	-	23.91
Provisions	1,137.45	1,137.45	-
Other non-financial liabilities	893.84	893.84	-
Total	**2,055.20**	**2,031.29**	**23.91**
Total Liabilities	**38,726.90**	**38,306.15**	**420.75**
Net Assets	**13,073.36**	**2,412.81**	**10,660.55**

Previous Year (₹) in Lacs

Particulars	As at March 31, 2020		
	Total	Within 12 months	After 12 Months
Assets			
Financial Assets			
Cash and cash equivalents	6,168.30	6,168.30	-
Bank balance other than above	11,522.92	10,938.05	584.87
Stock in trade (Securities held for trad-ing)	163.00	163.00	-
Trade receivables	5,221.74	5,221.74	-
Loans	121.34	121.34	-
Investments	4,908.27	-	4,908.27
Other financial assets	1,847.81	1,363.13	484.68
Total	**29,953.38**	**23,975.56**	**5,977.82**
Non Financial Assets			
Current tax assets (net)	137.59	-	137.59
Deferred tax assets (net)	477.54	-	477.54
Property, plant and equipment	3,034.60	-	3,034.60
Right of use assets	663.76	-	663.76
Capital work-in-progress	10.45	-	10.45
Intangible assets under development	-	-	-
Other intangible assets	70.91	-	70.91
Other non-financial assets	243.36	156.11	87.25
Total	**4,638.21**	**156.11**	**4,482.10**
Total Assets	**34,591.59**	**24,131.67**	**10,459.92**
Liabilities			
Financial Liabilities			
Trade payable	12,208.33	12,208.33	-
Borrowings (other than debt security)	800.00	800.00	-
Deposits	176.74	-	176.74
Other financial liabilities	8,120.71	7,755.76	364.95
Total	**21,305.78**	**20,764.09**	**541.69**
Non-financial Liabilities			
Current tax liabilities (net)	23.91	-	23.91
Provisions	303.25	303.25	-
Other non-financial liabilities	931.84	931.84	-
Total	**1,259.00**	**1,235.09**	**23.91**
Total Liabilities	**22,564.78**	**21,999.18**	**565.60**
Net Assets	**12,026.81**	**2,132.49**	**9,894.32**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2021 (Contd.)

56. FINANCIAL INSTRUMENTS

I. Financial instruments by categories and their carrying value as of March 31, 2021 is as follows:

(₹) in Lacs

Particulars	Measured at			
	Amortised Cost	Fair value through P&L	Fair value through OCI	Total Carrying Value
Assets				
Financial assets				
Cash and cash equivalents	13,506.09	-	-	13,506.09
Bank balance other than above	15,939.02	-	-	15,939.02
Stock in trade (Securities held for trading)	-		-	-
Trade receivables	6,441.91	-	-	6,441.91
Loans	12.48	-	-	12.48
Investments *	-	2,133.32	-	2,133.32
Other financial assets	5,522.10	-	-	5,522.10
Total	**41,421.60**	**2,133.32**	**-**	**43,554.92**
Liabilities				
Financial liabilities				
Trade payables	11,658.82	-	-	11,658.82
Borrowings (other than debt security)	-	-	-	-
Deposits	169.17	-	-	169.17
Other financial liabilities	24,843.71	-	-	24,843.71
Total	**36,671.70**	**-**	**-**	**36,671.70**

* excluding investments in subsidiaries and associate.

II. Financial instruments by categories and their carrying value as of March 31, 2020 is as follows:

(₹) in Lacs

Particulars	Measured at			
	Amortised Cost	Fair value through P&L	Fair value through OCI	Total Carrying Value
Assets				
Financial assets				
Cash and cash equivalents	6,168.30	-	-	6,168.30
Bank balance other than above	11,522.92	-	-	11,522.92
Stock in trade (Securities held for trading)	-	163.00	-	163.00
Trade receivables	5,221.74	-	-	5,221.74
Loans	121.34	-	-	121.34
Investments *	-	971.39	-	971.39
Other financial assets	1,847.81	-	-	1,847.81
Total	**24,882.11**	**1,134.39**	**-**	**26,016.50**
Liabilities				
Financial liabilities				
Trade payables	12,208.33	-	-	12,208.33
Borrowings (other than debt security)	800.00	-	-	800.00
Deposits	176.74	-	-	176.74
Other financial liabilities	8,120.71	-	-	8,120.71
Total	**21,305.78**	**-**	**-**	**21,305.78**

* excluding investments in subsidiaries and associate.

III. Fair value hierarchy:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimates using a valuation technique.
The investments included in level 1 of fair value hierarchy have been valued using quoted prices for instruments in an active market. The investments included in Level 2 of fair value hierarchy have been valued using valuation techniques based on observable market data. There were no transfers between level 1 and level 2.

Current year (₹) in Lacs

Particulars	Level 1	Level 2	Level 3	Total
Financial instruments				
Stock in trade : Equity Shares	-	-	-	-
Units of AIF	-	2,133.32	-	2,133.32
Total	**-**	**2,133.32**	**-**	**2,133.32**

Previous year

Particulars	Level 1	Level 2	Level 3	Total
Financial instruments				
Stock in trade : Equity Shares	163.00	-	-	163.00
Units of AIF	-	971.39	-	971.39
Total	**163.00**	**971.39**	**-**	**1,134.39**

IV. Valuation techniques used to determine fair value

- Quoted equity investments – Quoted closing price on stock exchange.
- Alternative Investment funds – net asset value of the respective scheme

V. Financial instruments not measured at fair value

Financial assets not measured at fair value include cash and cash equivalents, trade receivables, loans and other financial assets. These are financial assets whose carrying amounts approximate fair value, due to their short term nature.
Additionally, financial liabilities such as borrowings, trade payables and other financial liabilities are not measured at FVTPL, whose carrying amounts approximate fair value, because of their short-term nature.
At 31 March 2021 and 31 March 2020 the Company did not held any financial assets or financial liabilities which could have been categorized as level 3.

57. CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

(₹) in Lacs

Particulars	1 April 2020	Cash flows	Change in fair values	Others	31 March, 2021
Borrowings	800.00	(800.00)	-	-	-
	1 April 2019	**Cash flows**	**Change in fair values**	**Others**	**31 March, 2020**
Borrowings	1,000.00	(200.00)	-	-	800.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021 (Contd.)

58. REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company derives revenue primarily from share broking business. Its other major revenue sources are research and advisory fees.

Disaggregate information on revenue from contracts with customers:

(₹) **in Lacs**

Particulars	**For the year ended 31 March, 2021**	**For the year ended 31 March, 2020**
Brokerage fees	11,243.68	10,544.48
Research and advisory fees	1,080.99	274.37
Depository operations	84.63	64.98
Total	**12,409.30**	**10,883.83**
India	12,166.33	10,728.96
Outside India	242.97	154.87
Total	**12,409.30**	**10,883.83**
Timing of revenue recognition		
Services transferred at a point in time	11,585.77	10,767.58
Services transferred over time	823.53	116.25
Total	**12,409.30**	**10,883.83**

Contract Balances

Trade receivables. The outstanding balance as on 31 March 2021 : ₹ 6,441.92 Lacs, 31 March 2020 : ₹ 5,221.74 Lacs. (Also refer note : 10)

Information about Company's performance obligation

The performance obligation in regards of arrangement where fees is charged per transaction executed is recognized at point in time when trade is executed.

Income from advisory services is recognized upon rendering of the services.

59. EXCEPTIONAL ITEMS

(₹) **in Lacs**

Particulars	**For the year ended 31 March, 2021**	**For the year ended 31 March, 2020**
Provision for diminution in value of Investment *	15.00	**75.50
Provision for diminution in value of Investment Written Back **	(150.00)	-
Total	**(135.00)**	**75.50**

** As at 31st March, 2021, the company has an aggregate investment of ₹ 850.00 Lacs (PY ₹ 600.00 Lacs) in equity shares of Emkay Commotrade Limited (ECL), a wholly owned subsidiary.

ECL is presently engaged in Securities trading. As at 31st March 2021, it has accumulated losses of ₹ 176.47 Lacs (PY ₹ 402.45 Lacs). Based on ECL's net worth as at 31st March, 2021, the management of the company has estimated a write back in impairment provision of ₹ 150.00 Lacs (PY impairment provision of ₹ 75.50 lacs) as this write back in the opinion of the management is permanent in nature due to expectation of continuity of profits in subsequent years in the said wholly owned subsidiary.

* As at 31st March, 2021, the company has an aggregate investment of ₹ 410.00 Lacs (PY ₹ 410.00 lacs) in equity shares of Emkay Wealth Advisory Limited (EWAL), a wholly owned subsidiary.

EWAL is presently engaged in Investment Advisory Services. As at 31st March, 2021, it has accumulated losses of ₹ 208.26 Lacs (Previous year ₹ 197.18 Lacs). Based on EWAL's net worth as at 31st March, 2021, the management of the company has estimated an impairment provision of ₹ 15.00 Lacs (PY ₹ Nil).

60. The Board of Directors at their meeting held on May 20, 2021, have recommended a dividend of ₹1.00 per share (on face value of ₹ 10/- per equity share) for the year ended March 31, 2021, subject to the approval of the members at the ensuing annual general meeting. In terms of Ind AS 10 “Events after the Reporting Period”, the Company has not recognized divided as a liability at the end of the reporting period.

61. 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 Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. 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.

62. Previous year figures have been regrouped / reclassified / recasted / rearranged wherever necessary, to conform to this year’s classification.

63. The Company’s financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lac, except when otherwise indicated.

64. The novel corona virus (COVID-19) pandemic continues to spread across the globe including India. COVID-19 has taken its toll on not just human life, but business and financial markets too. With substantial increase in COVID-19 cases across different parts of the country, governments have introduced a variety of measures to contain the spread of the virus, including, lockdowns, and restrictions on movement of people and goods across different geographies. Stock broking services, being part of Capital Market operations have been declared as essential services and accordingly the Company has faced no business interruption on account of the lockdowns. In case there is a disruption in the functioning of capital markets, the business of the Company may be affected. There has been no material change in the controls or processes followed in the closing of the financial statements of the Company. The management has, at the time of approving the financial statements, assessed the potential impact of the COVID-19 pandemic on the Company. Based on the current assessment, the management is of the view that impact of COVID-19 on the operations of the Company and the carrying value of assets and liabilities is minimal. The ongoing COVID-19 situation may result in some changes in the overall economic and market conditions, which may in turn have an impact on the operations of the Company.

65. **EVENTS AFTER REPORTING DATE**
There have been no events after the reporting date that requires disclosure in these financial statements.

65. The financial statements of the Company for the year ended 31st March, 2021 were approved for issue by the Board of Directors at their meeting held on 20 May 2021.

As per our report of even date

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 301003E/ E300005

per **Viren H. Mehta**
Partner
Membership No.048749

Place : Mumbai
Date : May 20, 2021

For and on behalf of the Board of **Emkay Global Financial Services Limited**

Krishna Kumar Karwa
Managing Director

Prakash Kacholia
Managing Director

Saket Agrawal
Chief Financial Officer

Bhalchandra Raul
Company Secretary

Place : Mumbai
Date : May 20, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Members of Emkay Global Financial Services Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of Emkay Global Financial Services Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates comprising of the consolidated Balance sheet as at March 31 2021, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associates, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at March 31, 2021, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
1. IT systems and controls	
The financial accounting and reporting systems of the Company are fundamentally reliant on IT systems and IT controls to process significant transaction volumes. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure accurate financial reporting.	We performed the following procedures assisted by specialized IT auditors on the IT infrastructure and applications relevant to financial reporting: • Tested the design and operating effectiveness of IT access controls over the information systems that are important to financial reporting and various interfaces, configuration and other identified application controls. • Tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. • Tested the Company's periodic review of access rights. We also inspected requests of changes to systems for appropriate approval and authorization.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

Key audit matters	How our audit addressed the key audit matter
1. IT systems and controls	
Therefore, due to the pervasive nature and complexity of the IT environment, the assessment of the general IT controls and the application controls specific to the accounting and preparation of the financial information is considered to be a key audit matter.	• In addition to the above, we tested the design and operating effectiveness of certain automated and IT dependent manual controls that were considered as key internal controls over financial reporting. • Tested the design and operating effectiveness compensating controls in case deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read such other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and to comply with the relevant applicable requirements of the standard on auditing for auditor's responsibility in relation to other information in documents containing audited financial statements. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

Those respective Board of Directors of the companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of the Group and of its associates.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of five subsidiaries, whose financial statements include total assets of ₹ 9,100.42 Lacs as at March 31, 2021, and total revenues of ₹ 2,198.85 Lacs and net cash outflows of ₹ 2,131.56 Lacs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated financial statements also include the Group's share of net loss of ₹ 69.70 Lacs for the year ended March 31, 2021, as considered in the consolidated financial statements, in respect of two associates, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of such other auditors.

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

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associates, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and associate companies, none of the directors of the Group's companies and its associates, incorporated in India, is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary companies, and associate companies, incorporated in India, refer to our separate Report in "Annexure" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and associates, the managerial remuneration for the year ended March 31, 2021 has been paid/provided by the Holding Company, its subsidiaries and associates incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associates, as noted in the 'Other matter' paragraph:

   i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associates and in its consolidated financial statements – Refer Note 44 to the consolidated financial statements;

   ii. The Group and its associates did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2021;

   iii. There were no amounts where were required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and associates, incorporated in India during the year ended March 31, 2021.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Viren H. Mehta**
Partner
Membership Number: 048749
UDIN: 21048749AAAAIU7342

Place of Signature: Mumbai
Date: May 20, 2021

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF EMKAY GLOBAL FINANCIAL SERVICES LIMTED

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

In conjunction with our audit of the consolidated financial statements of Emkay Global Financial Services Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF EMKAY GLOBAL FINANCIAL SERVICES LIMTED (CONTD.)

fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Group and its associates, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31,2021, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to these five subsidiaries and one associate, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries and its associate.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Viren H. Mehta**
Partner
Membership Number: 048749
UDIN: 21048749AAAAIU7342

Place of Signature: Mumbai
Date: May 20, 2021

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH, 2021

(₹) in Lacs

PARTICULARS	Notes	As at 31 March, 2021	As at 31 March, 2020
ASSETS			
1 Financial Assets			
Cash and cash equivalents	7	14,905.50	9,699.22
Bank balance other than cash and cash equivalents	8	18,674.20	11,694.24
Stock in trade (securities held for trading)	9	-	163.00
Trade receivables	10	6,690.30	5,343.06
Loans	11	2,767.22	1,910.41
Investments	12	2,883.42	1,555.46
Other financial assets	13	5,633.17	1,954.31
		51,553.81	**32,319.70**
2 Non-financial Assets			
Current tax assets (net)	14	189.20	192.20
Deferred tax assets (net)	15	398.76	589.89
Property, plant and equipment	16	2,897.88	3,041.01
Right-of-use-assets	50	507.54	702.32
Capital work-in-progress	-	12.25	27.24
Intangible assets under development	-	17.00	-
Other intangible assets	16	40.51	70.91
Other non financial assets	17	867.37	1,122.44
		4,930.51	**5,746.01**
TOTAL ASSETS (1 + 2)		**56,484.32**	**38,065.71**
LIABILITIES AND EQUITY			
1 Financial Liabilities			
Payables			
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	18	11,692.74	12,239.79
(II) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
Borrowings (other than debt securities)	19	1,000.01	800.00
Deposits	20	169.18	176.74
Other financial liabilities	21	24,773.91	8,217.64
		37,635.84	**21,434.17**
2 Non-financial Liabilities			
Current tax liabilities (net)	22	70.13	54.50
Provisions	23	1,184.07	325.82
Other non-financial liabilities	24	954.38	967.01
		2,208.58	**1,347.33**
3 Equity			
Equity share capital	25	2,461.90	2,461.90
Other equity	26	14,178.00	12,822.31
		16,639.90	**15,284.21**
TOTAL LIABILITIES AND EQUITY (1 + 2 + 3)		**56,484.32**	**38,065.71**

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

As per our report of even date

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 301003E/ E300005

per **Viren H. Mehta**
Partner
Membership No.048749

Place : Mumbai
Date : May 20, 2021

For and on behalf of the Board of **Emkay Global Financial Services Limited**

Krishna Kumar Karwa
Managing Director

Prakash Kacholia
Managing Director

Saket Agrawal
Chief Financial Officer

Bhalchandra Raul
Company Secretary

Place : Mumbai
Date : May 20, 2021

CONSOLIDATED STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED 31 MARCH, 2021

(₹) in Lacs

	PARTICULARS		Notes	For the year ended 31 March, 2021	For the year ended 31 March, 2020
(I)	**Revenue from operations**				
	(i)	Interest income	27	1,043.51	1,217.44
	(ii)	Dividend income	28	2.23	12.66
	(iii)	Fees and commission income	29	13,492.04	11,881.37
	(iv)	Net gain on fair value changes	30	1,608.56	-
	(v)	Reversal of impairment provision on financial instruments	35	-	43.28
	(vi)	Others	31	102.02	201.29
	Total revenue from operations (I)			**16,248.36**	**13,356.04**
(II)	**Other income**		32	**250.11**	**156.68**
(III)	**Total income (I + II)**			**16,498.47**	**13,512.72**
(IV)	**Expenses**				
	(i)	Finance costs	33	528.79	685.16
	(ii)	Net loss on fair value changes	30	-	721.50
	(iii)	Fees and commission expenses	34	1,939.69	1,753.97
	(iv)	Impairment on financial instruments	35	16.74	-
	(v)	Employee benefits expenses	36	8,692.47	7,534.71
	(vi)	Depreciation and amortization expenses	37	762.53	771.63
	(vii)	Other expenses	38	2,821.40	3,702.31
	Total expenses (IV)			**14,761.62**	**15,169.28**
(V)	**Profit / (loss) before tax (III - IV)**			**1,736.85**	**(1,656.56)**
(VI)	**Tax expense**				
	(i)	Current tax		362.14	134.17
	(ii)	MAT credit entitlement		-	(28.39)
	(iii)	Deferred tax charge / (credit)		191.13	(594.61)
	(iv)	Earlier years adjustments		-	(1.26)
	Total tax expenses (VI)		56A	**553.27**	**(490.09)**
(VII)	**Profit / (loss) after tax (V - VI)**			**1,183.58**	**(1,166.47)**
(VIII)	**Add: Share of (loss) from associates**			(69.70)	(71.81)
(IX)	**Profit / (loss) after tax from continuing operations (VII - VIII)**			**1,113.88**	**(1,238.28)**
(X)	**Add: Profit / (loss) from discontinued operations**			(0.59)	(21.08)
	Tax expense of discontinued operations			-	-
	Profit / (loss) from discontinued operations (after tax) (X)		61	**(0.59)**	**(21.08)**
(XI)	**Profit / (loss) for the year (XI+XII)**			**1,113.29**	**(1,259.36)**
(XII)	**Other comprehensive income**				
	(A)	Items that will not be reclassified to profit or loss			
	(i)	Actuarial gain / (loss) on post retirement benefit plans		48.11	(45.12)
	(ii)	Share of actuarial (loss) on defined benefit plan of associate		(0.54)	-
	(iii)	Tax impact on above		(8.46)	1.44
		Subtotal (A)	56B	**39.11**	**(43.68)**
	(B	Items that will be reclassified to profit or loss			
	(i)	Foreign exchange translation reserve		(1.96)	7.22
	(ii)	Tax impact on above		-	-
		Subtotal (B)	56B	**(1.96)**	**7.22**
(XIII)	**Other comprehensive income / (loss) for the year (A+B)**			**37.15**	**(36.46)**
(XIV)	**Total comprehensive income / (loss) for the year (XI + XIII)**			**1,150.44**	**(1,295.82)**
(XV)	**Earning per share (for continuing operations)**		39		
	(face value of ₹10 per Equity Share)				
	Basic (in ₹)			4.52	(5.03)
	Diluted (in ₹)			4.52	(5.03)
(XVI)	**Earning per share (for discontinued operations)**		39		
	(face value ₹10 per Equity Share)				
	Basic (in ₹)			(0.002)	(0.086)
	Diluted (in ₹)			(0.002)	(0.086)
(XVII)	**Earning per share (for continuing and discontinued operations)**		39		
	(face value ₹10 per Equity Share)				
	Basic (in ₹)			4.52	(5.12)
	Diluted (in ₹)			4.52	(5.12)

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

As per our report of even date

for **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 301003E/ E300005

per **Viren H. Mehta**
Partner
Membership No.048749

Place : Mumbai
Date : May 20, 2021

For and on behalf of the Board of **Emkay Global Financial Services Limited**

Krishna Kumar Karwa
Managing Director

Prakash Kacholia
Managing Director

Saket Agrawal
Chief Financial Officer

Bhalchandra Raul
Company Secretary

Place : Mumbai
Date : May 20, 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 MARCH, 2021

1. EQUITY SHARE CAPITAL

Equity shares of ₹10/- each issued, subscribed and fully paid

Particulars	Equity Share Capital	
	No of Shares	(₹) in Lacs
As at 1 April 2019	24,619,030	2,461.90
Changes during the year due to exercise of ESOP	-	-
As at 31 March 2020	**24,619,030**	**2,461.90**
Changes during the year due to exercise of ESOP	-	-
As at 31 March 2021	**24,619,030**	**2,461.90**

2. Other equity

(₹) in Lacs

Particulars	Reserves and surplus							Other Comprehensive Income		Total other Equity
	Securities premium	Retained earnings	General reserve	Capital reserve on consolidation	Capital redemption reserve	Special reserve u/s 45-IC of the RBI Act 1934	Equity settled share based payment reserve	Actuarial gains/ (losses) on defined benefit plans	Foreign exchange translation reserve	
Balance as at 1 April, 2019	**6,994.94**	**4,148.77**	**1,803.65**	**1.03**	**500.00**	**658.55**	**199.94**	**(57.11)**	**-**	**14,249.77**
Fair value of stock options - charge for the year	-	-	-	-	-	-	171.04	-	-	171.04
Profit after tax	-	(1,259.36)	-	-	-	-	-	-	-	(1,259.36)
Other adjustments	-	(5.87)	-	-	-	-	-	-	-	(5.87)
Other comprehensive income for the year	-	-	-	-	-	-	-	(43.68)	7.22	(36.46)
Total	**6,994.94**	**2,883.54**	**1,803.65**	**1.03**	**500.00**	**658.55**	**370.98**	**(100.79)**	**7.22**	**13,119.13**
Dividend including tax thereon	-	(296.81)	-	-	-	-	-	-	-	(296.81)
Balance as at 31 March, 2020	**6,994.94**	**2,586.73**	**1,803.65**	**1.03**	**500.00**	**658.55**	**370.98**	**(100.79)**	**7.22**	**12,822.31**
Balance as at 1 April, 2020	**6,994.94**	**2,586.73**	**1,803.65**	**1.03**	**500.00**	**658.55**	**370.98**	**(100.79)**	**7.22**	**12,822.31**
Fair value of stock options - charge for the year	-	-	-	-	-	-	205.24	-	-	205.24
Profit after tax	-	1,113.29	-	-	-	-	-	-	-	1,113.29
Transfer to reserve fund in terms of section 45-IC(1) of the RBI Act, 1934	-	(66.59)	-	-	-	66.59	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-	-	-	39.11	(1.96)	37.14
Total	**6,994.94**	**3,633.43**	**1,803.65**	**1.03**	**500.00**	**725.14**	**576.22**	**(61.68)**	**5.26**	**14,178.00**
Dividend including tax thereon	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March, 2021	**6,994.94**	**3,633.43**	**1,803.65**	**1.03**	**500.00**	**725.14**	**576.22**	**(61.68)**	**5.26**	**14,178.00**

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

As per our report of even date

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 301003E/ E300005

per **Viren H. Mehta**
Partner
Membership No.048749

Place : Mumbai
Date : May 20, 2021

For and on behalf of the Board of **Emkay Global Financial Services Limited**

Krishna Kumar Karwa
Managing Director

Prakash Kacholia
Managing Director

Saket Agrawal
Chief Financial Officer

Bhalchandra Raul
Company Secretary

Place : Mumbai
Date : May 20, 2021

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

(₹) in Lacs

PARTICULARS	For the year ended 31 March 2021		For the year ended 31 March 2020	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax, exceptional/ extraordinary items				
Continuing operations	1,736.85		(1,656.56)	
Discontinuing operations	(0.59)	1,736.26	(21.08)	(1,677.64)
Add / (less) : Adjustment for				
Impairment / (reversal of impairment provision) on financial instruments	3.11		(50.41)	
Employee share based payment expenses	205.24		171.04	
Net (gain) / loss on financial instruments at fair value through profit or loss	(1,291.95)		915.28	
Finance costs	467.80		624.70	
Finance cost pertaining to lease liability	60.99		60.46	
Depreciation and amortisation	438.54		445.73	
Depreciation of right of use assets	323.99		325.90	
Net (gain) on disposal of property, plant and equipment	(0.50)		(4.91)	
(Net of loss on discard)				
Interest Income	(70.63)		(79.76)	
Unrealised foreign exchange (gain) / loss (Net)	(5.13)		13.87	
Interest income on unwinding of security deposit	(17.35)		(17.37)	
Gain on lease closure and rental waiver	(45.32)		(1.68)	
Dividend income	(2.13)	66.66	(3.67)	2,399.18
Operating profit before working capital changes		**1,802.92**		**721.54**
Add / (less) : Adjustment for changes in working capital				
Increase/(decrease) in trade receivables	(1,349.34)		521.61	
Increase/(decrease) in loan	(860.81)		2,502.37	
Increase/(decrease) in other receivables	-		1.94	
(Increase)/decrease in other financial assets	(3,696.17)		(1,261.64)	
(Increase)/decrease in other non financial assets	281.37		384.05	
(Increase)/decrease in trade payables	(547.04)		5,479.25	
Increase/(decrease) in other payables	-		32.11	
Increase/(decrease) in other financial liabilities	16,725.97		2,725.00	
Increase/(decrease) in provisions	909.04		(551.65)	
Increase/(decrease) in other non financial liabilities	(12.63)		277.88	
Increase/(decrease) in deposits	(7.57)		8.46	
Increase/(decrease) in deposits with banks and other items	(6,979.54)		(1,028.65)	
(Acquisition) of / proceeds from stock in trade	163.00	4,626.28	(221.16)	8,869.57
Cash generated from/ (used in) operations		**6,429.20**		**9,591.11**
Direct taxes (paid)		(351.96)		(168.50)
Cash flow before exceptional / extraordinary items		**6,077.24**		**9,422.61**
Exceptional / extraordinary items		-		-
Net Cash generated from/ (used in) operating activities (A)		**6,077.24**		**9,422.61**
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(268.31)		(493.97)	
Proceeds from sale of property, plant and equipment	1.78		22.10	
Proceeds / (purchase) of investments measured at FVTPL	(36.55)		331.11	
Interest received	70.63		79.76	
Dividend received	2.13		3.67	
Share of profit from associate	(69.70)	**(300.02)**	**(71.81)**	**(129.14)**
Net Cash from/ (used in) investing activities (B)		**(300.02)**		**(129.14)**
C CASH FLOW FROM FINANCING ACTIVITIES				
Payment of lease liability and interest	(303.37)		(352.11)	
Addition/ (repayment) of short-term borrowings	200.01		(1,375.03)	
Finance costs paid	(467.80)		(624.70)	
Dividends paid (including dividend distribution tax)	-		(296.16)	
Increase/ (decrease) in unpaid dividend	1.16	(570.00)	-	(2,648.00)
Net cash from/ (used in) financing activities (C)		**(570.00)**		**(2,648.00)**
D Net change due to foreign exchange translation differences		(0.94)		2.60
E Net increase/ (decrease) in cash and cash equivalents (A+B+C+D)		**5,206.28**		**6,648.06**

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

(₹) in Lacs

	PARTICULARS	For the year ended 31 March 2021	For the year ended 31 March 2020
	Net increase in cash and cash equivalents (A+B+C)	5,206.28	6,648.06
	Cash and cash equivalents at the beginning of the year	9,699.22	3,051.16
	Cash and cash equivalents at the close of the year	14,905.50	9,699.22
	Notes :		
1.	Cash and cash equivalents comprise of :		
	Balances with scheduled Banks		
	- In current accounts	4,625.25	9,659.32
	- In deposit accounts	10,275.95	30.20
	Cash on hand	3.92	7.04
	Balances in prepaid cards	0.38	2.67
Total cash and cash equivalents		**14,905.50**	**9,699.22**

2. The above cash flow statement has been prepared under the "Indirect method" as set out on the Indian Accounting Standard (Ind AS-7) Statement of Cash Flow.

3. Also refer note 57 for change on liabilities arising from financing activities.

4. Cash and cash equivalent excludes deposit borrowings and other commitments and balance in unclaimed dividend accounts.

5. Previous year's figures are re-grouped/ recasted/ re-arranged wherever considered necessary.

As per our report of even date

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 301003E/ E300005

per **Viren H. Mehta**
Partner
Membership No.048749

Place : Mumbai
Date : May 20, 2021

For and on behalf of the Board of **Emkay Global Financial Services Limited**

Krishna Kumar Karwa
Managing Director

Prakash Kacholia
Managing Director

Saket Agrawal
Chief Financial Officer

Bhalchandra Raul
Company Secretary

Place : Mumbai
Date : May 20, 2021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2021

1. Corporate Information

Emkay Global Financial Services Limited ('the Company') is a public limited company domiciled in India and was incorporated in 1995 and got listed in 2006.

The Company together with its subsidiaries, associate and associate of its subsidiary (collectively, the Group) is a diversified financial services Group and is primarily engaged in the business of providing Stock, Commodity and Currency broking, Lending, Investment Banking, Depository Participant Services, Asset Management Services, Wealth Management including distribution of third party financial products and Investment Advisory Services.

The Group is a member of National Stock Exchange of India Limited (NSE), Bombay Stock Exchange Limited (BSE), National Commodities and Derivatives Exchange Limited (NCDEX), Multi Commodity Exchange of India Limited (MCX), Metropolitan Stock Exchange of India Limited (MSEI), NSE IFSC Limited and depository participant with Central Depository Services (India) Limited (CDSL).

The Group's registered office is at The Ruby, 7th Floor, Senapati Bapat Marg, Dadar (West), Mumbai-400028. Emkay Global Financial Services Limited is the ultimate parent of the group.

2.1 Basis of preparation

The accompanying consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

Historical cost convention

The consolidated financial statements have been prepared on a historical cost convention on accrual basis of accounting except for the following:

- certain financial instruments which are measured at fair value
- defined benefit plan assets measured at fair value
- share-based payment obligations

Use of estimates and judgments

The preparation of consolidated financial statements requires the management to make judgments, accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Areas involving a higher degree of judgment or complexity, or areas where assumptions are significant to the Group are discussed in Note 6 - Significant accounting judgments, estimates and assumptions.

Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees (INR), which is also the Group's functional currency except when otherwise indicated.

2.2 Basis of consolidation

• Basis of preparation:

The consolidated financial statements have been prepared by applying the principles laid down in the Indian Accounting Standard : Ind As 110 "Consolidated Financial Statements" and Ind AS 28 "Accounting for Investments in Associates / Joint Venture in Consolidated Financial Statements", issued by the Institute of Chartered Accountants of India for the purpose of these Consolidated Balance Sheet, Consolidated Statement of Profit and Loss and Consolidated Cash Flow together referred to in as "Consolidated Financial Statements". Reference in these notes to the Parent Company means Emkay Global Financial Services Limited, reference to Subsidiary Companies means five subsidiaries of Emkay Global Financial Services Limited, i.e Emkay Fincap Limited, Emkay Commotrade Limited, Emkay Wealth Advisory Limited (formerly Emkay Insurance Brokers Limited), Emkay Investment Managers Limited and Emkayglobal Financial Services IFSC Pvt. Ltd., reference to an Associate means Azaleas Capital Partners LLP and reference to Associate of wholly owned subsidiary means Finlearn Edutech Pvt. Ltd. and reference to the Group means the Parent Company, Subsidiary Companies, Associate and Associate of a Subsidiary Company.

• Principles of consolidation:

I. The Consolidated Financial Statements comprises of the financial statements of the parent Company and its subsidiaries and have been combined on a line-by-line basis by adding together the books values of like items of assets, liabilities, income and expenses after eliminating intra-group balances / transactions and resulting profits/ loss in full.

II. The Consolidated Financial Statements of the Group comprises of share of profit/losses of the associate and associate of its subsidiary Company.

III. The Consolidated Financial Statements are presented, to the extent possible in the same format as that adopted by the parent Company for its separate financial statement.

3. Presentation of financial statements

These financial statements have been prepared in all material aspects in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind As') as prescribed under section 133 of the Companies Act, 2013 ("the Act') read with Companies (Indian Accounting standards) Rule 2013 as amended and other relevant provisions of the Act.

The financial statements of the Group are presented in order of liquidity and in accordance with Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA).

An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in Note 57.

Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

i. The normal course of business
ii. The event of default
iii. The event of insolvency or bankruptcy of the Group and/ or its counterparties

4. Statement of compliance

These consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and the other relevant provisions of the Act.

5. Significant accounting policies

5.1 Revenue from operations

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable.

The Group recognizes revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or a service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognize revenue when (or as) the Group satisfies a performance obligation.

Revenue includes the following:

(I) Brokerage fee income

Revenue from contract with customer is recognized at a point in time when performance obligation is satisfied (when the trade is executed i.e., trade date). These include brokerage fees, which are charged per transaction executed on behalf of the customers.

(ii) Fees & commission income

This includes:

a) Income from investment banking activities, research and other fees.

Income from investment banking activities and other fees is recognized as and when such services are completed / performed and as per terms of agreement with the client (i.e. when the performance obligation is completed). Research fees income is recognised when the entity satisfies the performance obligation by providing the service to the client.

b) Income from depository operations.

Revenue from depository services on account of annual maintenance charges have been accounted for over the period of the performance obligation. Revenue from depository services on account of transaction charges is recognised at a point in time when the performance obligation is completed.

c) Income from wealth management services

Commission income (net of taxes and other statutory charges) from distribution of financial products is recognized based on mobilization and intimation received from clients/ intermediaries or over the period of service after deducting claw back as per the agreed terms.

d) Portfolio management fees

Portfolio management fees is accounted on accrual basis based on completion of performance obligation as follows-

- In case of fess based on fixed percentage of assets under management, income is accrued at fixed interval or closure of portfolio account, whichever is earlier.
- In case of fees based on returns on portfolio, income is accounted at the completion of one year from the date of joining the portfolio management scheme or the closure of portfolio account, whichever is earlier.

e) Alternate Investment Fund (AIF) management fees

AIF management fees is accounted on accrual basis and on the completion of performance obligations in accordance with Private Placement Memorandum and Contribution Agreements of respective schemes of AIF.

(iii) Interest income

Interest income on a financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate (‘EIR’). The EIR is the rate that exactly discounts estimated future cash flows of the financial assets through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The internal rate of return on financial assets after netting off the fees received and cost incurred approximates the effective interest rate method of return for the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for ECLs).

(iv) Dividend income

Dividend income is recognized when the right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when the shareholders approves the dividend.

(v) Net gain on fair value changes

Any realised gain or loss on sale of financial assets (including investments, derivatives and stock in trade) being classified as fair value through profit or loss (“FVTPL”) is recognised as “Net gain or loss on fair value changes” under “Revenue from operations” or ‘Other Expenses” respectively in the statement of profit and loss.

Similarly, any differences between the fair values of financial assets (including investments, derivatives and stock in trade) being classified as fair value through profit or loss (“FVTPL”), held by the Group on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised as “Net gain on fair value changes” under “Revenue from operations” and if there is a net loss the same is disclosed as “Net loss on fair value changes” under “Other Expenses” in the statement of Profit and Loss.

(vi) Delayed payment charges

The same are accounted at a point in time of default.

(vii) Other income

In respect of other heads of Income it is accounted to the extent it is probable that the economic benefits will flow and the revenue can be reliably measured, regardless of when the payment is being made. An entity shall recognise a refund liability if the entity receives consideration from a customer and expects to refund some or all of that consideration to the customer.

5.2 Financial instruments

(i) Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments, as described in Note 6.1. Financial instruments are initially measured at their fair value (as defined in Note 6.3), except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from, this amount. Trade receivables are measured at the transaction price. When the fair value of financial instruments at initial recognition differs from the transaction price, the Group accounts for the Day 1 profit or loss, as described below.

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Group recognizes the difference between the transaction price and fair value in net gain on fair value changes.

(ii) Classification of financial instruments

The Group classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost
2. Financial assets to be measured at fair value through other comprehensive income (FVOCI)
3. Financial assets to be measured at fair value through statement of profit and loss (FVTPL)

The classification depends on the contractual terms of the financial assets' cash flows and the Group's business model for managing financial assets.

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The business model is assessed on the basis of aggregated portfolios based on observable factors. These factors include:

- Reports reviewed by the Group's key management personnel on the performance of the financial assets
- The risks impacting the performance of the business model (and the financial assets held within that business model) and its management thereof
- The compensation of the managing teams (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of trades.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

The Group also assesses the contractual terms of financial assets on the basis of its contractual cash flow characteristics that are solely for the payments of principal and interest on the principal amount outstanding.

'Principal' is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss

iii) Financial Assets and Liabilities

(a) Financial assets measured at amortized cost

These financial assets comprise bank balances, loans, trade receivables and other financial assets.

Financial Assets with contractual terms that give rise to cash flows on specified dates, and represent solely payments of principal and interest (SPPI) on the principal amount outstanding and are held within a business model whose objective is achieved by holding to collect contractual cash flows are measured at amortized cost.

These financial assets are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or a financial liability.

(b) Financial assets measured at fair value through other comprehensive income

Debt instruments

Investments in debt instruments are measured at fair value through other comprehensive income where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and
b) are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

These debt instruments are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income (a separate component of equity). Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognized in statement of profit and loss. Upon disposal, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to the statement of profit and loss. As at the reporting date the Group does not have any financial instruments measured at fair value through other comprehensive income.

Equity instruments

Investment in equity instruments are generally accounted for as at fair value through the statement of profit and loss account unless an irrevocable election has been made by management to account for at fair value through other comprehensive income, such classification is determined on an instrument-by-instrument basis.

Amounts presented in other comprehensive income for equity instruments are not subsequently transferred to statement of profit and loss. Dividends on such investments are recognized in statement of profit and loss.

(c) Financial assets measured through fair value through profit or loss

The financial assets are classified as FVTPL if these do not meet the criteria for classifying at amortized cost or FVOCI.

Items at fair value through profit or loss comprise:

- Investments (including equity shares) and stock in trade held for trading;
- Items specifically designated as fair value through profit or loss on initial recognition; and
- Debt instruments with contractual terms that do not represent solely payments of principal and interest.
- Derivative transactions

Financial instruments held at fair value through profit or loss are initially recognized at fair value, with transaction costs recognized in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognized in the statement of profit and loss as they arise.

Financial instruments held for trading

A financial instrument is classified as held for trading if it is acquired or incurred principally for selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not designated in a qualifying hedge relationship.

Trading derivatives and trading securities are classified as held for trading and recognized at fair value.

d) Financial liabilities

The Group classifies its financial liabilities at amortized costs unless it has designated liabilities at fair value through the statement of profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR.

(e) Undrawn loan commitments

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Group is required to provide a loan with pre-specified terms to the customer. Undrawn loan commitments are in the scope of the ECL requirements.

The nominal contractual value of undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded in the balance sheet. The nominal values of these instruments together with the corresponding ECLs are disclosed in Note 23.

(f) Derivatives

The Group enters into derivative transactions being equity derivative transactions in the nature of futures and options in equity stock/index and currency derivative transactions in the nature of futures and options in foreign currencies both entered into for trading purposes. Derivatives are recorded at fair value and carried as assets when their fair values are positive and as liabilities when their fair values are negative. The notional amount and fair value of such derivatives are disclosed separately. Changes in the fair value of derivatives are included in net gain/loss on fair value changes.

(g) Recognition and derecognition of financial assets and liabilities

A financial asset or financial liability is recognized in the balance sheet when the Group becomes a party to the contractual provisions of the instrument, which is generally on trade date. Loans and receivables are recognized when cash is advanced (or settled) to the borrowers. Financial assets at fair value through profit or loss are recognized initially at fair value. All other financial assets are recognized initially at fair value plus directly attributable transaction costs.

The Group derecognizes a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognized as a separate asset or liability. A financial liability is derecognized from the balance sheet when the Group has discharged its obligation or the contract is cancelled or expires.

(h) Impairment of financial assets

Overview of the ECL principles

The Group recognizes loss allowances (provisions) for expected credit losses on its financial assets (including non-fund exposures) that are measured at amortized costs.

The Group applies a three-stage approach to measuring expected credit losses (ECLs) for the following categories of financial assets that are not measured at fair value through profit or loss:

- debt instruments measured at amortized cost
- loan commitments; and

Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Group has classified its loan portfolio into Corporates / Firms, Individuals (HNIs) and Individuals (Retail).

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Group does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (DPD) is considered to be applicable for all the facilities of that borrower.

Based on the above, the Group categorizes its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Group classifies all standard advances and advances upto 30 days default under this category. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. 30 Days Past Due is considered as significant increase in credit risk.

Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognized and interest revenue is calculated by applying the effective interest rate to the amortized cost (net of provision) rather than the gross carrying amount. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

Credit-impaired financial assets:

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

a) Significant financial difficulty of the borrower or issuer;
b) A breach of contract such as a default or past due event;
c) The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
e) The disappearance of an active market for a security because of financial difficulties.

Loan commitments

When estimating lifetime ECL, for undrawn loan commitments, the Group estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down.

For margin funding facilities that include both a loan and an undrawn commitment, ECLs are calculated and presented together with the loan. For loan commitments, the ECL is recognized within Provisions

The mechanics of ECL:

The Group calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are as follows:

Probability of default (PD) - The Probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognized and is still in the portfolio.

Exposure at default (EAD)- The Exposure at default is an estimate of the exposure at a future default date.

Loss given default (LGD) - The Loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD.

Trade receivables

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated for changes in the forward-looking estimates.

Group also writes off balances that are due generally for more than one year and are not likely to be recovered.

Forward looking information

While estimating the expected credit losses, the Group reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Group analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Group based on its internal data. While the internal estimates of PD, LGD rates by the Group may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably.

Collateral Valuation

To mitigate its credit risks on financial assets, the Group seeks to use collateral, wherever possible. The collateral comes in various forms, such as equity shares, fixed deposits, etc. However, the fair value of collateral affects the calculation of ECLs. To the extent possible, the Group uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models.

(i) Write-offs

The Group reduces the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the client or borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

(j) Determination of fair value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Group measures certain categories of financial instruments as explained in note 58 at fair value on each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or

ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarized below:

Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Group will classify the instruments as Level 3.

Level 3 financial instruments - Those that include one or more unobservable input that is significant to the measurement as whole.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. No such instances of transfers between levels of the fair value hierarchy were recorded during the reporting period.

Difference between transaction price and fair value at initial recognition:

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Group recognizes the difference between the transaction price and the fair value in profit or loss on initial recognition (i.e. on day one).

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Group recognizes the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognized in statement of profit and loss when the inputs become observable, or when the instrument is derecognized.

5.3 Expenses

(i) Borrowing / finance costs

Borrowing costs

Expenses related to borrowing cost are accounted using effective interest rate. Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Finance costs

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL.

The EIR in case of a financial liability is computed

a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows

c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in in the statement of profit and loss with the corresponding adjustment to the carrying amount of the assets.

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, rating fee etc, provided these are incremental costs that are directly related to the issue of a financial liability

(ii) Retirement and other employee benefits

Short term employee benefit

All employee benefits including statutory bonus/ performance bonus/incentives payable wholly within twelve months of rendering the service are classified as short term employee benefits and are charged to the statement of profit and loss of the year.

Post-employment employee benefits

a) Defined contribution schemes

Retirement/ Employee benefits in the form of Provident Fund, Employees State Insurance and Labour Welfare are considered as defined contribution plan and contributions to the respective funds administered by the Government are charged to the statement of profit and loss of the year when the contribution to the respective funds are due

b) Defined benefit schemes

Retirement benefits in the form of gratuity is considered as defined benefit obligation. The scheme is formed by the Group and fund is managed by insurers to which the Group makes periodic contributions. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each balance sheet date, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on government securities as at the balance sheet date.

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

Other long term benefits

As per present policy of the Group, there are no other long term benefits to which its employees are entitled.

(iii) Share-based payments

Equity-settled share-based payments to employees that are granted are measured by reference to the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the vesting conditions. It recognises the impact of the revision to original estimates, if any, in statement of profit and loss, with a corresponding adjustment to equity.

(iv) Other expenses

All other expense are recognized in the period they accrue/ occur.

(v) Upfront commission

Upfront commission paid to distributors for procuring subscription to assets being managed (Managed Assets), is for services rendered by them over the life of Managed Assets. The same is treated as prepaid expense and is spread over the life of Managed Assets. In case such Managed Assets are prematurely withdrawn by the subscribers, the same is debited to the statement of profit and loss account on such withdrawal.

(vi) Share issue expenses

Share issue expenses are recognised as an expense in the year in which it is incurred.

vii) Impairment of non-financial assets

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value in- use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit to which the asset belongs.

The carrying amount of assets is reviewed at each balance sheet date whether there is any indication that an asset may be impaired. If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

(viii) Taxes

Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Group companies operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously.

Minimum Alternate Tax (MAT)

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. MAT credit available is recognised as an asset only to the extent that it is probable that the Group Companies will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as “MAT Credit Entitlement.” The Group reviews the MAT Credit Entitlement asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

ii. When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

5.4 Foreign currency translation

(i) Functional and presentational currency

The financial statements are presented in Indian Rupees which is also functional currency of the Group except for Emkayglobal Financial Services IFSC Pvt. Ltd. whose functional currency is US Dollar. Reporting currency of the Group is Indian Rupees.

(ii) Transactions and balances

Initial recognition:

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Conversion:

Monetary assets and liabilities denominated in foreign currency, which are outstanding as at the reporting date, are translated at the reporting date at the closing exchange rate and the resultant exchange differences are recognized in the statement of profit and loss.

Non–monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

5.5 Cash and cash equivalents

Cash and cash equivalents comprise the net amount of short-term, highly liquid investments that are readily convertible to known amounts of cash (short-term deposits with an original maturity of three months or less) and are subject to an insignificant risk of change in value, cheques on hand and balances with banks. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes).

For the purpose of the statement of cash flows, cash and cash equivalents are as defined above.

5.6 Property, plant and equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Changes in the expected useful life are accounted for by changing the amortization period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation

Depreciation is calculated using the WDV method to write down the cost of property, plant and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013 except for Leasehold Improvements which are amortized on a straight-line basis over the period of lease or estimated period of useful life of such improvement, subject to a maximum period of 36 months. Leasehold improvements include all expenditure incurred on the leasehold premises that have future economic benefits.

The estimated useful lives are as follows:

Particulars	**Useful life as prescribed by Schedule II of the Companies Act, 2013**	**Useful life estimated by Group**
Office premises	60 years	60 years
Furniture and fixture	10 years	10 years
Air conditioner	15 years	15 years
Office equipment	5 years	5 years
Vehicles	8 years	8 years
Computer end user	3 years	3 years
Computer data centre and networking	6 years	6 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in other income / expense in the statement of profit and loss in the year the asset is derecognized. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

5.7 Intangible assets

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the statement of profit and loss. Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss from / upto the date of acquisition/sale.

Amortisation is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives. Intangible assets comprising of software are amortised on a straight-line basis over a period of 3 years from the start of the year of acquisition irrespective of the date of acquisition, unless it has a shorter useful life.

The Group’s intangible assets consist of computer software with finite life.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

5.8 Leases (As a lessee)

(i) Identifying a lease

At the inception of the contract, the Group assesses whether a contract is, or contain, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group assesses whether:

- The contract involves the use of an identified asset, this may be specified explicitly or implicitly.
- The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use, and
- The Group has right to direct the use of the asset.

(ii) Recognition of right of use asset

The Group recognises a right of use asset at the lease commencement date of lease and comprises of the initial lease liability amount, plus any indirect costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

(iii) Subsequent measurement of right of use asset

The right of use asset is subsequently amortized using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term, whichever is lesser. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurement of the lease liability.

(iv) Recognition of lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments and lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option.

(v) Subsequent measurement of lease liability

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, Whenever the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the RTU asset, or is recorded in profit or loss if the carrying amount of the RTU asset has been reduced to zero.

The lease payments are apportioned between the finance charges and reduction of the lease liability using the incremental borrowing rate implicit in the lease to achieve a constant rate of interest on the remaining balance of the liability.

(vi) Short-term leases and leases of low-value assets:

The Group has elected by class of underlying asset not to recognise right of use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases for which the underlying asset is of low value.

5.9 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised if as a result of a past event, the Group has a present obligation (legal or constructive) that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

5.10 Earning Per Share

The Group reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

5.11 Dividends on ordinary shares

The Group recognises a liability to make cash distributions to its equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

5.12 Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from those of the rest of the Group and which represent a separate major line of business.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit and loss is represented as if the operation had been discontinued from the start of the comparative period.

5.13 Contingencies and events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

5.14 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2021.

6. Significant accounting judgments, estimates and assumptions

The preparation of the Group's financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

6.1 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI (Solely Payments of Principal and Interest) and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the standalone statement of profit and loss in the period in which they arise.

6.2 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

6.3 Fair value measurement

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

6.4 Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

The impairment loss on loans and advances is disclosed in more details in Note 5.2 (iii)(h) overview of ECL principles.

6.5 Effective Interest Rate (EIR) method

The Group's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgment regarding the expected behavior and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument

6.6 Contingent liabilities and provisions other than impairment on loan portfolio

The Group operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration in the ordinary course of the Group's business.

When the Group can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Group records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Group takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgment is required to conclude on these estimates.

6.7 Other estimates:

These include contingent liabilities, useful lives of tangible and intangible assets etc.

7. CASH AND CASH EQUIVALENTS

(₹) in Lacs

Particulars	As at 31 March, 2021	As at 31 March, 2020
Cash on hand	3.92	7.04
Balances with banks		
- in current accounts	4,625.25	9,659.31
- Fixed deposit with original maturity of less than 3 months	10,275.95	30.20
Others		
Balance in prepaid cards	0.38	2.67
Total	**14,905.50**	**9,699.22**
Breakup of deposits		
Fixed deposits under lien with stock exchanges and clearing corporations	10,255.00	-
Fixed deposits - free	-	30.00
Interest accrued on fixed deposits	20.95	0.20
Total	**10,275.95**	**30.20**

8. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹) in Lacs

Particulars	As at 31 March, 2021	As at 31 March, 2020
Fixed deposits with banks with original maturity of more than 3 months	18,668.98	11,290.61
Less: Impairment loss allowance	-	(0.43)
	18,668.98	11,290.18
Margin money deposit	-	400.00
In earmarked accounts - unpaid dividend account	5.22	4.06
Total	**18,674.20**	**11,694.24**
Breakup of deposits		
Fixed deposits under lien with stock exchanges and clearing corporations	7,063.00	2,635.00
Fixed deposits against bank guarantees	8,050.00	8,100.00
Fixed deposits against credit facilities of the Group	2,860.00	305.00
Fixed deposits - free	491.94	164.96
Interest accrued on fixed deposits	204.04	85.65
Total	**18,668.98**	**11,290.61**

9. STOCK IN TRADE (SECURITIES HELD FOR TRADING)

(₹) in Lacs

Particulars	As at 31 March, 2021	As at 31 March, 2020
At fair value through profit and loss		
Equity shares : quoted, fully paid	-	163.00
Total	**-**	**163.00**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2021 (Contd.)

10. TRADE RECEIVABLES

(₹) in Lacs

Particulars	As at 31 March, 2021	As at 31 March, 2020
Receivables considered good - secured *	1,676.58	318.78
Receivables considered good - unsecured **	5,013.72	5,024.28
Receivables - credit impaired	18.52	16.30
	6,708.82	5,359.36
Less: Impairment loss allowance	(18.52)	(16.30)
Total	**6,690.30**	**5,343.06**
* Secured against securities given as collateral by the clients		
** Above includes due from a managing director	1.00	0.71
** Above includes due from other related parties	0.66	51.82
** Net of margin		

The Group applies the Ind AS 109 simplified approach to measuring expected credit losses (ECLs) for trade receivables at an amount equal to life time ECLs. The ECLs on trade receivables are calculated based on actual historic credit loss experience over the preceding three to five years on the total balance of non-credit impaired trade receivables. The Group considers a trade receivable to be credit impaired when one or more detrimental events have occurred, such as significant financial difficulty of the client or it becoming probable that the client will enter bankruptcy or other financial reorganization. When a trade receivable is credit impaired, it is written off against trade receivables and the amount of the loss is recognized in the income statement. Subsequent recoveries of amounts previously written off are credited to the income statement.

11. LOANS

(₹) in Lacs

Particulars			As at 31 March, 2021	As at 31 March, 2020
(A)	**At amortized cost**			
	Loan against securities and others		2,761.62	1,712.37
	Margin trading facility (MTF)		12.48	121.81
	Others		-	79.14
	Loan to employees		0.02	-
			2,774.12	1,913.32
	Less: Impairment loss allowance		(6.90)	(2.91)
	Total		**2,767.22**	**1,910.41**
(B)	**Secured / Unsecured**			
	Secured by tangible assets (Securities)		2,774.10	1,834.18
	Unsecured		0.02	79.14
			2,774.12	1,913.32
	Less: Impairment loss allowance		(6.90)	(2.91)
	Total		**2,767.22**	**1,910.41**
(C)	**Loans in India**			
	Public sector		-	-
	Others		2,774.12	1,913.32
	Less: Impairment loss allowance		(6.90)	(2.91)
	Total		**2,767.22**	**1,910.41**
(D)	**Stage wise break up of loans**			
	(i)	Low credit risk (Stage 1)	2,767.22	1,910.41
	(ii)	Significant increase in credit risk (Stage 2)	-	-
	(iii)	Credit impaired (Stage 3)	-	-
Total			**2,767.22**	**1,910.41**

12. INVESTMENTS

(₹) in Lacs

Particulars			As at 31 March, 2021	As at 31 March, 2020
I		**Unquoted investments at cost**		
		Equity share capital / Capital contribution in associates*		
		- Azalea Capital Partners LLP	4.50	4.50
		- Finlearn Edutech Pvt Ltd	209.73	109.73
		- Share in accumulated (loss) / profit	(110.99)	(40.75)
		Total	**103.24**	**73.48**
II		**At fair value through profit and loss**		
	1	In Alternate investment funds (Category III)		
		- Emkay Emerging Stars Fund	1,376.64	623.71
		- Emkay Emerging Stars Fund-II	307.24	138.81
		- Emkay Emerging Stars Fund-III	449.44	208.87
		Total	**2,133.32**	**971.39**
	2	Equity instruments : Quoted, fully paid up		
		- Quoted, fully paid up	646.20	378.97
		- Quoted, partly paid up	0.55	-
	3	Investments in Mutual Funds : Quoted, fully paid up	0.11	131.62
		Total	**2,883.42**	**1,555.46**
		Investment in India	2,883.42	1,555.46
		Investment outside India	-	-

*The Group has elected to measure investment in associates at deemed cost as per Ind AS 101

13. OTHER FINANCIAL ASSETS

(₹) in Lacs

Particulars	As at 31 March, 2021	As at 31 March, 2020
Deposits with stock exchanges / clearing corporations	5,317.92	1,711.14
Other deposits	210.50	212.67
Less: Impairment loss allowance	(1.82)	(1.82)
	208.68	210.85
Other receivable	106.57	32.32
Total	**5,633.17**	**1,954.31**

14. CURRENT TAX ASSETS (NET)

(₹) in Lacs

Particulars	As at 31 March, 2021	As at 31 March, 2020
Income tax paid (net of provision for tax)	189.20	192.20
Total	**189.20**	**192.20**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021 (Contd.)

15. DEFERRED TAX ASSETS (NET)

(₹) in Lacs

Particulars	As at 31 March, 2021	As at 31 March, 2020
Deferred tax assets:		
Financial assets at fair value through profit and loss	22.55	235.03
Lease liabilities	154.61	203.14
Provisions	7.85	8.04
Disallowances	-	19.46
Carried forward tax losses	459.85	418.55
Total	**644.86**	**884.22**
Deferred tax liabilities		
Property, plant and equipment and other intangible assets	99.35	91.02
Right-of-use-assets	146.75	203.31
Total	**246.10**	**294.33**
Net deferred tax assets	**398.76**	**589.89**

16. PROPERTY, PLANT AND EQUIPMENT

Current year (₹) in Lacs

Particulars	Gross block				Accumulated depreciation/ amortization				Net block	
	Balance as at 01 April, 2020	Additions	Disposals	Balance as at 31 March. 2021	Balance as at 01 April, 2020	Additions	Disposals	Balance as at 31 March, 2021	Balance as at 01 April, 2020	Balance as at 31 March, 2021
Property, plant and equipment										
Office premises	2,736.19	-	-	2,736.19	259.48	120.36	-	379.84	2,476.71	2,356.35
Furniture and fixtures	87.60	1.25	0.20	88.65	38.92	13.20	0.06	52.06	48.68	36.59
Vehicles	33.94	71.44	-	105.38	18.42	15.55	-	33.97	15.52	71.41
Office equipment	78.10	11.70	1.18	88.62	40.17	16.62	0.68	56.11	37.93	32.51
Computers	622.96	141.95	0.78	764.13	289.96	156.86	0.14	446.68	333.00	317.45
Air conditioners	27.69	1.43	-	29.12	10.14	3.44	-	13.58	17.55	15.54
Leasehold improvement	203.84	21.73	-	225.57	92.22	65.32	-	157.54	111.62	68.03
Total (A)	**3,790.32**	**249.51**	**2.16**	**4,037.66**	**749.31**	**391.35**	**0.88**	**1,139.78**	**3,041.01**	**2,897.88**
Intangible assets										
Computer software	222.16	16.79	-	238.95	151.25	47.19	-	198.44	70.91	40.51
Total (B)	**222.16**	**16.79**	**-**	**238.95**	**151.25**	**47.19**	**-**	**198.44**	**70.91**	**40.51**
Total (A)+(B)	**4,012.48**	**266.29**	**2.16**	**4,276.61**	**900.56**	**438.54**	**0.88**	**1,338.22**	**3,111.92**	**2,938.39**

Previous year (₹) in Lacs

Particulars	Gross block				Accumulated depreciation/ amortization				Net block	
	Balance as at 01 April 2019	Additions	Disposals	Balance as at 31 March 2020	Balance as at 01 April 2019	Additions	Disposals	Balance as at 31 March 2020	Balance as at 01 April 2019	Balance as at 31 March 2020
Property, plant and equipment										
Office premises	2,736.19	-	-	2,736.19	132.97	126.51	-	259.48	2,603.22	2,476.71
Furniture and fixtures	84.67	4.16	1.23	87.60	21.21	17.80	0.09	38.92	63.46	48.68
Vehicles	36.16	-	2.22	33.94	11.36	7.06	-	18.42	24.80	15.52
Office equipment	64.96	15.00	1.86	78.10	20.49	20.31	0.63	40.17	44.47	37.93
Computers	371.00	259.21	7.25	622.96	140.63	152.33	3.00	289.96	230.37	333.00
Air conditioners	35.22	0.73	8.26	27.69	6.21	4.94	1.01	10.14	29.01	17.55
Leasehold improvement	103.16	100.79	0.11	203.84	34.27	57.98	0.03	92.22	68.89	111.62
Total (A)	**3,431.36**	**379.89**	**20.93**	**3,790.32**	**367.14**	**386.93**	**4.76**	**749.31**	**3,064.22**	**3,041.01**
Intangible assets										
Computer software	134.22	87.94	-	222.16	92.46	58.80	-	151.25	41.77	70.91
Total (B)	**134.22**	**87.94**	**-**	**222.16**	**92.46**	**58.80**	**-**	**151.25**	**41.77**	**70.91**
Total (A)+(B)	**3,565.58**	**467.83**	**20.93**	**4,012.48**	**459.60**	**445.73**	**4.76**	**900.56**	**3,105.99**	**3,111.92**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021 (Contd.)

17. OTHER NON FINANCIAL ASSETS

(₹) in Lacs

Particulars	As at 31 March, 2021	As at 31 March, 2020
Capital advances	8.41	2.23
Prepaid expenses	699.15	982.39
MAT credit entitlement	58.93	58.93
Fringe benefit tax refund	5.28	5.28
Income tax refund	0.87	0.87
Deposit against appeal	38.44	38.44
Advances to suppliers and others	21.56	10.40
Goods and service tax input credit available / receivable	34.73	23.90
Total	**867.37**	**1,122.44**

18. PAYABLES

(₹) in Lacs

Particulars	As at 31 March, 2021	As at 31 March, 2020
Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	11,692.74	12,239.79
Total	**11,692.74**	**12,239.79**
The details of amount outstanding to Micro, Small and Medium Enterprises defined under "Micro, Small and Medium Enterprises Development Act, 2006" (as identified based on information available with the Group and relied upon by the Auditors is as under)		
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

19. BORROWINGS (OTHER THAN DEBT SECURITIES)

(₹) in Lacs

Particulars	As at 31 March, 2021	As at 31 March, 2020
At amortized cost		
Term loan		
- From Banks : Secured by way of cash margin	-	400.00
- From Banks : Unsecured	-	400.00
Loan repayable on demand		
- From Banks : Secured by lien on fixed deposits with bank	1,000.01	-
Total	**1,000.01**	**800.00**
Borrowings in India	1,000.01	800.00
Borrowings outside India	-	-
Total	**1,000.01**	**800.00**

20. DEPOSITS

(₹) in Lacs

Particulars	As at 31 March, 2021	As at 31 March, 2020
At amortized cost		
Deposits from intermediaries - Unsecured	169.18	176.74
Total	**169.18**	**176.74**

21. OTHER FINANCIAL LIABILITIES

(₹) in Lacs

Particulars	As at 31 March, 2021	As at 31 March, 2020
Interest accrued but not due on borrowings	-	2.96
Unpaid dividends	5.22	4.06
Margin from clients	23,681.49	7,019.01
Lease liability (refer note 50)	532.78	699.46
Payable for expenses	455.39	328.54
Accrued salaries and benefits	66.88	82.67
Other liabilities	32.15	80.94
Total	**24,773.91**	**8,217.64**

22. CURRENT TAX LIABILTIES (NET)

(₹) in Lacs

Particulars	As at 31 March, 2021	As at 31 March, 2020
For taxation (net of taxes paid)	70.13	54.50
Total	**70.13**	**54.50**

23. PROVISIONS

(₹) in Lacs

Particulars	As at 31 March, 2021	As at 31 March, 2020
Provision for employee benefits		
- Gratuity (refer note 49)	63.35	138.07
- Bonus	949.95	28.93
- Compensated absences	-	72.10
- Incentive	166.73	80.00
Provision for non fund based exposure	4.04	6.72
Total	**1,184.07**	**325.82**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2021 (Contd.)

24. OTHER NON FINANCIAL LIABILITIES

(₹) in Lacs

Particulars	As at 31 March, 2021	As at 31 March, 2020
Statutory dues	919.30	791.37
Income received in advance	12.58	22.92
Advance received from clients	22.46	151.79
Other liabilities	0.04	0.93
Total	**954.38**	**967.01**

25. EQUITY SHARE CAPITAL

Particulars		As at 31 March, 2021		As at 31 March, 2020	
		Number of Shares	(₹) in Lacs	Number of Shares	(₹) in Lacs
(A)	**Authorised:**				
	Equity Shares of ₹10/- each	5,00,00,000	5,000.00	5,00,00,000	5,000.00
		5,00,00,000	**5,000.00**	**5,00,00,000**	**5,000.00**
(B)	**Issued, subscribed and fully paid up**				
	Equity Shares of ₹10/- each	2,46,19,030	2,461.90	2,46,19,030	2,461.90
	Total Equity Share Capital	**2,46,19,030**	**2,461.90**	**2,46,19,030**	**2,461.90**

(C) Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Number of Shares	(₹) in Lacs	Number of Shares	(₹) in Lacs
At the beginning of the year	2,46,19,030	2,461.90	2,46,19,030	2,461.90
Shares issued during the year	-	-	-	-
At the end of the year	**2,46,19,030**	**2,461.90**	**2,46,19,030**	**2,461.90**

(D) Terms / rights / restrictions attached to equity shares

The Parent Company has only one class of equity shares having par value of ₹10/- each share. Each holder of equity share is entitled to one vote per share. The Parent Company declares and pay dividends in Indian Rupees. The dividend proposed if any, by the Board of Directors of the Parent Company is subject to the approval of shareholders in the ensuing Annual General Meeting of the Parent Company except interim dividend.

In the event of liquidation of the Parent Company, the holders of Equity shares will be entitled to receive remaining assets of the Parent Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the previous year ended 31 March, 2020, dividend recognized as distribution to equity shareholders was ₹1.00 Per share being final dividend for the year ended 31 March, 2019. The total dividend appropriated amounted to ₹ 246.18 Lacs and dividend distribution tax of ₹ 50.62 Lacs.

(E) DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% OF THE SHARES IN COMPANY (FACE VALUE OF ₹10 PER SHARE)

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Number of Shares	% Held	Number of Shares	% Held
Krishna Kumar Karwa	49,22,500	19.99	49,22,500	19.99
Prakash Kacholia	47,50,000	19.29	47,50,000	19.29
Emkay Corporate Services Private Limited	48,51,484	19.71	48,51,484	19.71
Preeti Kacholia	18,80,000	7.64	18,80,000	7.64
Raunak Karwa	17,50,000	7.11	17,50,000	7.11

(F) SHARES RESERVED FOR ISSUE UNDER EMPLOYEE STOCK OPTION PLANS

(₹) **in Lacs**

Particulars	As at 31 March, 2021	As at 31 March, 2020
ESOP's reserved for offering to eligible employees of the Group under ESOP scheme		
- ESOP'S granted and pending for vesting / exercise	40,78,365	34,79,224
- ESOP'S not yet granted	5,60,083	11,59,224
Total	**46,38,448**	**46,38,448**

(G) During the preceding five years the Group has not

- allotted fully paid up shares without payment being received in cash
- issued fully paid up bonus shares
- bought back shares

(H) Capital Management

The Group's objective for capital management is to maximize shareholder value, safeguard business continuity and support the growth of the Group. The Group determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity, operating cash flows generated and short term debt.

In addition to above Group Companies are required to maintain minimum networth as prescribed from time to time by various regulators. The management ensures that this is complied at all times.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2021 (Contd.)

26. OTHER EQUITY

(₹) in Lacs

Particulars	As at 31 March, 2021	As at 31 March, 2020
Reserves and surplus		
Securities premium		
Balance at the beginning of the year	6,994.94	6,994.94
Add : Addition during the year	-	-
Balance at the end of the year	**6,994.94**	**6,994.94**
Retained earnings		
Balance at the beginning of the year	2,586.73	4,148.77
Profit for the year	1,113.29	(1,259.36)
Add : Other adjustment	-	(5.87)
Amount available for appropriation	**3,700.02**	**2,883.54**
Less : Dividend paid to equity shareholders	-	(246.19)
Less : Dividend distribution tax	-	(50.62)
Less : Transfer to special reserve u/s 45-IC of the RBI Act, 1934	(66.59)	-
Balance at the end of the year	**3,633.43**	**2,586.73**
General reserve	1,803.65	1,803.65
Capital reserve on consolidation	1.03	1.03
Capital redemption reserve	500.00	500.00
Special reserve u/s 45-IC of the RBI Act 1934		
Balance at the beginning of the year	658.55	658.55
Add : Transfer from retained earnings	66.59	-
Balance at the end of the year	**725.14**	**658.55**
Equity-settled share-based payment reserve		
Balance at the beginning of the year	370.98	199.94
Add : Addition during the year	205.24	171.04
Balance at the end of the year	**576.22**	**370.98**
Foreign exchange translation reserve		
Balance at the beginning of the year	7.22	-
Add : Additions during the year	(1.96)	7.22
Balance at the end of the year	**5.26**	**7.22**
Other comprehensive income		
Balance at the beginning of the year	(100.79)	(57.11)
Add : Movement in other comprehensive income (net) during the year	39.11	(43.68)
Balance at the end of the year	**(61.68)**	**(100.79)**
Total	**14,178.00**	**12,822.31**

Nature and purpose of reserve

a) **Securities premium**
Securities premium reserves is used to record the premium on issue of shares. The reserve can be utilized only for limited purposes such as issuance of bonus shares, writing off the preliminary expenses in accordance with the provisions of the Companies Act, 2013.

b) **Retained earnings**
Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

c) **General reserve**
Under the erstwhile Companies Act, 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilized only in accordance with the specific requirements of Companies Act, 2013.

d) **Capital reserve on consolidation**
Capital reserve is the excess of net assets taken over cost of consideration paid.

e) **Capital redemption reserve**
Capital redemption reserve is created on redemption of preference shares in accordance with provisions of the Act and shall be utilised in accordance with the Act.

f) **Special reserve under u/s 45-IC of the RBI Act 1934**
Incase of a subsidiary company carrying on Non-banking financial business, the Group creates a reserve fund in accordance with the provisions of section 45-IC of the Reserve Bank of India Act, 1934 and transfer therein an amount of equal to / more than twenty percent of its net profit of the year.

g) **Equity-settled share-based payment reserve**
This reserve is created by debiting the statement of profit and loss account with value of share options granted to the employees. Once shares are issued by the Company, the amount in this reserve will be transferred to Share capital, Securities premium or retained earnings.

h) **Exchange difference on translating the financial statement**
Under IND As, in cases where the functional currency of the operations is different from the functional current of the reporting entity, the translation differences are accounted in the Other comprehensive income and disclosed under Other equity.

i) **Other comprehensive income**
Other comprehensive income consist of re-measurement gains/losses on employees defined benefit plans.

27. INTEREST INCOME

(₹) in Lacs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
On financial assets measured at amortized cost		
Interest on loan and advances to customers	193.62	471.57
Interest on deposits with banks	837.21	728.59
Other interest income	5.82	7.87
Interest on margin trading funding (MTF)	6.86	9.41
Total	**1,043.51**	**1,217.44**

28. DIVIDEND INCOME

(₹) in Lacs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Dividend on investments	2.23	12.66
Total	**2.23**	**12.66**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2021 (Contd.)

29. FEES AND COMMISSION INCOME

(₹) in Lacs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Brokerage and fees income		
Brokerage income	11,216.56	10,540.24
Portfolio management fees	532.53	418.76
Alternate investment fund management fees	542.27	541.63
Research and advisory fees	1,080.99	274.37
Depository operations	83.68	62.52
Other fees	36.01	43.85
Total	**13,492.04**	**11,881.37**

30. NET GAIN/ (LOSS) ON FAIR VALUE CHANGES

(₹) in Lacs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Net gain/ (loss) on financial instruments at fair value through profit or loss		
- Investments	1,434.37	(1,002.33)
- Stock in trade (held for trading)	16.52	(53.09)
- Inventory (corporate bonds)	342.50	42.97
- Derivatives	(184.83)	290.95
Total net gain/ (loss) on fair value changes	**1,608.56**	**(721.50)**
Fair value changes:		
- Realized gain	316.61	193.78
- Unrealized gain / (loss)	1,291.95	(915.28)
Total	**1,608.56**	**(721.50)**

31. OTHER OPERATING INCOME

(₹) in Lacs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Delayed payment charges from clients	84.71	182.34
Others	17.31	18.95
Total	**102.02**	**201.29**

31. OTHER INCOME

(₹) in Lacs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Dividend income	2.13	3.67
Net gain on disposal/discard of property, plant and equipment	0.50	4.90
Interest on deposits with banks	65.62	51.18
Other interest income	22.37	45.95
Others	159.49	50.98
Total	**250.11**	**156.68**

33. FINANCE COSTS

(₹) in Lacs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
On Instruments measured at amortized cost		
Interest on deposits	237.90	96.93
Interest on borrowings	90.04	374.81
Interest on lease liability	60.99	60.46
Other borrowing costs	139.86	152.96
Total	**528.79**	**685.16**

34. FEES AND COMMISSION EXPENSES

(₹) in Lacs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Brokerage sharing with intermediaries	1,417.81	1,334.87
Other fees	521.88	419.10
Total	**1,939.69**	**1,753.97**

35. IMPAIRMENT / (REVERSAL OF IMPAIRMENT) ON FINANCIAL INSTRUMENTS

(₹) in Lacs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
On financial instruments measured at amortized cost :		
Receivables	15.84	(8.31)
Deposits	0.01	0.12
Fixed deposits	(0.43)	0.17
Loans	2.17	(36.11)
Loans : Margin trade funding clients		
- fund based	(0.47)	0.47
- non fund based	(0.38)	0.38
Total	**16.74**	**(43.28)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021 (Contd.)

36. EMPLOYEE BENEFIT EXPENSE

(₹) in Lacs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries and other benefits	8,025.86	6,885.80
Share based payments to employees (refer note 46)	205.24	171.04
Contribution to provident and other funds	329.08	307.83
Gratuity (refer note 49)	111.18	93.66
Staff welfare expenses	21.11	76.38
Total	**8,692.47**	**7,534.71**

37. DEPRECIATION AND AMORTIZATION

(₹) in Lacs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation of tangible assets	391.35	386.93
Depreciation of right of use assets	323.99	325.90
Amortization of other intangible assets	47.19	58.80
Total	**762.53**	**771.63**

38. OTHER EXPENSES

(₹) in Lacs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Electricity	91.64	119.49
Repairs and maintenance		
- Building	51.29	59.03
- Others	227.10	237.03
Insurance	17.84	10.00
Rates and taxes	34.67	91.64
Communication, postage and courier	240.18	231.84
Travelling and conveyance	331.83	735.71
Printing and stationery	15.06	50.97
Advertisement and business promotion	42.40	349.02
Donations	0.50	3.15
Corporate social responsibility (refer note 43)	103.53	-
Legal and professional fees	369.27	332.52
Subscription	780.17	734.39
Software expenses	60.98	61.79
Claims and compensation	13.55	3.79
Fees and stamps	13.00	27.86
Payments to stock exchanges / clearing corporations	124.70	84.86
Registration fees	9.98	13.92
Depository and custodial charges	27.40	30.40
Loss due to execution of error trades	86.50	334.36
Training & development	2.29	37.16
Auditor's fees and expenses (refer note below) #	44.90	41.33
Commission to independent directors	4.13	-
Share issue expenses	2.63	-
Foreign exchange rate fluctuation loss (net)	1.32	2.44
Others	124.54	109.61
Total	**2,821.40**	**3,702.31**

(₹) in Lacs

#	Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
	Audit fees	26.49	23.25
	Tax audit fees	2.40	1.90
	Taxation matters	2.68	2.04
	Other services including limited review and certificates	13.06	13.49
	Reimbursement of expenses	0.27	0.65
	Total	**44.90**	**41.33**

39. EARNINGS PER SHARE

Particulars		For the year ended 31 March, 2021	For the year ended 31 March, 2020
Profit/(loss) after tax from continuing operations available for equity shareholders	₹ in Lacs	1,113.88	(1,238.28)
Profit/(loss) after tax from discontinued operations available for equity shareholders	₹ in Lacs	(0.59)	(21.08)
Profit/(loss) after tax from continuing and discontinued operations available for equity shareholders	₹ in Lacs	1,113.29	(1,259.36)
Weighted average number of shares of ₹10/- each used in computing basic earnings per share	Nos.	2,46,19,030	2,46,19,030
Add : Impact of diluted ESOPS	Nos.	30,877	Nil
Weighted average number of shares of ₹10/- each used in computing diluted earnings per share	Nos.	2,46,49,907	2,46,19,030
Earnings per share for continuing operations			
Basic earnings per share of ₹10/- each	₹	4.52	(5.03)
Diluted earnings per share of ₹10/- each	₹	4.52	(5.03)
Earnings per share for discontinued operations			
Basic earnings per share of ₹10/- each	₹	(0.002)	(0.086)
Diluted earnings per share of ₹10/- each	₹	(0.002)	(0.086)
Earnings per share for continuing and discontinued operations			
Basic earnings per share of ₹10/- each	₹	4.52	(5.12)
Diluted earnings per share of ₹10/- each	₹	4.52	(5.12)

40. SEGMENT INFORMATION

(A) Primary Segment

The Chief Operating Decision Maker monitors the operating results of the business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. The operating segment has been identified considering the nature of services, the differing risks and returns, the organization structure and internal financial reporting system. Business segment has been considered as the primary segment for disclosure.

The primary business of the Group relate to two reportable business segments namely "Advisory and Transactional Services" comprising of broking and distribution of securities, investment banking and other related financial intermediation services and Financing and Investment Activities (hitherto referred as "Non-Banking Financing Activities').

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021 (Contd.)

(B) Information about Business Segments

(₹) in Lacs

	Particulars	Advisory and Transactional Services		Financing & Investment Activities		Eliminations		Consolidated	
		For the year ended 31 March, 2021	For the year ended 31 March, 2020	For the year ended 31 March, 2021	For the year ended 31 March, 2020	For the year ended 31 March, 2021	For the year ended 31 March, 2020	For the year ended 31 March, 2021	For the year ended 31 March, 2020
A.	**REVENUE**								
1a	Segment revenue	15,800.62	12,976.50	697.85	536.22	-	-	16,498.47	13,512.72
1b	Intersegment revenue	228.17	11.16	8.50	50.74	(236.67)	(61.89)	-	-
	Total revenue	**16,028.79**	**12,987.66**	**706.35**	**586.96**	**(236.67)**	**(61.89)**	**16,498.47**	**13,512.72**
B.	**RESULTS**								
	Segment results(PBIT)	1,290.22	(1,589.20)	446.50	(68.77)	(0.13)	(1.41)	1,736.85	(1,656.56)
	Segment results(PBIT) - intersegment	(0.13)	(1.41)	-	-	-	-	-	-
	Total segment results (PBIT)	**1,290.35**	**(1,587.79)**	**446.50**	**(68.77)**	**(0.13)**	**(1.41)**	**1,736.85**	**(1,656.56)**
2	**Profit / (loss) from ordinary activities**							**1,736.85**	**(1,656.56)**
3	**Exceptional Items**							**-**	**-**
4	**Profit / (loss) from ordinary activities after exceptional item but before tax**							**1,736.85**	**(1,656.56)**
5	Provision for current tax							362.14	105.78
6	Deferred tax charge / (benefit)							191.13	(594.61)
7	Tax provision of earlier years							-	(1.26)
8	**Profit / (loss)/ after tax**							**1,183.58**	**(1,166.47)**
9	Less:- Minority Interest							-	-
10	Add:- Share of (loss) from associates							(69.70)	(71.81)
11	Less:- Loss from discontinued operations							(0.59)	(21.08)
12	**Net profit / (loss) attributable to Owners of parent**							**1,113.29**	**(1,259.36)**
C.	**OTHER INFORMATION**								
1	**Segment assets**	45,801.77	30,499.90	5,645.46	4,576.15			**51,447.23**	**35,076.04**
2	Unallocated corporate assets							5,037.09	2,989.67
3	**Total assets**							**56,484.32**	**38,065.71**
4	**Segment liabilities**	38,713.58	21,666.60	1,055.48	21.97			**39,769.06**	**21,688.57**
5	Unallocated corporate liabilities							75.36	1,092.93
6	**Total liabilities**							**39,844.42**	**22,781.50**
7	Capital expenditure (Including capital work in progress)	268.31	493.97	-	-			268.31	493.97
8	Depreciation and amortization	762.01	770.59	0.52	1.04			762.53	771.63

41. RELATED PARTY DISCLOSURES

(A) As per Indian Accounting Standard on related party disclosure (Ind AS 24), the name of the related parties are as follows :

Associate	Azalea Capital Partners LLP
Associate of a wholly owned subsidiary company	Finlearn Edutech Private Limited
Directors and/or Key managerial personnel (KMP)	S.K.Saboo : Chairman
	Krishna Kumar Karwa : Managing Director
	Prakash Kacholia : Managing Director
	G. C. Vasudeo : Independent Director
	R. K. Krishnamurthi : Independent Director
	Dr.Satish Ugrankar : Independent Director
	Dr. Bharat Kumar Singh : Independent Director
Relatives of directors and/or key managerial personnel	Preeti Kacholia (Woman Director)
(Where transactions have taken place)	Priti Karwa
	Raunak Karwa
	Soumya Karwa
	Murlidhar Karwa HUF
	Krishna Kumar Karwa HUF
	Nidhi Kacholia
	Divya Kacholia
	Krishna R Kacholia
	Amit S Saboo
Enterprises owned/controlled by key managerial personnel or their relatives	Syntheric Fibres Trading Company
	Emkay Corporate Services Pvt. Ltd.
	Seven Hills Capital
	Emkay Charitable Foundation
	Krishna Investments
Post-employment benefits plan	Emkay Global Financial Services Limited Employees Group Gratuity Assurance Scheme
	Emkay Commotrade Limited Employees Group Gratuity Assurance Fund
	Emkay Fincap Limited Employees Group Gratuity Assurance Fund
	Emkay Investment Managers Limited Employees Group Gratuity Assurance Fund
	Emkay Wealth Advisory Limited Employees Group Gratuity Assurance Fund

Additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year

Chief Financial Officer	Saket Agrawal
Company Secretary	Bhalchandra Raul

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021 (Contd.)

(B) Related party transactions details

No.	Particulars	Nature of transaction	Transaction amount during 2020-21	Transaction amount during 2019-20	Amount Outstanding as on 31 March 2021	Amount Outstanding as on 31 March 2020
			Amount in ₹		Amount in ₹	
	Associate					
1	Azalea Capital Partners LLP	Depository charges	860	1,070	-	-
		Trade receivables	-	-	53	-
		Investment via capital contribution	-	-	450,000	450,000
		Reimbursement of expenses	26,570	19,080	-	19,080
		Trade payables	-	-	-	7,120
		Interest Income on Loan given	76,616	-	-	-
		Loan granted & receipt of loan granted	2,500,000	-	-	-
	Associate of a wholly owned subsidiary company					
2	Finlearn Edutech Private Limited	Sale of assets	-	640,215	-	-
		Depository charges	1,130	675	-	-
		Trade payables	-	-	19	33
		Purchase of assets	186,000	-	-	-
		Interest Income on Loan given	-	5,464	-	4,917
		Loan granted & receipt of loan granted	-	20,000,000	-	-
		Expenses paid on behalf	-	612,361	-	2,000
		Investment made	10,000,000	10,972,500	20,972,500	10,972,500
	Directors and/ or key managerial personnel (KMP)					
3	Krishna Kumar Karwa	Salaries & other benefits	9,408,000	11,424,000	-	-
		Brokerage income	42,000	39,151	-	-
		Depository charges	420	660	-	-
		Dividend paid	-	4,922,500	-	-
		Trade payables	-	-	-	21,261
4	Prakash Kacholia	Salaries & other benefits	9,408,000	11,424,000	-	-
		Brokerage income	29,896	30,356	-	-
		Depository charges	1,920	2,645	-	-
		Portfolio management fees	276,150	321,421	99,527	70,693
		Dividend paid	-	4,750,000	-	-
		Trade payables	-	-	2,429,600	7,326,270
5	S. K. Saboo	Brokerage income	26,000	16,700	-	-
		Depository charges	345	345	-	-
		Sitting fees	60,000	80,000	-	-
		Trade payables	-	-	-	195
6	G. C. Vasudeo	Sitting fees	130,000	80,000	-	-
		Commission	236,000	-	236,000	-
7	R. K. Krishnamurthi	Sitting fees	130,000	90,000	-	-
		Commission	177,000	-	177,000	-
8	Dr. Satish Ugrankar	Sitting fees	130,000	120,000	-	-

(B) Related party transactions details (contd.)

No.	Particulars	Nature of transaction	Transaction amount during		Amount Outstanding as on	
			2020-21	2019-20	31 March 2021	31 March 2020
			Amount in ₹		Amount in ₹	
9	Dr. Bharat Kumar Singh	Sitting fees	80,000	60,000	-	-
	Relatives of directors and/or key managerial personnel					
10	Preeti Kacholia	Brokerage income	849,171	381,175	-	-
		Depository charges	17,865	8,685	-	-
		Portfolio management fees	59,291	21,602	18,785	13,435
		Dividend paid	-	1,880,000	-	-
		Trade payables	-	-	9,859,712	2,096,972
11	Priti Karwa	Brokerage income	1,362	1,408	-	-
		Depository charges	600	510	-	-
		Trade payables	-	-	-	126,480
12	Krishna Kacholia	Brokerage income	-	16	-	-
		Depository charges	-	1,335	-	-
13	Raunak Karwa	Salaries & other benefits	1,680,000	2,016,000	-	-
		Depository charges	690	150	-	-
		Dividend paid	-	1,750,000	-	-
		Trade receivables	-	-	354	-
14	Soumya K Karwa	Depository charges	480	995		-
		Trade payables	-	-	405	-
		Trade receivables	-	-	-	124
		Brokerage Income	16,344	-	-	-
15	Murlidhar Karwa HUF	Brokerage Income	-	5,400	-	-
		Depository charges	330	465	-	-
		Dividend paid	-	100,000	-	-
16	Krishna Kumar Karwa HUF	Brokerage income	4,509	6,726	-	-
		Depository charges	60	150	-	-
		Dividend paid	-	100,000	-	-
		Trade receivables	-	-	-	18
		Trade Payables	-	-	259,218	-
17	Nidhi Kacholia	Brokerage income	-	70	-	-
		Depository charges	330	645	-	-
		Trade Receivables	-	-	389	-
18	Divya Kacholia	Brokerage income	2	240	-	-
		Depository charges	30	90	-	-
		Trade payables	-	-	982	-
19	Amit S Saboo	Brokerage income	4,242	9,300	-	-
		Depository charges	450	480	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021 (Contd.)

(B) Related party transactions details (contd.)

No.	Particulars	Nature of transaction	Transaction amount during		Amount Outstanding as on	
			2020-21	2019-20	31 March 2021	31 March 2020
			Amount in ₹		Amount in ₹	
		Trade payables	-	-	965	430,739
	Enterprises owned/controlled by KMP or their relatives					
20	Synthetic Fibres Trading Co	Brokerage income	452,703	822,120	-	-
		Depository charges	2,575	2,340	-	-
		Portfolio management fees	261,125	-	-	-
		Trade payables	-	-	80,969	221,995
21	Emkay Corporate Services Private Limited	Brokerage income	-	33,419	-	-
		Depository charges	890	1,490	-	-
		Portfolio management fees	123,758	140,027	45,717	38,347
		Dividend paid	-	4,851,484	-	-
		Trade Receivables	-	-	979	-
		Interest on unsecured loan taken	-	2,712	-	-
		Repayment on loan taken	-	3,000,000	-	-
22	Krishna Investments	Brokerage and commission payment	49,716	43,169	-	-
		Trade payables	-	-	125,459	82,021
23	Seven Hills Capital	Brokerage income	245,891	283,201	-	-
		Depository charges	2,255	2,680	-	-
		Portfolio management fees	175,299	-	-	-
		Trade receivables	-	-	159	5,129,635
24	Emkay Charitable Foundation	Donation : Corporate social responsibility	6,753,003	-	-	-
	Post employment benefits plan					
25	Emkay Global Financial Services Limited Employees Group Gratuity Assurance Scheme	Gratuity contribution	10,324,160	8,837,518	5,494,689	12,713,416
26	Emkay Fincap Ltd Employees Group Gratuity Assurance Fund	Gratuity contribution	186,490	151,979	248,628	449,012
27	Emkay Investment Managers Ltd Employees Group Gratuity Assurance Fund	Gratuity contribution	516,874	320,632	483,620	563,411
28	Emkay Wealth Advisory Ltd Employees Group Gratuity Assurance Fund	Gratuity contribution	69,440	41,494	108,560	81,504
29	Emkay Commotrade Ltd Employees Group Gratuity Assurance Fund	Gratuity contribution	21,260	13,978	(74,938)	(46,024)
	Additional Related Parties as per Companies Act,2013					
30	Saket Agrawal : Chief Financial Officer	Salaries & other benefits	4,092,183	4,555,572	-	-
31	Bhalchandra Raul : Company Secretary	Salaries & other benefits	2,489,461	2,515,749	-	-

42. FOREIGN CURRENCY TRANSACTIONS

(₹) in Lacs

	Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
(a)	**Expenditure in foreign currency (accrual basis)**		
	Fees and commission expenses	261.46	73.70
	Subscription	99.15	91.73
	Consultancy	67.12	-
	Travelling expenses	0.88	38.22
	Advertisement and business promotion	0.41	14.16
	Software expenses	0.11	0.16
		429.13	**217.97**
(b)	**Earning in foreign currency (accrual basis)**		
	Research and advisory fees	**242.97**	**154.87**

43. STATEMENT OF CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

As per Section 135 of the Companies Act, 2013, Companies under the Group, meeting the applicability threshold needs to spend at least 2% of their average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities. A CSR committee has been formed by the Group as per Act.

a) Gross amount required to be spent by the Group during the year is ₹ 24.03 Lacs (P. Y. ₹ 42.01 Lacs)

b) Details of amount spent:

Particulars	(₹) in Lacs		
	Paid	Yet to be paid	Balance
During the year ending 31 March, 2021			
i) Construction/ acquisition of any asset	-	-	-
ii) On purpose other than (i) above	103.53	-	-
During the year ending 31 March, 2020			
i) Construction/ acquisition of any asset	-	-	-
ii) On purpose other than (i) above	-	79.50	79.50

Out of the amount spent ₹ 67.53 Lacs has been spent by Emkay Charitable Foundation, a section 8 Company as per the Companies Act, 2013 from the contribution made by the Group.

44. CONTINGENT LIABILITIES

(₹) in Lacs

Sr. No.	Particulars	As at 31 March 2021	As at 31 March 2020
1	Claims against the Group not acknowledged as debt*	25.31	8.63
2	Guarantees issued by Banks	16,100.00	16,200.00
3	Service Tax matters in appeal : net of amount of deposited	847.81	847.81
4	Bond cum legal undertaking executed	11.99	11.99
5	Income tax and fringe benefit tax matter in dispute	0.61	0.61

* Includes ₹ 3.75 Lacs (P.Y. ₹ 3.75 Lacs) pertaining to discontinued operations of one of the subsidiary company.

Note: The Group has provided bank guarantees for meeting margin requirements as under:

(₹) in Lacs

Particulars	As at 31 March 2021	As at 31 March 2020
National Stock Exchange of India Limited	12,550.00	12,750.00
BSE Limited	100.00	300.00
Multi Commodity Exchange of India Limited	3,125.00	2,725.00
National Commodity and Derivatives Exchange Limited	325.00	425.00
Total	**16,100.00**	**16,200.00**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2021 (Contd.)

45. CAPITAL COMMITMENTS

(₹) in Lacs

Sr. No.	Particulars	As at 31 March 2021	As at 31 March 2020
1	Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)	101.11	10.44
2	Cost value remaining to be paid on partly paid-up shares as shown under Investments	0.47	-

45. SHARE BASED PAYMENTS

NOTE: DISCLOSURE RELATING TO EMPLOYEE STOCK OPTION SCHEMES

Details of employee stock options

ESOP-2005 This scheme was approved by the shareholders of the Parent Company at the Extra ordinary General meeting held on 28.01.2006 for grant of 3,81,250 equity shares of Rs 10/- each.

ESOP-2007 This scheme was approved by the shareholders of the Parent Company at the Extra Ordinary General Meeting held on 11.01.2008 for grant of 24,26,575 equity shares of Rs 10/- each.

ESOP-2010 -Through Trust Route This scheme was approved by the shareholders of the Parent Company at the Annual General Meeting held on 30.08.2010 for grant of 24,41,995 equity shares of Rs 10/- each.

ESOP-2018 This scheme was approved by shareholders of the Parent Company through postal ballot process on 21.03.2018 for grant of 24,53,403 equity shares of Rs 10/- each.

The activity in ESOP-2007, ESOP-2010 and ESOP-2018 during the year ended 31 March, 2021 and 31 March 2020 is set out below

Particulars		As at 31 March, 2021 (Nos.)	Weighted Average Exercise Price (in ₹)	As at 31 March, 2020 (Nos.)	Weighted Average Exercise Price (in ₹)
ESOP-2007					
Options outstanding at the beginning of the year		19,59,098	74.98	13,95,000	145.45
Add:	Granted	2,46,000	74.90	14,11,598	74.66
Less:	Exercised	-		-	
Less:	Forfeited	-		-	
Less:	Lapsed	4,46,978	74.64	8,47,500	134.33
Options outstanding at the end of the year		17,58,120	75.05	19,59,098	74.98
Options outstanding at the beginning of the year					
Add:	Granted	-	-	-	-
Less:	Exercised	-	-	-	-
Less:	Forfeited	-	-	-	-
Less:	Lapsed	-	-	-	-
Options outstanding at the end of the year		**-**	**-**	**-**	**-**
ESOP-2018					
Options outstanding at the beginning of the year		15,20,126	75.38	20,86,168	110.49
Add:	Granted	8,91,667	59.89	3,56,958	91.92
Less:	Exercised	-	-	-	-
Less:	Forfeited	-	-	-	-
Less:	Lapsed	91,548	75.60	9,23,000	75.60
Options outstanding at the end of the year		**23,20,245**	**69.42**	**15,20,126**	**75.38**

The Parent Company has done following modifications in stock options during current year

Scheme/ Year/ Nature of modification	No of Options	Original Weighted Average Fair Value of Options (in ₹)	Revised Weighted Average Fair Value of Options (in ₹)
ESOP-2007			
Current Year			
Change in vesting dates of Options	6,47,816	38.32	30.33
Previous Year			
Re-pricing of Options	6,35,000	91.32	34.19
ESOP-2018			
Current Year			
Change in vesting dates of Options	6,78,195	38.18	15.59
Previous Year			
Re-pricing of Options	23,18,506	60.92	35.37

EMPLOYEES' STOCK OPTIONS SCHEME (ESOP)

Particulars	ESOP-2007	ESOP-2010-Trust Route	ESOP-2018
Date of Board approval	01.12.2007	27.07.2010	29.01.2018
Date of Shareholder's approval	11.01.2008	30.08.2010	21.03.2018
Number of Options granted to			
Group employees	55,57,598	647,000	34,34,793
Method of settlement	Equity	Equity	Equity
Vesting period	Ranging from 2 years and 1 month to 7 years and 10 months. Both time based and performance based	Graded vesting over period of 5 years	Ranging from 2 years and 1 month to 7 years and 10 months. Both time based and performance based

WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE

Particulars	ESOP-2007	ESOP-2018
Current year		
- Granted but not vested Current year	5.86 years	5.33 years
- Vested but not exercised Current year	N.A.	N.A.
- Weighted Average Share Price at the date of exercise for stock options exercised during the year	N.A.	N.A.
Previous year		
- Granted but not vested Previous year	6.05 years	5.61 years
- Vested but not exercised Previous year	N.A.	N.A.
- Weighted Average Share Price at the date of exercise for stock options exercised during the year	N.A.	N.A.

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FOR THE YEAR ENDED 31 MARCH, 2021 (Contd.)

WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE

Particulars	ESOP-2007	ESOP-2018
Exercise Period	Within 2 to 3 years from the date of vesting of options	
Vesting Conditions	Vesting of options would be subject to continued employment with the Group and thus the options would vest on passage of time. In addition to this, the Nomination, Remuneration and Compensation Committee of the Parent Company may also specify certain performance parameters subject to which the options would vest. In case of performance based vesting, the options would vest on achievement of performance parameters.	
Weighted Average Fair Value of Options as on grant date - Current Year	34.20	34.74
Weighted Average Fair Value of Options as on grant date - Previous Year	38.51	43.47
Risk		
free interest rate	5.96%	5.83% - 6.06%
Dividend Yield	1.34%	1.22% - 1.68%
Expected Volatility	51%	51% - 68%

The exercise pricing formula for ESOP Schemes are as under:

ESOP-2007

The exercise price shall be equal to the latest available closing market price on the date prior to the date on which the Nomination, Remuneration and Compensation Committee of the Parent Company finalizes the specific number of options to be granted to the employees of the Group.

ESOP-2010

The exercise price shall be calculated on the basis of latest closing price of the Parent Company's equity shares quoted on the Stock Exchange prior to the date of the grant of Options, which for this purpose shall be date on which the Nomination, Remuneration and Compensation Committee of the Parent Company meets to make its recommendations for grant of Options to the employees of the Group.

ESOP-2018

The exercise price shall be the closing price of the Parent Company's equity shares quoted on the Stock Exchange immediately prior to the date of grant of the Options, which for this purpose shall be the date on which the Nomination, Remuneration and Compensation Committee of the Parent Company meets to make its recommendations for the grant of the Options to the employees of the Group. The Stock Exchange to be selected for determining the closing price shall be in accordance with the SEBI ESOP Regulations. The Committee may, at its sole discretion, consider a discount to such closing price.

Other information regarding employee share based payment plan is as below

(₹) in Lacs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Expenses arising from employees share based payment plans	205.24	171.04
Total carrying amount at the end of the year	581.33	732.63

47. Detailed information in respect of Equity Index / Stock Futures contract outstanding and held for trading purpose (Open Interest)

Name of Equity Index/ Stock Futures	As at 31 March, 2021			As at 31 March, 2020		
	No. of Contracts	No. of Units		No. of Contracts	No. of Units	
		Long	Short		Long	Short
FUTSTK LT	-	-	-	67	25,125	-
FUTSTK M&M	-	-	-	2	-	2,000

48. Detailed information in respect of Securities traded (Delivery only)

Particulars	Purchases		Sales	
	For the year ended 31 March, 2021	For the year ended 31 March, 2020	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Listed securities	198.09	3,270.53	374.38	3,064.07
Bonds and other unlisted securities	36,133.64	9,281.11	36,476.58	9,324.08

49. EMPLOYEE BENEFITS

Disclosure pursuant to Ind As 19 "Employee benefits" is given below:

a) Defined contribution plan

Expenses recognized in Statement of Profit and Loss towards Defined Contribution Plans are as under:

(₹) in Lacs

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Provident Fund	274.93	265.47
ESIC	2.18	2.66
National Pension Scheme	51.96	39.71

b) Defined benefit plan

The Group has defined benefit gratuity plan governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service is entitled to gratuity on departure at 15 days last drawn salary for each competed year of service or part thereof in excess of six months.

The plan is funded with insurance companies in the form of qualifying insurance policy. The following table summarize the components of net benefit expense recognized in the statement of profit and loss, other comprehensive income and amount recognized in balance sheet which has been determined by an Actuary appointed for the purpose and relied upon by the Auditors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021 (Contd.)

(₹) in Lacs

Sr. No.	Particulars	As at 31 March, 2021	As at 31 March, 2020
i)	**Movement in defined benefit obligation**		
	Present value of obligation as at the beginning	**695.04**	**597.05**
	Current service cost	103.55	87.54
	Interest expense or cost	38.55	41.28
	Re-measurements due to :		
	- Actuarial loss /(gain) arising from change in financial assumptions	(1.78)	66.86
	- Actuarial loss /(gain) arising from change in demographic assumptions	(1.24)	0.09
	- Actuarial loss /(gain) arising on account of experience changes	(24.75)	12.67
	Benefits paid	(28.92)	(110.45)
	Acquisition adjustment	(2.60)	0.00
	Present value of obligation as at the end	**777.85**	**695.04**
ii)	**Movement in plan assets**		
	Fair value of plan asset as at the beginning	**557.40**	**508.56**
	Employer contributions	138.07	89.63
	Investment income	30.91	35.16
	Return on plan assets, excluding amount recognised in net interest expense	20.34	34.50
	Benefits paid	(28.92)	(110.45)
	Acquisition adjustment	(2.60)	0.00
	Fair value of plan asset as at the end	**715.20**	**557.40**
iii)	**Reconciliation of net liability/asset**		
	Net defined benefit (liability)/asset as at the beginning of the year	**(137.64)**	**(88.49)**
	Expenses charged to statement of profit and loss	(111.18)	(93.66)
	Amount recognized in other comprehensive income	48.12	(45.12)
	Employer contribution	138.07	89.63
	Net defined benefit liability/(asset) as at the end of the year	**(62.63)**	**(137.64)**
iv)	**Expenses charged to the Statement of Profit & Loss**		
	Current Service Cost	103.55	87.54
	Net Interest Cost / (Income) on the net defined benefit liability/(Asset)	7.63	6.12
	Expenses recognised in the income statement	**111.18**	**93.66**
v)	**Movement in asset ceiling**		
	Effect of asset ceiling at the beginning	**-**	**-**
	Interest on opening balance of asset ceiling	-	-
	Re-measurements due to change in surplus/deficit	-	-
	Value of asset ceiling as at the end of the year	**-**	**-**
vi)	**Re-measurement (gains)/losses in other comprehensive income**		
	Actuarial (gains)/losses		
	Change in financial assumptions	(1.78)	66.86
	Change in demographic assumptions	(1.24)	0.09
	Experience adjustments	(24.75)	12.67
	Return on plan assets, excluding amount recognised in net interest expense	(20.34)	(34.50)
	Components of defined benefit costs recognised in other comprehensive income	**(48.11)**	**45.12**

(₹) in Lacs

Sr. No.	Particulars	As at 31 March, 2021	As at 31 March, 2020
vii)	**Amount recognised in Balance Sheet**		
	Present value of obligation	777.85	695.05
	Fair value of plan assets	715.22	557.41
	Surplus/(Deficit)	(62.63)	(137.64)
	Effects of asset ceiling, if any	-	-
	Net Asset / (Liability)	**(62.63)**	**(137.64)**
viii)	**Key actuarial assumptions**		
	Discount Rate (p.a.)	5.35% to 5.85%	5.55%
	Salary growth rate (p.a.)	10.00%	10.00%
ix)	**Category of plan assets**		
	Insurer managed funds	87% to 99.9%	70% to 99.9%
	Bank balance	0.01% to 13%	0.01% to 30%
x)	**Sensitivity analysis for significant assumptions is as shown below**		
	Discount Rate (- 1%) : % Change compared to base due to sensitivity	4.90% to 6.30%	4.90% to 6.60%
	Discount Rate (+1%) : % Change compared to base due to sensitivity	-4.40% to -5.70%	-4.50% to -6.00%
	Salary Growth (-1%) : % Change compared to base due to sensitivity	-3.00% to -5.60%	-3.50% to -5.80%
	Salary Growth (+1%): % Change compared to base due to sensitivity	2.90% to 6.00%	3.50% to 5.90%
xi)	**Maturity profile of defined benefit obligation**		
	Weighted average duration (based on discounted cash flows)	4 to 6 Years	4 to 6 Years
	Expected cash flows over the next (valued on undiscounted basis):		
	Expected benefit for 1 year	139.20	120.17
	Expected benefit for 2 to 5 years	430.69	403.26
	Expected benefit for 6 to 10 years	291.52	259.03
	Expected benefit for more than 10 years	211.34	160.41
xii)	**Expected contribution to fund in next year**		
	The Company's best estimate of contribution during the next year	168.85	241.45

50. LEASE

The Group has entered into lease contracts for various properties across India for its office premises used in its operations. There are no variable lease payments, residual agreements, sale and leaseback arrangements and other restrictions. The Group also has certain leases with lease terms of 12 months or less. The Group applies the 'Short-term lease' recognition exemption for these leases.

Information about leases for which Group is lessee are prescribed below:

a) Right of use assets

(₹) in Lacs

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Balance at the beginning of the year	702.32	480.81
Additions	179.84	605.72
Closure	(49.99)	(58.31)
Other adjustments	(0.64)	-
Depreciation on Right-of-Use (ROU) assets	(323.99)	(325.90)
Balance at the end of the year	**507.54**	**702.32**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2021 (Contd.)

b) Lease liabilities

(₹) in Lacs

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Balance at the beginning of the year	699.46	474.14
Additions	171.81	576.97
Interest expense on lease liabilities	60.99	60.46
Other adjustments	(0.78)	(0.01)
Closure	(52.71)	(59.99)
Gain on lease rental waiver*	(42.61)	-
Payment of Lease liabilities	(303.38)	(352.11)
Balance at the end of the year	**532.78**	**699.46**
Current	271.10	298.12
Non Current	261.68	401.34

*MCA issued Covid-19 related rent concessions - amendments to Ind AS-116 for leases. The Group as a lessee has applied practical expedient to the concessions given by the lessor in lease rent due to Covid-19 and changes in opening balance of lease liability due to said concessions accounted as gain on lease rental waiver.

c) Contractual maturities of lease liabilities on an undiscounted basis

(₹) in Lacs

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Less than one year	300.32	354.29
One to five years	272.40	414.88
Five years and above	24.32	32.67
Total	**597.04**	**801.84**

d) Amount recognized in statement of profit and loss

(₹) in Lacs

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Depreciation on Right-of-Use (ROU) assets	323.99	325.90
Interest expense on lease liabilities	60.99	60.46
Expense relating to short term leases (included in other expenses)	0.38	0.15
Total	**385.36**	**386.51**
The effective interest rate of lease liabilities is 10.15% with maturities between one to five years.		

51. RATINGS ASSIGNED BY CREDIT RATING AGENCY

ICRA Limited has reaffirmed rating of [ICRA] A2+ to the short term non fund based bank facilities of the parent Company of ₹ 27,500 lacs (Previous year : ₹ 27,500 lacs).

52. ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security are as under:

(₹) in Lacs

Particulars	As at 31 March, 2021	As at 31 March, 2020
Financial Assets		
Fixed deposit under lien with stock exchanges	17,318.00	2,635.00
Fixed deposit against bank guarantees	8,050.00	8,100.00
Fixed deposit against credit facilities of the Group	2,860.00	305.00
Total	**28,228.00**	**11,040.00**
Non Financial Assets		
Office premises mortgaged with bank for credit facilities	2,356.35	2,476.71

53. Trade Payable includes 34.51 Lacs (P.Y. ₹ Nil) and other liabilities under other financial liabilities includes ₹ 1.62 Lacs (P.Y. ₹ 43.03 Lacs) being aggregate amount of deposits in bank accounts made directly by clients whose details are awaited. Appropriate accounting treatment is given on regular basis on receipt of required information as and when received.

54. Income includes ₹13.67 Lacs (P.Y. ₹ Nil) and expenses includes ₹ 53.79 Lacs (P.Y. ₹ Nil) pertaining to earlier year.

55. FINANCIAL RISK MANAGEMENT

The Group has established a comprehensive system for risk management and internal controls for all its businesses to manage the risks that it is exposed. The objective of its risk management framework is to ensure that various risks are identified, measured and mitigated and also that policies, procedures and standards are established to address these risks and ensure a systematic response in the case of crystallization of such risks.

The Group has exposure to the following risks arising from financial instruments:

a) Credit risk

b) Liquidity risk

c) Market risk

The risk management system features ‘three lines of defence approach.

1. The first line of defence comprises its operational departments, which assume primary responsibility for their own risks and operate within the limits stipulated in various policies approved by the Board or by committees constituted by the Board.
2. The second line of defence comprises specialized department such as risk management and compliance. They employ specialized methods to identify and assess risks faced by the operational departments and provide them with specialized risk management tools and methods, facilitate and monitor the implementation of effective risk management practices, develop monitoring tools for risk management, internal controls and compliances, report risk related information and promote the adoption of appropriate risk prevention measures.
3. The third line of defence comprise the internal audit and external audit functions. They monitor and conduct periodic evaluations of the risk management, internal controls and compliance activities to ensure the adequacy of risk controls and appropriate risk governance and provide the Board with comprehensive feedback.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2021 (Contd.)

55. FINANCIAL RISK MANAGEMENT

a) Credit risk

It is risk of financial loss that the Group will incur a loss because its customers or counterparties to financial instruments fail to meet its contractual obligation.

The Group's financial assets comprises of cash and bank balances, trade receivables, loans, investments and other financial assets which comprise mainly of deposits, advances and other receivables.

The maximum exposure to credit risk at the reporting date is primarily from Group's trade receivable and loans.

Following provides exposure to credit risks for trade receivables and loans:

(₹) in Lacs

Particulars	As at 31 March, 2021	As at 31 March, 2020
Trade and other receivable (net of impairment)	6,690.30	5,343.06
Loans (net of impairment)	2,767.22	1,910.41

Trade receivable:

The Group applies the Ind AS 109 simplified approach to measuring expected credit losses (ECLs) for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are calculated based on actual historic credit loss experience over the preceding three to five years on the total balance of non-credit impaired trade receivables. The Group considers a trade receivable to be credit impaired when one or more detrimental events have occurred, such as significant financial difficulty of the client or it becoming probable that the client will enter bankruptcy or other financial reorganization. When a trade receivable is credit impaired, it is written off against trade receivables and the amount of the loss is recognized in the income statement. Subsequent recoveries of amounts previously written off are credited to the income statement.

Loans: Loans comprise of margin trading funding (MTF) and loan against securities (LAS) for which staged approach is followed for determination of ECL.

Stage 1 : All standard loans in MTF and LAS loan book up to 30 days past due (DPD) are considered as Stage 1 assets for computation of expected credit loss.

Stage 2 : Exposure under stage 2 include under-performing loans having 31 to 90 days past due (DPD).

Stage 3 : Exposures under stage 3 include non-performing loans with overdue more than 90 days past due (DPD).

Based on historical data, the GROUP assigns PD to stage 1 and stage 2 and applies it to the EAD to compute the ECL. For Stage 3 assets PD is considered as 100%

The Group does not have any loan book which may fall under stage 2 or stage 3.

Following table provides information about exposure to credit risk and ECL on Loan

(₹) in Lacs

Bucketing (Stage)	As at 31 March, 2021		As at 31 March, 2020	
	Carrying Value	ECL	Carrying Value	ECL
Stage 1	2,774.12	6.90	1,913.32	2.91
Stage 2	-	-	-	-
Stage 3	-	-	-	-
Total	**2,774.12**	**6.90**	**1,913.32**	**2.91**

Movement in the allowances for impairment in respect of trade receivables and loans is as follows:

(₹) in Lacs

Particulars	As at 31 March, 2021	As at 31 March, 2020
Opening balance	19.21	45.05
Net re-measurement of loss allowance	6.21	(25.84)
Closing balance	**25.42**	**19.21**

Other financial assets considered to have a low credit risk:

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks with high credit ratings assigned by international and domestic credit rating agencies. Investments comprise of quoted equity instruments, mutual funds which are market tradable. Other financial assets include deposits for assets acquired on lease and with qualified clearing counterparties and exchanges as per the prescribed statutory limits.

In addition to the historical pattern of credit loss, the Group has considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. This can be reflected in the increased haircuts taken on collateral held against such receivables and loans.

b) Liquidity risk

Liquidity risk is the risk that the entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The entity's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to entity's reputation.

Prudent liquidity risk management requires sufficient cash and marketable securities and availability of funds through adequate committed credit facilities to meet obligations when due and close out market positions.

The Group has a view of maintaining liquidity with minimal risks while making investments. The Group invests its surplus funds in short term liquid assets in bank deposits. The Group monitors its cash and bank balances periodically in view of its short term obligations associated with its financial liabilities.

Refer note no.57 for analysis of maturities of financial assets and financial liabilities.

c) Market Risk

Market risk arises when movements in market factors (foreign exchange rates, interest rates, credit spreads and equity prices) impact the Group's income or market value of its portfolios. The Group, in its course of business, is exposed to market risk due to change in equity prices, interest rates and foreign exchange rates. The objective of market risk management is to maintain an acceptable level of market risk exposure while aiming to maximize returns.

(i) Equity price

The Group's exposure to equity price risk arises primarily on account of its proprietary positions and on account of margin bases positions of its clients in equity cash and derivative segments.

The Group's equity price risk is managed in accordance with its Risk Policy approved by Board.

(ii) Interest rate risk

The Group is exposed to Interest rate risk if the fair value or future cash flows of its financial instruments will fluctuate as a result of changes in market interest rates. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates.

The Group's interest rate risk arises from interest bearing deposits with bank and loan given to customers. Such instrument exposes the Group to fair value interest rate risk. Management believes that the interest rate risk attached to these financial assets is not significant due to the nature of these financial assets.

(iii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

Foreign currency risk management

In respect of foreign currency transactions, the Group does not hedge the exposures since the management believes that the same is insignificant in nature and will not have a material impact on the Group.

The Group's exposure to foreign currency risk at the end of reporting period is as shown as under:-

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Receivables

in Lacs

Particulars	Currency	As at 31 March, 2021	As at 31 March, 2020
Foreign Currency exposure outstanding	USD	0.44	0.33
	INR	31.87	25.18
Foreign Currency receivable in next 5 years including interest	USD	0.44	0.33
	INR	31.87	25.18
Unhedged Foreign currency exposure	USD	0.44	0.33
	INR	31.87	25.18

Payables

in Lacs

Particulars	Currency	As at 31 March, 2021	As at 31 March, 2020
Foreign Currency exposure outstanding	USD	3.48	3.17
	INR	254.54	239.87
	SGD	0.25	0.06
	INR	13.62	3.20
Foreign Currency payable in next 5 years including interest	USD	1.48	1.17
	INR	108.32	88.54
	SGD	0.25	0.06
	INR	13.62	3.20
Unhedged Foreign currency exposure	USD	3.48	3.17
	INR	254.54	239.87
	SGD	0.25	0.06
	INR	13.62	3.20

The table below indicates the currencies to which the Group had significant exposure at the end of the reported periods for the non-traded component. The analysis calculates the effect of a reasonably possible movement of the currency rate against INR (all other variable being constant) on the statement of profit and loss.

(₹) in Lacs

Currency	Change in currency rate in %	Impact on statement of profit and loss	
		For the year ended 31 March, 2021	For the year ended 31 March, 2020
USD	Depreciation of 5%	11.13	10.73
	Appreciation of 5%	(11.13)	(10.73)
SGD	Depreciation of 5%	0.68	0.16
	Appreciation of 5%	(0.68)	(0.16)

The Group basis their assessment believes that the probability of the occurrence of their forecasted transactions is not impacted by COVID-19 pandemic. The Group has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing the impact on the financial statements.

56. TAX EXPENSE

A) The major components of income tax expense for the year are as under:

(₹) in Lacs

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Current income tax	362.14	134.17
MAT credit entitlement	-	(28.39)
Deferred tax	191.13	(594.61)
Tax relating to earlier years	-	(1.26)
Tax expense for the year	**553.27**	**(490.09)**

B) Amount recognized in the other comprehensive income:

(₹) in Lacs

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Items that will not be reclassified to profit or loss		
Actuarial gain/ (loss) on defined benefit plans	48.11	(45.12)
Share of actuarial gain/(loss) on defined benefit plan of associate	(0.54)	-
Income tax relating to items that will not be reclassified to profit or loss	(8.46)	1.44
Total	**39.11**	**(43.68)**
Items that will reclassified to profit or loss		
Foreign exchange translation reserve	(1.96)	7.22
Total	**(1.96)**	**7.22**
Total other comprehensive income	**37.15**	**(36.46)**

C) Reconciliation of tax expense and the accounting profit for the year is as under:

(₹) in Lacs

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Profit before tax	1736.85	(1,656.56)
Indian statutory income tax rate (%)	29.12%	29.12%
Expected income tax expenses	505.77	(482.39)
Tax effect of adjustments to reconcile expected income tax expenses to reported income tax expenses		
Income exempt from income taxes	-	(1.11)
Deductible expenses for tax purpose	(169.83)	(174.79)
Non-deductible expenses for tax purpose	200.45	143.54
Fair value changes of investments	(375.11)	226.73
Revenue from discontinued operations	(0.41)	(5.48)
Effect on deferred tax due to change in income tax rate	0.23	0.18
Mat credit entitlement	-	(28.39)
Others (Net)	181.84	(161.14)
Impact of differential tax rate	32.85	3.60
Current year and brought forward losses carry forwarded to subsequent year (net of adjustment)	(25.36)	(9.58)
Tax expense in respect of earlier years	-	(1.26)
Tax payable under section 115JB (MAT)	202.85	-
Total income tax expenses	**553.27**	**(490.09)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2021 (Contd.)

D) Movement of deferred tax assets and liabilities

Current year

(₹) in Lacs

Particulars	As at 1 April, 2020	Credit/ (Charge) in the statement of profit and loss	As at 31 March, 2021
Financial assets at fair value through profit and loss	235.03	(212.48)	22.55
Lease liabilities	203.14	(48.53)	154.61
Provisions	8.04	(0.19)	7.85
Disallowances	19.46	(19.46)	-
Carried forward tax losses	418.55	41.30	459.85
Property, plant and equipment and other intangible assets	(91.02)	(8.33)	(99.35)
Right of use assets	(203.31)	56.56	(146.75)
Net deferred tax assets	**589.89**	**(191.13)**	**398.76**

Previous year

(₹) in Lacs

Particulars	As at 31 March, 2019	Credit/ (Charge) in the statement of profit and loss	As at March 31, 2020
Financial assets at fair value through profit and loss	52.25	182.78	235.03
Lease liabilities	127.08	76.06	203.14
Provisions	21.15	(13.11)	8.04
Disallowances	-	19.46	19.46
Carried forward tax losses	-	418.55	418.55
Property, plant and equipment and other intangible assets	(76.82)	(14.20)	(91.02)
Right of use assets	(128.38)	(74.93)	(203.31)
Net deferred tax assets	**(4.72)**	**594.61**	**589.89**

E) Unrecognized deferred tax assets

Two subsidiary companies of the Group have not recognized the deferred tax assets in respect of the following items, because it is not probable that the future taxable profit will be available against which they can use the benefits therefrom

(₹) in Lacs

Particulars	As at 31 March, 2021	As at 31 March, 2020
Provisions	0.98	0.92
Disallowances	-	18.68
Carried forward tax losses	295.56	275.78
Property, plant and equipment and other intangible assets	0.42	0.16
Total	**296.96**	**295.54**

57. MATURITY ANALYSIS

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled.

Current year

(₹) in Lacs

Particulars	As at 31 March, 2021		
	Total	**Within 12 months**	**After 12 Months**
Assets			
Financial Assets			
Cash and cash equivalents	14,905.50	14,905.50	-
Bank balance other than above	18,674.20	15,925.66	2,748.54
Stock in trade (Securities held for trading)	-		
Trade receivables	6,690.30	6,690.30	-
Loans	2,767.22	2,767.22	-
Investments	2,883.42	0.11	2,883.31
Other financial assets	5,633.17	5,050.10	583.07
Total	**51,553.81**	**45,338.89**	**6,214.92**
Non Financial Assets			
Current tax assets (net)	189.20	-	189.20
Deferred tax assets (net)	398.76	-	398.76
Property, plant and equipment	2,897.88	-	2,897.88
Right of use assets	507.54	-	507.54
Capital work-in-progress	12.25	-	12.25
Intangible assets under development	17.00	-	17.00
Other Intangible assets	40.51	-	40.51
Other non-financial assets	867.37	475.69	391.68
Total	**4,930.51**	**475.69**	**4,454.82**
Total Assets	**56,484.32**	**45,814.58**	**10,669.74**
Liabilities			
Financial Liabilities			
Trade payable	11,692.74	11,692.74	-
Borrowings (other than debt security)	1,000.01	1,000.01	-
Deposits	169.18	-	169.18
Other financial liabilities	24,773.91	24,512.23	261.68
Total	**37,635.84**	**37,204.98**	**430.86**
Non-financial Liabilities			
Current tax liabilities (net)	70.13	23.63	46.50
Provisions	1,184.07	1,184.07	-
Other non-financial liabilities	954.38	954.38	-
Total	**2,208.58**	**2,162.08**	**46.50**
Total Liabilities	**39,844.42**	**39,367.06**	**477.36**
Net Assets	**16,639.90**	**6,447.52**	**10,192.38**

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Previous year

(₹) in Lacs

Particulars	As at 31 March, 2020		
	Total	**Within 12 months**	**After 12 Months**
Assets			
Financial Assets			
Cash and cash equivalents	9,699.22	9,699.22	-
Bank balance other than above	11,694.24	11,094.30	599.94
Stock in trade (Securities held for trading)	163.00	163.00	-
Trade receivables	5,343.06	5,343.06	-
Loans	1,910.41	1,910.41	-
Investments	1,555.46	131.62	1,423.84
Other financial assets	1,954.31	1,371.26	583.05
Total	**32,319.70**	**29,712.87**	**2,606.83**
Non Financial Assets			
Current tax assets (net)	192.20	-	192.20
Deferred tax assets (net)	589.89	-	589.89
Property, plant and equipment	3,041.01	-	3,041.01
Right of use assets	702.32	-	702.32
Capital work-in-progress	27.24	-	27.24
Intangible assets under development	-	-	-
Other Intangible assets	70.91	-	70.91
Other non-financial assets	1,122.44	466.73	655.71
Total	**5,746.01**	**466.73**	**5,279.28**
Total Assets	**38,065.71**	**30,179.60**	**7,886.11**
Liabilities			
Financial Liabilities			
Trade payable	12,239.79	12,239.79	-
Borrowings (other than debt security)	800.00	800.00	-
Deposits	176.74	-	176.74
Other financial liabilities	8,217.64	7,816.30	401.34
Total	**21,434.17**	**20,856.09**	**578.08**
Non-financial Liabilities			
Current tax liabilities (net)	54.50	30.03	24.47
Provisions	325.82	325.82	-
Other non-financial liabilities	967.01	967.01	-
Total	**1,347.33**	**1,322.86**	**24.47**
Total Liabilities	**22,781.50**	**22,178.95**	**602.55**
Net Assets	**15,284.21**	**8,000.65**	**7,283.56**

58. FINANCIAL INSTRUMENTS

Refer to financial instruments by category table below for the disclosure on carrying value and fair value of financial assets and liabilities.

Current year (₹) in Lacs

Particulars	Measured at			
	Amortised Cost	Fair value through P&L	Fair value through OCI	Total Carrying Value
Assets				
Financial assets				
Cash and cash equivalents	14,905.50	-	-	14,905.50
Bank balance other than above	18,674.20	-	-	18,674.20
Stock in trade (Securities held for trading)	-	-	-	-
Trade receivables	6,690.30	-	-	6,690.30
Loans	2,767.22	-	-	2,767.22
Investments (excluding associates)	-	2,780.18	-	2,780.18
Other financial assets	5,633.17	-	-	5,633.17
Total	**48,670.39**	**2,780.18**	**-**	**51,450.57**
Liabilities				
Financial liabilities				
Trade payables	11,692.74	-	-	11,692.74
Borrowings (other than debt security)	1,000.01	-	-	1,000.01
Deposits	169.18	-	-	169.18
Other financial liabilities	24,773.91	-	-	24,773.91
Total	**37,635.84**	**-**	**-**	**37,635.84**

Previous year (₹) in Lacs

Particulars	Measured at			
	Amortised Cost	Fair value through P&L	Fair value through OCI	Total Carrying Value
Assets				
Financial assets				
Cash and cash equivalents	9,699.22	-	-	9,699.22
Bank balance other than above	11,694.24	-	-	11,694.24
Stock in trade (Securities held for trading)	-	163.00	-	163.00
Trade receivables	5,343.06	-	-	5,343.06
Loans	1,910.41	-	-	1,910.41
Investments (excluding associates)	-	1,481.98	-	1,481.98
Other financial assets	1,954.31	-	-	1,954.31
Total	**30,601.24**	**1,644.98**	**-**	**32,246.22**
Liabilities				
Financial liabilities				
Trade payables	12,239.79	-	-	12,239.79
Borrowings (other than debt security)	80.00	-	-	80.00
Deposits	176.74	-	-	176.74
Other financial liabilities	8,217.64	-	-	8,217.64
Total	**20,714.17**	**-**	**-**	**20,714.17**

Fair value hierarchy:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimates using a valuation technique.

The investments included in level 1 of fair value hierarchy have been valued using quoted prices for instruments in an active market. The investments included in Level 2 of fair value hierarchy have been valued using valuation techniques based on observable market data. The investments included in Level 3 of fair value hierarchy have been valued using the income approach and break-up value to arrive at their fair value. There were no transfers between level 1 and level 2.

Current year

(₹) in Lacs

Particulars	Level 1	Level 2	Level 3	Total
Financial instruments				
Stock in trade : Equity Shares	-	-	-	-
Investment in				
Equity shares *	646.75	-	*refer note below	646.75
MF Units	0.11	-	-	0.11
AIF Unites	-	2,133.32	-	2,133.32
Total	**646.86**	**2,133.32**	**-**	**2,780.18**

Previous year

(₹) in Lacs

Particulars	Level 1	Level 2	Level 3	Total
Financial instruments				
Stock in trade : Equity Shares	163.00	-	-	163.00
Investment in				
Equity shares*	378.97	-	*refer note below	378.97
MF Units	131.62	-	-	131.62
AIF Unites	-	971.39	-	971.39
Total	**673.59**	**971.39**	**-**	**1,644.98**

* Investments under level 3 above include investment in unquoted equity shares of ₹ 50.05 Lacs whose fair value is considered as ₹ Nil based on the financial health of the investee Company.

I. Valuation techniques used to determine fair value
   - Quoted equity investments – Quoted closing price on stock exchange
   - Unquoted equity investments – Based on financial health of the investee Company.
   - Quoted mutual fund investments – Quoted closing NAV of respective schemes
   - Alternative Investment funds – net asset value of the scheme

II. Financial instruments not measured at fair value

   Financial assets not measured at fair value include cash and cash equivalents, trade receivables, loans and other financial assets. These are financial assets whose carrying amounts approximate fair value, due to their short term nature.

   Additionally, financial liabilities such as borrowings, trade payables and other financial liabilities are not measured at FVTPL, whose carrying amounts approximate fair value, because of their short term nature.

   At 31 March 2021 and 31 March 2020, the Group did not hold any financial liabilities which could have been categorized as level 3.

59. CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

(₹) in Lacs

Particulars	As at 1 April, 2020	Cash flows	Change in fair values	Others	As at 31 March, 2021
Borrowings	800.00	200.01	-	-	1,000.01
	As at 1 April, 2019	Cash flows	Change in fair values	Others	As at 31 March, 2020
Borrowings	2,175.03	(1,375.03)	-	-	800.00

60. REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group derives revenue primarily from share broking business. Its other major revenue sources are fees from research and advisory services, alternate investment fund management services and portfolio management services.

Disaggregate revenue information

(₹) in Lacs

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Brokerage fees	11,216.56	10,540.24
Research and advisory fees	1,117.00	318.22
Depository operations	83.68	62.52
Portfolio management fees	532.53	418.76
Alternate investment fund management fees	542.27	541.63
Total	**13,492.04**	**11,881.37**
India	13,249.07	11,726.50
Outside India	242.97	154.87
Total	**13,492.04**	**11,881.37**
Timing of revenue recognition		
Services transferred at a point in time	12,668.51	11,765.12
Services transferred over time	823.53	116.25
Total	**13,492.04**	**11,881.37**

Contract Balances

Trade receivables outstanding balance as on 31 March 2021 is ₹ 6690.30 Lac and as on 31 March 2020 is ₹ 5343.06 Lacs. (Also refer note : 10)

Information about the Group's performance obligation

The performance obligation in regards of arrangement where fees is charged per transaction executed is recognized at point in time when trade is executed.

Income from Portfolio management and alternate investment management fees is recognized as per the terms and conditions of the respective agreements.

Income from research, advisory and other services is recognized upon rendering of the services.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2021 (Contd.)

61. DISCONTINUED OPERATIONS

Profit / (loss) from discontinued operations consists of following two discontinued operations:

Emkay Wealth Advisory Limited (formerly Emkay Insurance Brokers Limited) which was engaged in the business of Direct Insurance Broking in terms of the provisions of the Insurance Regulatory and Development Authority Act, 1999 and the said business has been discontinued on and with effect from 22nd March, 2019.

Emkay Commotrade Limited which was engaged in the business of Commodity Exchanges Broking and the said business has been discontinued from 13th February 2019.

a) Financial performance

(₹) in Lacs

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Income	14.32	6.35
Expenses	14.91	27.43
Profit / (loss) before tax from discontinued operations	**(0.59)**	**(21.08)**
Tax expenses	-	-
Profit / (loss) after tax from discontinued operations	**(0.59)**	**(21.08)**

b) Book value of assets and liabilities

(₹) in Lacs

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Assets	37.25	40.40
Liabilities	7.02	21.36

c) Emkay Commotrade Limited, a subsidiary Company has received a Show Cause Notice dated 17 September 2019 under Regulation 28(1) of the SEBI(Intermediaries) Regulations,2008 in the matter of paired contacts transacted at National Spot Exchange Limited (NSEL) in which it had acted as broker asking as to why appropriate action should not be taken as per Regulation 28(2) of the SEBI Intermediaries Regulations 2008 concerning not treating it as a fit and proper person and cancelling certificate of registration granted to it . Emkay Commotrade Limited submitted a detailed reply in the matter denying all allegations and requested to grant an opportunity for personal hearing which is awaited and matter is pending for disposal. The Management do not expect any impact of the same on the subsidiary Company since it has already discontinued its business of commodity broking during 2018-19.

62. The list of entities consolidated as subsidiary in accordance with the Indian Accounting Standard (Ind AS) – 110 Consolidated financial statements and as associate in accordance with Indian Accounting Standard (Ind AS) – 28 – Investments in associates and joint ventures.

(₹) **in Lacs**

Name of Entities	Country of Incorporation	Proportion of ownership as at reporting date	Consolidated as
Emkay Fincap Limited	India	100%	Subsidiary
Emkay Investment Managers Limited	India	100%	Subsidiary
Emkay Wealth Advisory Limited (formerly Emkay Insurance Brokers Limited)	India	100%	Subsidiary
Emkay Commotrade Limited	India	100%	Subsidiary
Emkayglobal Financial Services IFSC Private Limited	India	100%	Subsidiary
Azalea Capital Partners LLP	India	45%	Associate of parent
Finlearn Edutech Private Limited	India	41.95%	Associate of a wholly owned subsidiary

63. Additional disclosure pertaining to Subsidiaries / Associates required under part III of division III of Schedule III to the Companies Act, 2013.

	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or (Loss)		Share in other comprehensive income		Share in total comprehensive income	
Name of the entity	**As % of Consolidated Net Assets**	**₹ in Lacs**	**As % of Consolidated Profit or Loss**	**₹ in Lacs**	**As % of Consolidated Other Comprehensive Income**	**₹ in Lacs**	**As % of Consolidated Total Comprehensive Income**	**₹ in Lacs**
Parent								
Emkay Global Financial Services Ltd.	78.57%	13,073.36	71.99%	801.46	107.25%	39.84	73.13%	841.30
Subsidiaries								
Emkay Fincap Ltd.	28.35%	4,716.61	23.15%	257.72	-2.71%	(1.01)	22.31%	256.71
Emkay Investment Managers Ltd.	11.65%	1,939.29	26.25%	292.25	0.67%	0.25	25.43%	292.50
Emkay Wealth Advisory Ltd.	1.21%	201.74	-1.07%	(11.91)	-1.05%	(0.39)	-1.07%	(12.30)
Emkay Commotrade Ltd.	4.05%	673.52	12.19%	135.74	1.13%	0.42	11.84%	136.16
Emkayglobal Financial Services IFSC Pvt. Ltd.	0.67%	111.76	-2.81%	(31.25)	-5.28%	(1.96)	-2.89%	(33.22)
Associate								
Azalea Capital Partners LLP	0.04%	6.41	0.50%	5.56	0.00%	-	0.48%	5.56
SubTotal	**124.54%**	**20,722.70**	**130.21%**	**1,449.57**	**100.00%**	**37.15**	**129.23%**	**1,486.72**
Adjustments arising out of consolidation	-24.54%	(4,082.80)	-30.21%	(336.27)	0.00%	-	-29.23%	(336.27)
Total	**100.00%**	**16,639.90**	**100.00%**	**1,113.29**	**100.00%**	**37.15**	**100.00%**	**1,150.44**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2021 (Contd.)

64. SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES/ ASSOCIATES/ JOINT VENTURES AS PER COMPANIES ACT, 2013 (AOC-1)

PART - A : SUBSIDIARIES

(₹) in Lacs

1	Serial Number	1	2	3	4	5
2	Name of Subsidiary	Emkay Fincap Ltd.	Emkay Commotrade Ltd.	Emkay Wealth Advisory Ltd.	Emkay Investment Managers Ltd.	Emkayglobal Financial Services IFSC Pvt. Ltd.
3	Reporting Period	31/03/2021	31/03/2021	31/03/2021	31/03/2021	31/03/2021
4	Reporting Currency	INR	INR	INR	INR	INR
5	The date from which became subsidiary	16/05/2005	05/01/2006	08/03/2007	08/06/2010	21/06/2018
6	Share Capital	2,200.00	850.00	410.00	900.00	150.00
7	Other Equity	2,516.61	(176.48)	(208.26)	1,039.29	(38.24)
8	Total Assets	5,803.66	686.58	207.43	2,128.66	149.71
9	Total Liabilities	1,087.05	13.06	5.69	189.37	37.95
10	Investments	434.74	-	-	305.20	-
11	Turnover/ Total Income	706.35	203.25	39.25	1,242.68	0.27
12	Profit Before Tax	446.50	164.56	(12.92)	365.95	(32.00)
13	Provision for Taxation	113.53	27.22	0.00	73.70	(0.75)
14	**Profit after Taxation**	**332.97**	**137.34**	**(12.92)**	**292.25**	**(31.25)**
15	Share of (Loss) from Associate	(75.25)	-	-	-	-
16	Profit from discontinued operations	-	(1.60)	1.01	-	-
17	Other comprehensive Income	(1.01)	0.42	(0.39)	0.25	(1.96)
18	**Total comprehensive income**	**256.71**	**136.16**	**(12.30)**	**292.50**	**(33.22)**
19	Proposed Dividend	Nil	Nil	Nil	Nil	Nil
20	% of Shareholding	100.00%	100.00%	100.00%	100.00%	100.00%

Notes

1. One of the subsidiaries of the Parent Company namely Emkay Global Financial Services Pte. Ltd. incorporated in Singapore is yet to commence the operations.
2. There are no subsidiaries which were liquidated or sold off during the year under review.
3. Turnover includes other income.
4. Percentage of shareholding is the effective shareholding.

PART – B : ASSOCIATE (ONLY COMPANY)

Name of associate	Latest audited balance sheet date	The date on which the associate was acquired or was associated	Equity shares of the associate held by the Company on the year end			Net worth attributable to shareholding as per latest audited balance sheet (in Lacs)	Profit/(loss) for the year
			Nos.	Amount of investment in associate (in Lacs)	Extent of holding %		Considered in consolidation (in Lacs)
Finlearn Edutech Private Limited	31/03/2021	31/12/2019	20,97,250	209.73	41.95%	92.34	(75.25)

There has been a significant influence due to percentage (%) of voting power.

Note

Disclosure is given only in case of associate company and not in case of other enterprise. The Group consolidates Azalea Capital Partners LLP as an associate by following equity accounting.

65. The Board of Directors of the Parent Company at their meeting held on May 20, 2021, have recommended a dividend of ₹1.00 per share (on face value of ₹10/- per equity share) for the year ended March 31, 2021, subject to the approval of it's members at the ensuing annual general meeting. In terms of Ind AS 10 "Events after the Reporting Period", the Group has not recognized divided as a liability at the end of the reporting period.

66. 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 Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group 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.

67. Previous year figures have been regrouped / reclassified / recasted / rearranged wherever necessary, to conform to this year's classification.

68. The Group's financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lac, except when otherwise indicated.

69. The novel coronavirus (COVID-19) pandemic continues to spread across the globe including India. COVID-19 has taken its toll on not just human life, but business and financial markets too. With substantial increase in COVID-19 cases across different parts of the country, governments have introduced a variety of measures to contain the spread of the virus, including, lockdowns, and restrictions on movement of people and goods across different geographies. Stock broking services, being part of Capital Market operations have been declared as essential services and accordingly the Group has faced no business interruption on account of the lockdowns. In case there is a disruption in the functioning of capital markets, the business of the Group may be affected. There has been no material change in the controls or processes followed in the closing of the financial statements of the Group. The management has, at the time of approving the financial statements, assessed the potential impact of the COVID-19 pandemic on the Group. Based on the current assessment, the management is of the view that impact of COVID-19 on the operations of the Group and the carrying value of assets and liabilities is minimal. The ongoing COVID-19 situation may result in some changes in the overall economic and market conditions, which may in turn have an impact on the operations of the Group.

70. Events after reporting date

There have been no events after the reporting date that requires disclosure in these financial statements.

71. The financial statements of the Group for the year ended 31 March, 2021 were approved for issue by the Board of Directors at their meeting held on 20 May 2021.

As per our report of even date

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 301003E/ E300005

per **Viren H. Mehta**
Partner
Membership No.048749

Place : Mumbai
Date : May 20, 2021

For and on behalf of the Board of **Emkay Global Financial Services Limited**

Krishna Kumar Karwa
Managing Director

Prakash Kacholia
Managing Director

Saket Agrawal
Chief Financial Officer

Bhalchandra Raul
Company Secretary

Place : Mumbai
Date : May 20, 2021

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Your success is our success

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