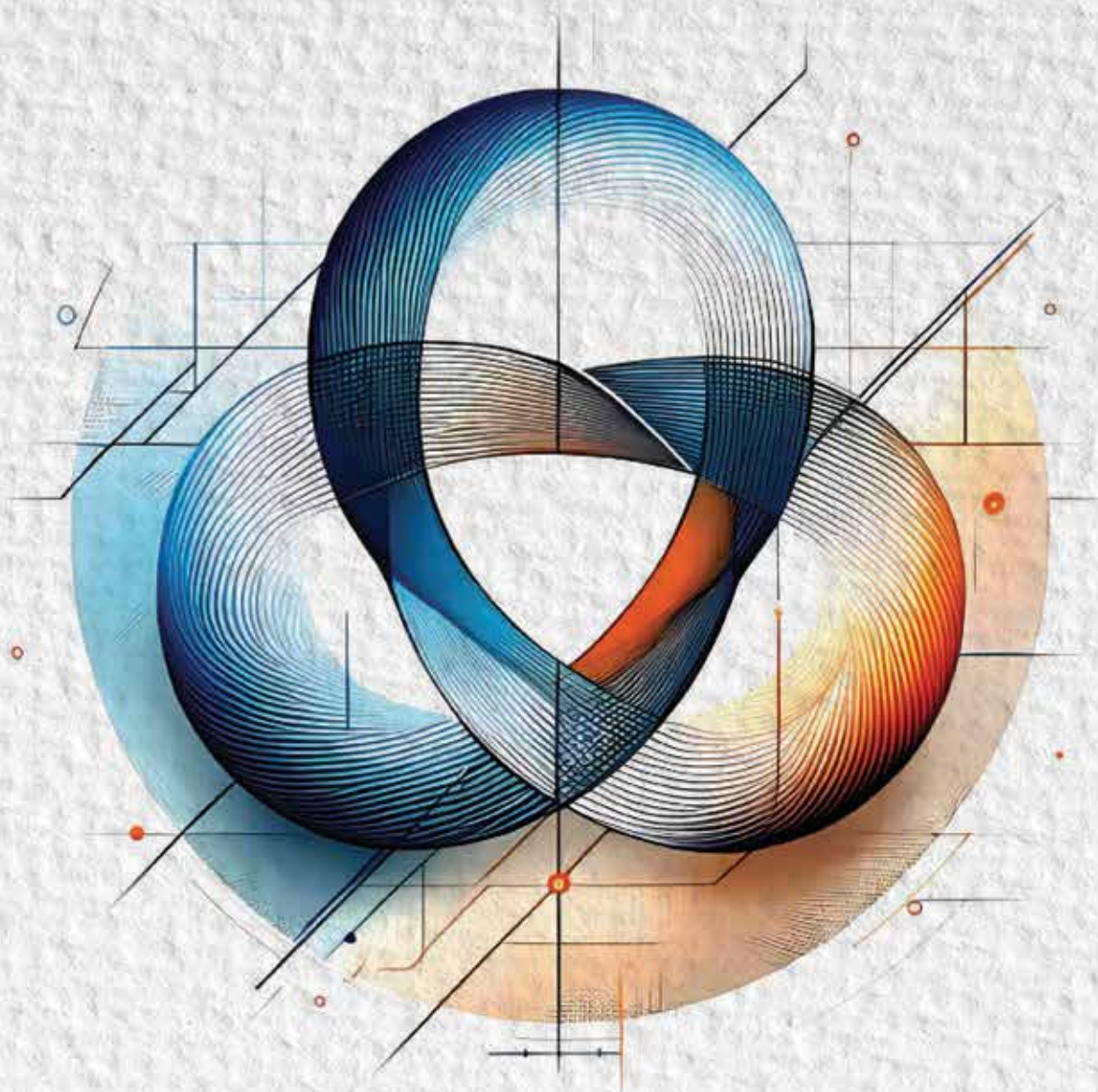


Annual Report **2023-24**

Emkay Global Financial Services Limited

**Emkay**®

Your success is our success



Trident of Growth  
**Technology. Process. People.**



# ACROSS THE PAGES

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For more investor-related information, please visit:  
<https://www.emkayglobal.com/investor-charter>



Scan this QR code to navigate  
investor-related information

#### INVESTOR INFORMATION

Market Capitalisation (as on 31 <sup>st</sup> March, 2024)	₹289 crore
CIN	L67120MH1995PLC084899
BSE Code	532737
NSE Symbol	EMKAY
Dividend Recommended	₹ 1.50 per share
AGM Date	8 <sup>th</sup> August, 2024
AGM Venue	Virtual

#### Disclaimer:

This document contains statements about expected future events and financials of Emkay Global Financial Services Limited ('Emkay', 'We', 'The Company'), 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.





# Trident of Growth

## Technology. Process. People.

In an age defined by rapid transformation, Emkay Global is committed to industry innovation with our theme for this year: 'Trident of Growth: Technology. Process. People.' This theme encapsulates our strategic vision, emphasising on a holistic approach to growth driven by cutting-edge technology, optimised processes, and empowered people.

Technology drives our transformation. We leverage advanced technologies, such as our upgraded trading platform and network bandwidth enhancements, to boost our operational capabilities and service delivery. Our continuous investment in technology, including cybersecurity initiatives and new trading algorithms, ensures we remain agile and competitive in a dynamic market landscape.

Process optimisation is the backbone of our efficiency. By refining and streamlining our processes, including the back-office application upgrades for faster trade processing, we achieve greater productivity, cost reduction, and improved efficacy. Our focus on process excellence, demonstrated by our enhanced network bandwidth and real-time risk management systems, sets new industry benchmarks.

People are at the heart of our success. At Emkay, empowering our employees through initiatives like the Employee Assistance Programme and continuous learning modules is crucial for sustained growth. Our culture of development ensures that our team is well-equipped to navigate the complexities of the modern financial landscape.

***As we embark on this journey of growth, we are confident that our Trident of Growth will propel us to new heights of achievement, reinforcing our position in the industry and helping us deliver unmatched value to our stakeholders.***

# Scaling New Heights

At Emkay, we have celebrated yet another year of remarkable success in 2023-24. Our achievements have been driven by a relentless commitment to innovation, optimisation of processes, and the dedication of our empowered workforce. These elements have enabled us to not only meet but also exceed industry standards, setting new benchmarks. As we continue to innovate and streamline our operations, our performance reflects an ongoing commitment to excellence and industry leadership.

## Operational Highlights



**43,500+**  
Total Client Base

**45%**  
Increase in broking revenue

**40** crore+  
No. of Orders Executed

**43%**  
Increase in Commodity Derivatives Volumes

**42%**  
Volume Growth in Equity Cash Business

Conducted business with  
**75+** FPIs

## Our Strengths

360-Degree Approach

Relationship Focus

Strong Promoters and Board

Significant Research Capabilities

Technologically Advanced Platforms





## 2023-24 - Year of All-Round Growth



₹ **37,544** crore  
Total Assets  
↑ 82% YOY

₹ **3,177** crore  
Wealth Assets  
↑ 42% YOY

₹ **902** crore  
PMS & AIF AUM  
↑ 38% YOY

₹ **33,465** crore  
DP/Broking Assets  
↑ 89% YOY

₹ **31,501** lakhs  
Revenue  
↑ 46% YOY

₹ **3,244** lakhs  
Profit After Tax  
↑ 130% YOY

**14%**  
ROE

₹ **24,088** lakhs  
Net Worth

₹ **289** crore  
Market Cap

₹ **13.16**  
EPS  
↑ 130% YOY

## Expanding Reach



**75+**  
Offices Pan India

**43,500+**  
Clients

## Dedicated Team



**513**  
Employees

₹ **37.59** lakhs  
Invested in Employee  
Training and Development

## Fostering Transparency and Trust with Investors



**43**  
Road Shows

**68**  
Group Calls/ Events/ Conferences

**186**  
Expert and Client Calls

MD'S MESSAGE

# Letter from the Managing Directors



“

Against this backdrop, we are delighted to share that Emkay demonstrated exceptional financial performance during 2023-24, with our consolidated revenue increasing by 46% year-on-year (YoY) to ₹ 31,501 lakhs, and the consolidated profit after tax (PAT) surging by an impressive 130% YoY to ₹ 3,244 lakhs.

”





## Dear Stakeholders,

In a year marked by challenges and opportunities, Emkay Global has demonstrated remarkable resilience and growth. We are pleased to present our Annual Report for 2023-24, highlighting our strong financial performance, strategic initiatives, and significant milestones. Despite global economic headwinds and market volatility, our commitment to excellence and adaptability has driven us forward.

### The Global Economic Landscape

The global economy exhibited resilient growth during the year. The IMF has projected a global growth rate of 2.8% for 2023 and 3.0% for 2024, driven by rapid expansion in emerging markets and developing economies. Central banks worldwide focussed their efforts on achieving targeted inflation levels, leading to elevated interest rates aimed at curbing price pressures. While these factors initially impacted market dynamics, their effects proved transient, and the overall market progress remained intact. Global inflation is forecast to decline steadily, from 6.8% in 2023 to 5.9% in 2024 and further to 4.5% in 2025. Advanced economies are expected to return to their inflation targets sooner than emerging markets and developing economies.

Source: [<https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024>]

### The Indian Growth Story

On the domestic front, the Indian economy continued its robust trajectory. It exceeded expectations, registering a robust provisional growth of 8.2% for 2023-24, surpassing estimates by economists who further anticipate continued

strong momentum for 2024-25.

According to data from the National Statistical Office (NSO) released on 31<sup>st</sup> May, 2024 the real gross value added (GVA) expanded by 7.2% in 2023-24, up from 6.7% in the previous fiscal year. This growth propelled India's economy to reach USD 3.5 trillion in 2023-24, marking significant progress towards the USD 5-trillion target set for 2025-26.

The year 2023-24 has showcased India's strength, exemplified by its record foreign exchange reserves reaching USD 645.6 billion as of 29th March, 2024. In parallel, India's equity market witnessed significant growth in 2023-24, with the total market capitalisation crossing USD 4 trillion during the year, ranking it as the fifth largest globally. The Sensex and Nifty 50 indices closed the year 2023-24, with impressive gains of 24.85% and 28.61%, respectively. The small- and mid-cap segments also surged by 70% and 60%, demonstrating strong investor interest and confidence in Indian equities. This growth was further bolstered by the addition of 1.8 crore new investors during 2023-24, indicating a broad-based bullish sentiment in the market.

The year also witnessed a robust inflow of foreign direct investment (FDI), totalling USD 17.96 billion, of which USD 11.54 billion was invested towards equity. Foreign portfolio investors (FPIs) played a key role by becoming net buyers of Indian stocks, investing ₹ 2.04 trillion (USD 24.46 billion). This marked the second-largest FPI investment since the post-pandemic market recovery in 2020-21. Concurrently, domestic mutual fund investors maintained their confidence, with assets under management (AUM) surpassing ₹50 trillion for the first time in 2023-24.

On another front, the portfolio management services (PMS) and alternative investment fund (AIF) industries have grown significantly in recent years. The PMS industry's AUM have more than doubled over a five-year period to ₹ 29 trillion in December 2023, while AIF assets saw a five-fold increase to ₹ 10 lakhs crore in the same period. Additionally, India emerged as the world's second most active space for equity capital market (ECM) transactions, showcasing a vibrant IPO market with 75 new issues raising ₹ 61,915 crore in 2023-24. This heightened activity underscores the growing confidence in India's markets and reinforces its status as a preferred investment destination globally.

### Financial Performance

Against this backdrop, we are delighted to share that Emkay demonstrated exceptional financial performance during 2023-24, with our consolidated revenue increasing by 46% year-on-year (YoY) to ₹ 31,501 lakhs, and the consolidated profit after tax (PAT) surging by an impressive 130% YoY to ₹ 3,244 lakhs. Our broking and allied services recorded revenues of ₹ 18,548 lakhs for the year 2023-24, reflecting an impressive growth of 45% YoY, while asset management services contributed ₹ 1,488 lakhs. Additionally, our wealth management services generated revenue of ₹ 1,173 lakhs, and other services, including treasury, reported ₹ 10,292 lakhs in revenue. This robust growth across all business verticals, is attributed to our strategic focus on the trident of growth i.e. our technology, processes, and people. Leveraging advanced technology, refining processes, and empowering our talented workforce enabled us to enhance operational efficiencies,

deliver superior client experiences, drive innovation, and maintain a competitive edge. This integrated approach has been instrumental in achieving our strong growth trajectory, and we remain committed to driving value for our stakeholders.

### Operational Performance

#### ● Institutional Equities:

Our institutional equities team organised several high-profile conferences, such as the Commercial Vehicle Conference 2.0, Emkay Confluence 2023, and the Digi Banking Conference. These events saw significant participation from industry leaders, facilitating over 3,700 meetings, and reinforcing our market presence. The institutional research team members also won top accolades at the Asiamoney Brokers Poll 2023.

#### ● Investment Banking:

We were merchant bankers to six equity fund raise transactions amounting to ₹ 5,811 crore across products like IPOs, QIPs, and private equity and advisor for an IPO amounting ₹ 405 crore. We also executed 2 other merchant banking transactions including a buyback and an open offer aggregating to more than ₹ 61 crore.

#### ● Asset Management:

Our asset management business continued to thrive, with PMS+AIF AUM growing 38% y-o-y to ₹ 902 crore. We also successfully completed the early distribution of proceeds from the Emkay Emerging Stars Fund-Series IV, achieving an impressive 20-25% XIRR for our unit holders. The asset management team

successfully transitioned to a vibrant new workspace on January 1, 2024, marking the beginning of an exciting chapter for the company.

#### ● Wealth Management:

Our wealth AUM increased 42% y-o-y to ₹ 3,177 crore during the year. We revamped our Emkay Wealth mobile app, now rebranded as 'Naavik.' We have enhanced the user experience to provide clients with better access to their portfolios and services.

#### ● Technological Advancements:

We rolled out a new trading platform, achieved DMA certification, and implemented several cybersecurity enhancements to safeguard our operations and ensure seamless service delivery. Our focus on technology also included upgrading our network bandwidth and back-office applications for improved performance.

#### ● People Practices:

To support the development and well-being of our employees, we launched 1to1 Help, a mental wellness programme, and the Voice of Employees feedback initiative. We also organised various training programmes and offsites to facilitate skill development and team bonding.

#### ● New Investment Products:

We introduced two innovative investment products: the Emkay Emerging Stars Fund - Series VI, a thematic-focussed multi-cap fund, and Emkay India's Golden Decade of Growth PMS strategy. These products are designed to capitalise on key themes such as

rising consumption, digitisation/AI, energy transition, financialisation of savings, and the growing strength of Indian manufacturing.

#### ● Industry Recognition:

We secured top ranks in the Asiamoney Brokers Poll, and Azalea Capital won the 'Best Sustainable Finance Deal 2023' award by FinanceAsia Achievement Awards for South Asia. These accolades underscore our industry leadership and commitment to excellence.

#### ● Corporate Citizenship:

Our commitment to social responsibility was evident through various CSR initiatives, including seed collection drives, book donation drives, participation in the Tata Mumbai Marathon, and hosting of a webinar to spread the word and support the families of India's brave martyrs. These activities highlight our dedication to community engagement and CSR.

### Technological Prowess and Cybersecurity

At Emkay, we have consistently worked to maintain a competitive edge by enhancing our technological capabilities and making strategic investments across various segments. Our efforts span from strengthening governance, augmenting our tech stack, and enhancing cybersecurity to building platforms for customer convenience among others across the entire value chain to which we cater. This year, we introduced a new hyper-converged platform and a trading platform within the exchange colocation facility. Additionally, we achieved DMA Certification on MCX, further bolstering our





technological infrastructure. To fortify our cybersecurity defences, we conducted regular vulnerability assessments and implemented a state-of-the-art Endpoint Detection and Response (EDR) platform.

### Our People, Our Strength

Our dedicated team, now comprising over 500 professionals, continues to be our most valuable asset. We firmly uphold the belief that nurturing our human capital is essential for our prosperity. This year, we reinforced our dedication to employee well-being and growth through impactful initiatives like the mental wellness programme tailored to address the holistic needs of our employees and their families.

Complementing this effort, comprehensive in-house training programmes were delivered through a robust Learning Management System (LMS). This empowered our workforce with opportunities for continuous skill development and cultivated a culture of lifelong learning within the Company.

### Robust Processes for Sustained Growth

Our strong growth is underpinned by robust and continuously improving processes across all business verticals. We have streamlined operations, optimised resource utilisation, and enhanced quality control measures. We engaged a reputed firm to carry out a management review for all our critical processes, leading to several automations and a reduction in errors. This helped us drive efficiencies and deliver superior client experiences. Rigorous risk management frameworks and adherence to best practices have enabled us to maintain

a competitive edge and sustain our growth trajectory.

### Community Engagement and Social Impact

This year, our dedicated team stayed committed to driving positive change through community engagement. Employees wholeheartedly embraced numerous CSR activities, leaving a lasting impact across diverse causes.

Environmental awareness led to initiatives like the seed collection drive, gathering over 800 mango seeds for an NGO supporting a sustainable ecosystem. As part of our efforts around educational empowerment, we conducted a book donation drive. Under this, we collected over 1,350 books and 850 notebooks for underprivileged students. Demonstrating our deep respect for those who have served the nation selflessly, we organised the poignant 'Veer Gatha' webinar to support the rehabilitation of martyrs' families. Through these endeavours, our team fostered a culture of giving back, empowering themselves as catalysts of positive change within our communities.

### Outlook: Capitalising on India's Economic Dynamism

India's robust economic growth, driven by favourable demographics, rising affluence, and rapid digital adoption, creates an ideal environment for the financial services sector. Emkay is well-positioned to harness these opportunities across all its business verticals. The youthful population and expanding middle class are fuelling the demand for diversified financial solutions. Digital transformation is enhancing accessibility and engagement with a broader investor base. Economic

expansion is spurring increased deal activity, benefitting our investment banking services. Emkay's client-centric approach, cutting-edge technology, and diversified portfolio strategically equip us to drive sustainable growth and capitalise on India's dynamic economic landscape.

### Commitment to Excellence

We reaffirm our strong commitment to all stakeholders, aiming to solidify our position as a leading financial service provider. We also strive to be the preferred employer, an innovative wealth generator, and a socially responsible entity. Our dedication to ESG principles is integral to our approach, ensuring sustainable growth and positive impact on our communities. Capitalising on our momentum, we remain dedicated to honing our capabilities and delivering consistent investment returns.

### Gratitude

We extend our heartfelt gratitude to our entire team and our esteemed Board of Directors for their unwavering support and guidance. Additionally, we extend our sincere appreciation to our stakeholders for their continued trust and confidence, which fuels our continuous growth year after year.

Best Regards,

**Krishna Kumar Karwa**

**Prakash Kacholia**

*Managing Directors*

## / ABOUT EMKAY GLOBAL /

# Embracing the Trident of Growth at Emkay Global

Emkay Global Financial Services Limited ('Emkay', 'We', 'The Company') is a leading diversified financial services group, providing a comprehensive range of solutions to meet the evolving needs of clients. Established in 1995, we have been actively creating wealth for clients through our extensive offerings spanning broking and allied services, wealth and asset management, and investment banking.

With a strong focus on research-backed financial advice, we have successfully served a wide variety of highly distinguished clientele worldwide. This includes foreign institutional investors, domestic mutual funds, hedge funds, banks, insurance companies, private equity firms, corporate houses, SMEs, and HNIs. Our approach combines strategic thinking with close attention to detail, ensuring individually tailored financial solutions to meet each customer's unique needs.

We have evolved from an institutional broking house into a diverse financial services provider, embracing the latest technology and backed by a strong 30-year legacy. Committed to integrating advanced technology, streamlined processes, and extensive expertise, we are deeply devoted to fulfilling the varied investment goals of our expanding client base.

We utilise cutting-edge technology to ensure that our clients experience a seamless and efficient investment journey. This further empowers them to confidently pursue their financial objectives. Our commitment to a broad spectrum of services allows us to serve a diverse client base, offering customised solutions that address each client's unique requirements.







## Our Mission



To provide our clients with secure, customised and comprehensive financial solutions to achieve sustained growth

## Our Vision



- Be amongst the top 5 securities players in India
- Deliver top-tier financial performance creating superior value for all stakeholders
- Ensure client comes first, all else follows
- Deploy cutting-edge digital solutions to impact the industry positively
- Be an employer of choice - 'a job here is never just a job'
- Be admired by all stakeholders

## Our Promise



Handing over the responsibility for one's finances involves immense trust. At Emkay, we go to great lengths to ensure we hold true to our client's expectations right from ensuring that every person from Emkay meets the set value proposition. We also recall Emkay's mission to be achieved collectively without forgoing values that the Company lives by



## Our Business Differentiators



### Human Capital

At Emkay, the foundation of our success lies in our exceptional team of professionals. They are the driving force behind our identity and the pillars that ensure our stability, agility, and proactiveness in serving clients. We are committed to prioritising their health, safety, and skill advancement. We aim to provide them with a collaborative and holistic working environment that fosters growth and well-being.



### Corporate Governance

We uphold complete transparency and accountability in our business operations, adhering to high standards of professionalism and ethics. Our commitment involves ongoing monitoring of our governance practices, with a dedication to pursuing comprehensive growth and fulfilling our responsibilities to both stakeholders and the environment.



### Sustainability

Throughout the wealth creation journey, we stand alongside our clients for the long term. Our approach, philosophy, and frameworks are all geared towards realising the financial goals of our clients by providing reliable and sustainable returns. Employing a disciplined and fundamentals-driven approach ensures the resilience of every portfolio, even during challenging times, and maximises the advantages of compounding.



### Technology

Our business places technology as a fundamental pillar, and we have consistently invested in digital assets over the years. With technology serving as the heart of our operations, we will continue to harness its power to provide added value to clients at every stage.





## Our Business Offerings



### Broking, Advisory, and Research

We provide an extensive array of financial services, featuring equity, commodity, and currency markets, spanning cash, futures, and options segments.



### Wealth Management

Estate planning and customised solutions with products across all asset classes.



### Investment/ Asset Management

Equity portfolio management and advisory services across all market caps – discretionary and non-discretionary, including AIFs.



### Investment Banking

In Emkay's investment banking portfolio, we provide ECM and corporate advisory services like buybacks and open offer, and advise clients to raise growth capital from public or private markets.

Through our **limited liability partnership (LLP) with Azalea Capital**, we possess the capability to structure and facilitate private financing for companies (in local or foreign currency). This helps us offer structured financing solutions for both performing and distressed companies.



### Financial Education

Facilitating financial education through FinLearn Academy (an EdTech focussed on training in financial markets).



## MILESTONES

# Achieving Milestones through Technology, Process, and People

At Emkay, our journey from an equity broking firm to a prominent player in the financial services industry showcases our continuous drive for excellence and commitment to delivering value to our stakeholders. Our milestones mark key achievements that have driven our growth, expanded our capabilities, and strengthened our position as a trusted industry partner.

**1995**

Incorporated

**1996**

Commenced equity broking on BSE

**1999**

Commenced equity broking on NSE

**2005**

Converted into a public limited Company

**2006**

- Successfully launched ₹75 crore IPO and listed on BSE/ NSE
- Incorporated and launched RBI-approved NBFC; commenced commodity broking

**2008**

Launched the investment banking business

**2012**

- Acquired own office space of 25,000 sq ft. in the heart of Mumbai
- Commenced currency broking







## 2024

Emkay Investment Managers inaugurated their dynamic new office space and successfully transitioned to it on 1st January, 2024

## 2022

Emkay Global was BRLM for 6 QIPs out of 28 QIPs concluded in 2021-22

## 2021

Incorporated Emkay Global Financial Services Pte Limited in Singapore; increased stake of Emkay Fincap in Finlearn Edutech Private Limited to 48%

## 2020

Acquisition of 27% stake in Finlearn Edutech Private Limited by Emkay Fincap Limited - 100% subsidiary

## 2019

Emkay Insurance Brokers Limited rechristened Emkay Wealth Advisory, to offer estate and succession planning services

## 2018


Incorporated EGFS IFSC for international financial services as a capital market intermediary

## 2017

- ◆ Tied up with DBS Vickers Securities for co-branding and distribution of Emkay Research
- ◆ Commenced operations as a 45% partner with Azalea Capital Partners

## / BUSINESS SEGMENTS /

# Growing in Strength through Our Varied Business Segments



At Emkay, we are dedicated to empowering clients with dependable financial solutions that actively create wealth through our technology-driven processes and seasoned professionals. Central to our approach is a profound understanding of our clients' needs and expectations. This is bolstered by our decades long experience in the financial services sector. Our team of highly experienced and knowledgeable professionals leverages cutting-edge technology and streamlined processes to diligently address the diverse requirements of our clientele. We offer tailored, research-backed solutions aligned with their aspirations. This potent combination of technology, process, and people ensures that we successfully serve our distinguished clientele worldwide.





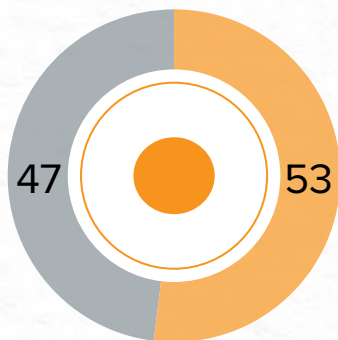
## Broking, Advisory, and Research



We excel in providing both institutional and non-institutional broking services. With an innovative research team and deep industry expertise, our operations stand strong amid continuous industry changes. Our services extend beyond the Indian markets to cover regions such as Europe, Singapore, the UK, and Hong Kong, among others.

### Growth Drivers

- Leveraging AI and data analytics for predictive market behaviour and personalised investment strategies enhances service offerings and operational efficiency.
- The proliferation of online trading platforms and mobile apps has made trading accessible to a wider audience, boosting investor engagement significantly.
- Government and regulatory bodies' support for financial innovation encourages the development of new financial products and services, enhancing market competitiveness.



● Contribution from  
Non-Institutional Clients (in %)

● Contribution from  
Institutional Clients (in %)

### Did You Know?

Non-institutional investors have added ₹61,430 crore in Indian equity markets so far in 2023-24. This has reversed the trend of outflows in the quarter ended December and surpassed the 2022-23 inflows by nearly twelvefold.



### Institutional Equities

Our institutional equities division spans multiple markets, including Europe, Hong Kong, India, Singapore, Taiwan, the UK, and the US. We serve a diverse clientele, including Mutual Funds, Insurance Companies, Banks, FPIs, Family Offices, Global Hedge Funds, and AIFs, providing customised solutions to meet their distinct needs. Guided by independent thinking, strong fundamental research, long-term client relationships, and speedy execution using robust technology, our equity research, sales and sales trading, and corporate access teams work in sync to deliver the best results, adding value for our investors.

43  
Road Shows

186  
Expert and Client Calls

68  
Group Calls/ Events/  
Conferences

#### Pillars of Excellence

Our Institutional Equity Team operates on four key pillars:

- ◆ Independent and innovative thinking
- ◆ Building strong and long-term relationships with clients
- ◆ Speedy execution using robust technology
- ◆ Strong fundamental research

### Conferences Organised

#### Virtual Commercial Vehicles Conference



5  
Companies

67  
Funds

100  
Individual Participants

150  
Meetings

#### Emkay Confluence 2023



152  
Companies

142  
Funds

596  
Individual Participants

3,256  
Group Meetings

#### Digi Banking Conference 2023



12  
Companies

71  
Funds

107  
Individual Participants

291  
Group Meetings

86  
Analysts





## Non-Institutional Equities

Our non-institutional equities division is dedicated to serving Indian as well as NRI clients globally. Within this segment, we cater to a diverse clientele including corporates, high-net-worth individuals (HNWIs), family offices, private equity firms, and trusts. To ensure efficient service delivery, we have strategically established a network of branches across the country, enabling us to effectively meet the needs of our valued clients. Through our extended reach to various client profiles, our goal is to offer personalised solutions and cultivate enduring relationships founded on trust and expertise.

**75+**  
Offices Pan-India

**43,200+**  
Non-Institutional Clients

### Pillars of Excellence

Our Non-institutional Equity Team operates on the following key pillars:

- ◆ Deep understanding of client needs
- ◆ Building and maintaining strong client relationships
- ◆ Providing innovative and bespoke investment products
- ◆ Focus on long-term wealth creation

## Equity Research

Our research capabilities, widely recognised and acclaimed across the industry, provide added value to investors seeking opportunities in the Indian capital markets. Our award-winning equity research team excels in identifying mid-tier companies early on, allowing investors to unlock value and generate strong long-term returns. Additionally, we offer diverse quantitative analyses, including cost of carry, put-call ratio, and implied volatility. Our sales and sales trading teams cultivate client relationships, offering personalised advice and executing trades with market expertise. Meanwhile, our corporate access team facilitates direct engagement with key industry stakeholders, providing investors with valuable market insights. Emkay Research is also renowned for its bespoke research, tailored to meet individual client requirements.

### Our research is largely divided into:



### Perspective Research



Emkay's Perspective Research division provides comprehensive insights into economic movements, companies, and sectors impacting your investments at both macro and micro levels.

#### Thematic Research

Our analysts identify key themes and factors influencing investments, thoroughly examining each aspect, from broad economic trends to local micro-economic behaviours.

#### Economy and Strategy

Our experienced team analyses economic drivers, publishes reports on fiscal policy, commodity prices, and currency fluctuations.

### Corporate Research



Our team meticulously analyses organisational hierarchies, financial holdings, and ownership structures of handpicked companies to analyze their financial attractiveness and rate them as potential investment avenues

#### Sector Research

We provide comprehensive sector reports, including forecasts, historical performance analyses, and assessments of Government policies, empowering clients to make informed investment decisions.

#### Bespoke Research

Our customised reports delve deep into individual stock performance, project future outcomes, and unearth hidden insights, enabling clients to make informed and actionable investment decisions.

### Alternative Research



Emkay Research conducts diverse quantitative research studies, offering timely reports on topics like Cost of carry, Put-call ratio analysis, Volume and open interest analysis, Implied volatility analysis, and more.

Our research team also publishes buy or sell recommendations based on technical indicators such as index and stock options activities, algorithmic trading, delivery volume, and trading volume trends.

### Our performance is led by three pillars:



**190** Companies  
Fundamental Equity Research

**16**  
Sectors

**34**  
Research Analysts

### Commodities and Currency

Emkay is proud to be a member of the prestigious Multi Commodity Exchange (MCX). This enables us to provide comprehensive services in the commodities market. During the year we conducted business with more than 75 FPIs and we are investing further in commodity related technology reflecting our confidence in the expanding opportunities in this domain.





## Investment Banking



Emkay Investment Banking is a mid-market focussed, product agnostic platform. We advise clients to raise growth capital from either public or private markets. We also provide ECM advisory services like buybacks, open offer, and delisting, among others.

In the recent past, Emkay Investment Banking has been successful in getting high quality investors to invest in listed companies without any meaning institutional investor participation.

₹ 405 crore

Advisor to IPO for Senco Gold Limited

₹ 200 crore

Sole Merchant Banker for QIP for Vishnu Chemicals Limited

₹ 55 crore

Merchant Banker for Buyback for Ashiana Housing Limited

₹ 4,000 crore

Merchant Banker for QIP for the Indian Bank

₹ 750 crore

Merchant Banker for QIP for the J&K Bank

₹ 500 crore

Sole Merchant Banker for QIP for JK Tyres & Industries

₹ 251 crore

Merchant Banker for IPO for JG Chemicals

₹ 6 crore

Merchant Banker to Open Offer for Daikafill Chemicals

₹ 110 crore

Private Equity Deal for Biodeal Pharmaceuticals

Our professional investment banking team, with deep mid-market corporate sector understanding, provides strategic and financial advisory services. Strong regulator and stakeholder relationships enhance our offerings.

We provide tailored solutions for clients' unique needs. Senior management takes a hands-on approach in transaction execution, ensuring meaningful client engagement. We have built a reputation for successfully closing deals in the small and mid-sized company segment, fostering long-term relationships, and delivering consistent value.



## Our Offerings under the Investment Banking Services



### Public Market

Initial Public Offer (IPO)/Follow on Public Offer (FPO)

Qualified Institutional Placement (QIP)

Preferential Issue/PIPE



### Private Market

Growth Capital for Private Companies

Private Equity Exits

Private Equity Buyouts



### ECM and Corporate Advisory

Advisory Services on Buyback, Delisting, Open Offer, Promoter OFS, Rights Issue

Domestic as well as Cross Border M&As

Corporate Restructuring and Structured Financing

## Wealth Management



At Emkay, we offer a comprehensive range of wealth management solutions tailored to our clients' unique needs. Through Emkay Wealth Management Services, we go beyond conventional investments and embrace innovative alternatives. Led by our experienced team, we develop and implement robust financial strategies aligned to clients' objectives, risk tolerance, and market dynamics.

With over two decades in the financial services sector, we provide tailored financial planning, profitable investment options, and effective asset management techniques. Our deep market knowledge, honed through years of experience, establishes us as a reliable partner dedicated to fostering sound financial growth. We understand the challenges of money management and offer expert guidance to help clients meet their financial goals and maximise returns on investment.







## Growth Drivers

- India's manufacturing sector is witnessing stellar growth in the past few years due to various reasons - the government's thrust being the key to it.
- Rise of startups and unicorns driving demand for IPOs, private equity, and venture capital financing through investment banks.
- Large-scale financing needs for India's infrastructure development plans and burgeoning real estate market fuelling investment banking services.
- Government's focus on sustainable energy creating opportunities for project financing and advisory services by investment banks.

### Did You Know?

The Indian investment banking market is set to reach an estimated market size of USD 2.5-3 billion by 2026 at a remarkable CAGR of 12-15% over the next 5 years.



## Pillars of Excellence

### Strong Collective Force

Our team of efficient analysts monitors dynamic money markets to provide clients with the best solutions for healthy financial growth.

### Simplifying Financial Life

Our structured framework and thorough research help us provide holistic financial solutions including loans, investments, and asset allocation.

### Sound Advisory

Our capable wealth advisors provide sound advice tailored to meet your personal financial goals and expectations at every step.

### Innovative Platform

We offer a creative amalgamation of in-house products, credit, and third-party platforms, allowing you to choose from the best options.

### Adroit Professionals

Our team of skilled professionals works in a dynamic environment to deliver innovative and beneficial financial solutions.

### Flawless Digital Integration

We seamlessly integrate modern financial technology to provide you with an exceptional and streamlined experience.

## Seamless Wealth Management Process

Our position as a leading player in financial services motivates us to deeply understand our clients' specific needs and objectives. We are dedicated to implementing thoroughly researched wealth solutions, while consistently reviewing and adjusting portfolios as required.

Through our wealth management segment, we offer a diverse range of services. These include client risk assessment, evaluation of existing portfolios, asset distribution, portfolio construction, and ongoing performance evaluation, monitoring, and adjustments. Moreover, we extend transactional support, management information systems (MIS), informational assistance, and advisory services to all our clients, spanning from UHNWIs to family offices and corporate treasuries.

Emkay Wealth Advisory Limited, a subsidiary of the Company, specialises in estate and succession planning services under the brand Emkay Wealth and is registered as an Investment Adviser. To ensure our clients remain well-informed about market developments, our research team consistently publishes articles covering the economy, markets, and various asset categories.

The effectiveness of Emkay Wealth is rooted in its systematic approach to distribution, product development, client selection, asset allocation, and technology integration.

### Growth Drivers

- A significant increase in HNIs and UHNIs, driven by India's burgeoning middle class and entrepreneurial ecosystem, has fuelled the demand for professional wealth management services.
- Digitalisation, including fintech solutions, mobile apps, and AI/ML algorithms, has transformed wealth management by providing convenient, efficient, and personalised solutions.
- Investors' growing interest in alternative asset classes like private equity, venture capital, and real estate, along with a focus on sustainable investing (SRI/ESG), has prompted wealth managers to expand their offerings.

### Did You Know?

India's (UHNWI) population is projected to experience a remarkable surge of 58.4% over the next five years. Estimates suggest that this segment will grow from 12,069 UHNWIs in 2022 to an impressive 19,119 individuals by 2027, reflecting the rising wealth creation in the country.







## Key Highlights

Manages ₹3,177 crore assets under advisory and distribution for mutual funds

Emkay Wealth emerged from being a start-up wealth business to operate across 10 locations in less than 3 years

Tie up with Stockal provides clients the option of investing in the US equity markets

Undertakes regular and stringent monitoring of portfolios

Offers the facility to view portfolio online on the website and an intuitive mobile app

Provides monthly updates on mutual fund holdings and portfolio reviews

Published research reports:

**Navigators:** A monthly roundup on the economy, markets, mutual funds, PMS, estate and succession planning

**FinSights:** Economy updates

Delivers products through advisory as well as distribution mechanisms

Organised roadshows with fund managers for Emkay India's Golden Decade of Growth Fund during the year

Revamped the Emkay Wealth mobile app for clients with a fresh look as Naavik

10

Branches

91%

YOY  
Rise in Number of  
Transactions

2,579

Clients

₹ 1,173

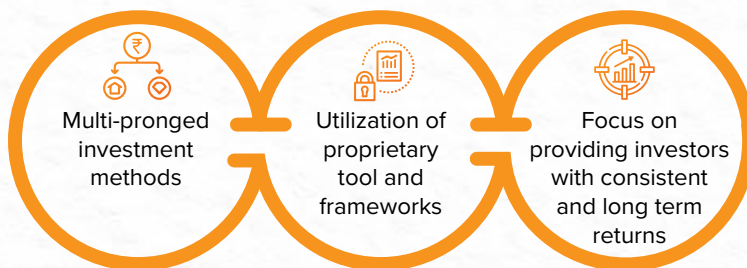
lakhs  
Revenue



## Asset Management

Emkay's Asset Management division, operating under the SEBI-registered Emkay Investment Managers Limited (EIML), offers a comprehensive range of investment opportunities tailored to the diverse needs of family offices, HNIs, corporations, NRIs, insurance companies, trusts, and private equity firms. With AUM exceeding ₹ 900 crore, we provide both PMS and AIFs. Our investment strategies are rooted in in-depth research, focussing on sectors and companies with promising growth prospects. Celebrating over 10 years in the industry, our expertise spans the Indian equity market, from blue-chip large-cap funds to emerging small caps, with a disciplined, fundamentals-driven approach ensuring portfolio resilience and long-term growth. We are supported by an experienced equities research team and advanced trading technologies. This helps us in delivering tailored investment solutions, real-time research advisory, and client-centric features to meet the unique financial goals of our esteemed clients.

### Our Approach



### Our Asset Management Arm



- Offers PMS and AIFs
- Research backed investments in sectors and companies with secular growth outlook
- Ability to carve products based on client requirements







Some highlights from the performance of our asset management segment are as follows:

1

The Emkay Emerging Stars Fund - Series IV achieved impressive, annualised returns (XIRR) of 20.3% for Class A1 units and outperformed benchmark indices BSE 250 Smallcap (17.4%) and BSE Small Cap (19.0%) since its inception on 13th August, 2021 till the final distribution date of 15th November 2023.

2

Emkay Investment Managers' dynamic new office space was meticulously prepared and seamlessly inaugurated during the year. The team successfully transitioned to this vibrant workspace on 1st January, 2024, marking the beginning of an exciting new chapter for the Company.

3

During the year, we launched two new investment strategies: the Emkay Emerging Stars Fund - Series VI (AIF Category III), a thematic-focussed multi-cap fund, and Emkay India's Golden Decade of Growth, a PMS strategy.

500 +  
Clients

₹ 900 crore+  
AUM

#### Growth Drivers

- India's equity bull run gave a boost to the asset management industry. Continued economic expansion and equity market recovery will fuel growth in mutual funds and institutional investments. Strong economic and market performance is crucial. The emergence of new asset classes like venture capital and private equity is boosting growth.

#### Did You Know?

The Indian asset management industry has witnessed remarkable growth, with the total AUM reaching a staggering ₹ 58.91 trillion (₹ 58.91 lakhs crore) as of 31st May, 2024. Additionally, the industry boasts an impressive 18.60 crore (186 million) in the total number of accounts or folios.

## Approach Underlining Our Investment Portfolios

### E-QUAL

Our unique governance module, E-QUAL, is a patented system designed to evaluate companies based on both qualitative and quantitative criteria.

- E-QUAL assesses management based on factors such as capability, integrity, and wealth distribution ability, among others.
- As the first-of-its-kind evaluation framework in the country, E-QUAL quantifies and objectively evaluates the governance aspect of management quality.
- It facilitates the identification and avoidance of risky stocks within portfolios.
- E-QUAL strengthens and distinguishes the conventional alpha strategy.

## Our Investment Strategies

### Emkay Emerging Stars Fund -Series VI

#### Fund Overview

An AIF designed to achieve long-term capital growth for investors through thematic-focused multi-cap investments.

#### Investment Philosophy

Guided by the belief that India, with a per capita income of USD 2300 in 2023, is at an inflection point and poised for a golden decade ahead. The fund identifies five key themes expected to experience accelerated growth, creating superior bottom-up stock-picking opportunities.

#### Key Themes

- **Digital Transformation:** Leveraging advancements in technology and the increasing adoption of digital solutions across various sectors.
- **Consumer Discretionary:** Benefitting from rising disposable incomes and evolving consumer preferences.
- **Healthcare Innovation:** Focussing on companies at the forefront of medical advancements and healthcare delivery improvements.
- **Financial Inclusion:** Investing in financial services and products that enhance access to banking and financial resources.
- **Sustainable Development:** Prioritising investments in companies committed to sustainable practices and environmental responsibility.

#### Benchmark

The NSE 500 Index serves as the benchmark for the fund.

#### Strategic Approach

Utilises a rigorous research methodology to select equities, focussing on companies with strong growth prospects and robust fundamentals. The fund emphasises long-term investing with a buy-to-hold strategy, low portfolio churn, and patience before and after investing.







## Emkay Capital Builder

### Fund Overview

Emkay Capital Builder is a multi-cap portfolio designed to identify companies with the potential to build wealth over an investment horizon of 3-5+ years. The strategy considers the top 600 companies (by market cap) as its universe, guided by a well-defined portfolio construction discipline to filter stocks based on strict limits and a three-pronged investment process.

### Investment Framework

- ◆ **Long-Term Investing:** Emphasises on a buy-to-hold strategy, maintaining low portfolio churn, and exercising patience both before and after investing.
- ◆ **Conviction and Patience:** Focusses on achieving absolute returns with a strong emphasis on the purchase price, ensuring that investments are made at favourable valuations.
- ◆ **Compounding:** Aims to generate sustainable wealth through the power of compounding, selecting investments that offer consistent growth over time.
- ◆ **Research-Backed Investments:** Relies on thorough research and a process-oriented approach to identify high-potential opportunities.
- ◆ **Focussed Portfolio:** Maintains allocation discipline to avoid concentration risk, ensuring a balanced and diversified portfolio.
- ◆ **Avoiding Mistakes:** Avoids investments in companies with unscrupulous promoters/management, businesses becoming irrelevant, highly leveraged companies, and those with euphoric valuations.

### Investment Theme

- ◆ **Bottom-Up Stock Picking:** Utilises a bottom-up stock-picking strategy to identify businesses offering robust growth prospects and intrinsic value at a reasonable price.
- ◆ **E-QUAL Model:** Employs in-house tools like E-QUAL, India's first governance-dedicated stock-picking model, to mitigate risks related to management quality and ensure investments in companies with strong governance practices.

## Emkay GEMS

### Fund Overview

The key objective of the Emkay GEMS portfolio is to achieve medium to long term capital appreciation by investing in 20 equi-weighted mid-cap stocks. The fund manager uses a buy and hold strategy while focussing on companies with wider economic moat and dominant position in their sector to deliver wealth creation.

### Investment Theme

Emkay GEMS seeks to drive growth from enterprises and sectors which are slated to benefit from value migration, domestic consumption, and efficiency outliers. The fund focuses on delivering risk-adjusted returns and avoids over-diversification. It offers low volatility, high liquidity, and low portfolio turnover. The quality filters keep out low-quality, high-risk companies, to minimise portfolio risk.

- **Value Migration:** The framework tries to identify industries where value migration is underway and helps pick potential winners early.
- **Domestic Consumption:** Companies that have the potential to benefit from the growth in GDP and the impact on domestic consumption-driven sectors.
- **Efficiency Outliers:** Companies that are comparatively more efficient than their peers with respect to utilisation of assets, value-added products, return generated on the capital, etc.

Since this is a mid-cap portfolio, we also use the E-Equal Risk module to ensure that only the best-governed companies cut into the investment universe.

## Emkay India's Golden Decade of Growth

### Investment Objective

The investment objective of Emkay India's Golden Decade of Growth strategy is to achieve long-term capital appreciation. This will be done by investing in companies driven by major growth themes such as rising consumption, digitalisation/AI, energy transition, financialisation of savings, and the increasing prowess of Indian manufacturing.

### Investment Theme

Emkay India's Golden Decade of Growth is a multi-cap portfolio built on the dominant growth themes projected for the upcoming decade. The strategy aims to capitalise on long-term growth to achieve capital appreciation through investment in companies driven by:

- **Rising Consumerism:** Leveraging the increasing spending power of Indian consumers.
- **Digitalisation/AI:** Investing in companies at the forefront of the AI and digital technology wave.
- **Energy Transition:** Supporting green energy initiatives for sustainability and net-zero goals.
- **Financialisation of Savings:** Benefitting from the rise in savings aligned with growing per capita income.
- **Manufacturing Prowess:** Harnessing India's emergence as a manufacturing powerhouse.

### Portfolio Structure

- **Flexicap Strategy:** The portfolio includes 25-30 stock picks across small-, mid, and large-cap segments, providing flexibility in stock weightage.
- **Performance Benchmarking:** The strategy's performance is benchmarked against the Nifty 500 TRI, ensuring alignment with broad market trends.
- **Trending Opportunities:** Focusses on seizing trending opportunities in sectors poised for substantial growth, making it a timely and strategic investment choice.

### Strategic Approach

The strategy employs a rigorous research methodology and disciplined investment process to identify companies with significant growth potential.





## Emkay Pearls

### Investment Objective

Emkay Pearls aims to create wealth over an investment horizon of 2 to 3 years through a robust and research-backed equity portfolio. The strategy focusses on 15-20 stocks in the mid- and small-cap space. It follows a unique Bargain Hunting method to spot potential stocks at low current valuations, which would deliver superior returns in the long term.

### Investment Framework

- Long-Term Focus: Prioritises investments with a 2- to 3-year horizon, allowing time for the true value of the stocks to emerge.
- Bargain Hunting: Identifies stocks with low current valuations that are poised for significant appreciation.
- Research-Backed Selection: Utilises thorough research to back every investment decision, ensuring a data-driven approach.
- Mid- and Small-Cap Focus: Concentrates on mid- and small-cap stocks, where growth potential is often higher.
- Risk Mitigation: Employs in-house tools like E-QUAL, India's first governance-dedicated stock-picking model, to mitigate risks related to management quality.

### Investment Theme

Using a bottom-up stock-picking strategy, the Emkay Pearls portfolio follows a 100% research-backed methodology and focusses on individual companies with established management and business track records. The strategy aims to:

- Identify Good Companies at Attractive Prices: Target companies available at attractive prices due to sector or business headwinds.
- Spot Companies at Inflection Points: Identify companies at critical points in their business cycles, where they are poised for significant growth.
- Leverage In-House Tools: Utilise E-QUAL to assess and mitigate risks associated with management quality, ensuring that investments are in well-governed companies.

### Portfolio Structure

- Concentrated Approach: Focusses on a select portfolio of 15-20 mid- and small-cap stocks, allowing for intensive analysis and high conviction in each investment.
- Benchmark Alignment: Uses the BSE 500 TRI as the benchmark, ensuring that the portfolio's performance is measured against relevant market standards.



## VALUE CREATION MODEL

# Growing in Strength through a Robust Value Creation Model

## Inputs

**FINANCIAL CAPITAL**

Our robust financial capital base, consisting of equity, is strategically utilised to generate superior returns for our valued investors. By optimising our capital allocation, we aim to enhance investment potential and deliver exceptional outcomes.

₹ 24,088 lakhs  
Capital Employed

₹ 2,469 lakhs  
Equity Share Capital

**SERVICE CAPITAL**

Combining a network of physical offices, advanced technology, and digital platforms, we enrich customer experiences and ensure efficient, high-quality service delivery to meet diverse client needs.

75+  
Total Offices pan-India

16  
Sectors and  
190  
Companies Research Coverage

**HUMAN CAPITAL**

Our diverse team of skilled professionals provides expert guidance and personalised support. Continuous development and training programmes ensure our employees remain at the forefront of industry advancements.

513  
Total Number of  
Employees

23% Female  
Employees  
Diversity Ratio

₹ 37.59 lakhs  
Employee  
Development Cost

**INTELLECTUAL CAPITAL**

Leveraging cutting-edge technology infrastructure, comprehensive knowledge management systems, and ongoing innovation, we stay ahead in delivering superior solutions to our clients.

11  
Technology  
Enhancement  
Initiatives  
Undertaken

7  
Trading Technology  
Platforms

7  
Technology Enhancement  
Initiatives Ongoing

**SOCIAL AND RELATIONSHIP CAPITAL**

Through long-term relationships with clients, partners, and stakeholders, we foster trust and satisfaction, driving mutual growth and value beyond financial returns.

₹ 31 lakhs  
CSR Activities  
Investment

₹ 53,932 lakhs  
Taxes Paid

60+ Total Number  
of Franchise Partners

**NATURAL CAPITAL**

Committed to sustainable practices, we manage our environmental footprint through energy conservation, waste reduction, and education initiatives to ensure long-term ecological benefits.

- Decommissioning old servers, network equipment and replacing them with newer ones.
- Utilize efficient servers, storage devices, and networking equipment.
- Implemented server virtualization to increase hardware utilization rates.
- Implementing critical infrastructure into global standard datacentre that have efficient cooling systems, and advanced power distribution systems like UPS.
- Regular maintenance and upgrades to hardware to ensure optimal performance and energy efficiency.

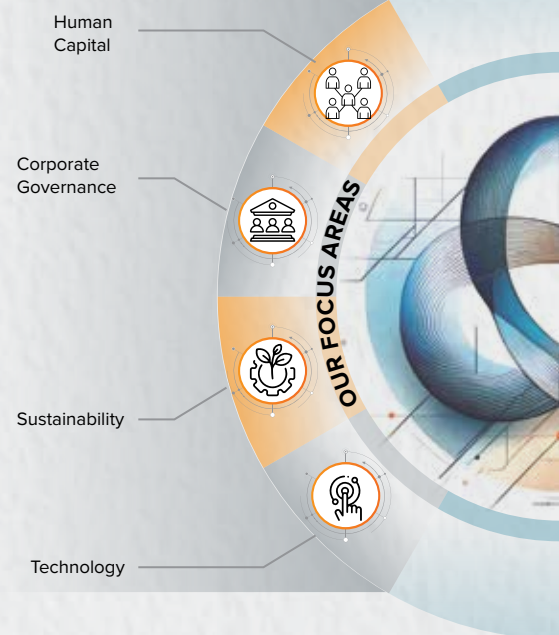
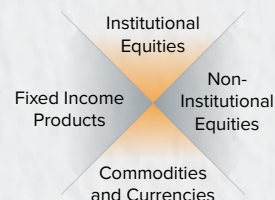
## Value Creation

**OUR MISSION**

To deliver secure, personalised, and comprehensive financial solutions, fostering sustained growth and prosperity for our clients.

**OUR PROMISES**

Handing over the responsibility for one's finances involves immense trust. At Emkay, we go to great lengths to ensure we hold true to your expectations right from ensuring that every person from Emkay meets the set value proposition, and recall Emkay's mission to be achieved collectively without forgoing values that the Company lives by.

**OUR INVESTMENT OFFERINGS**





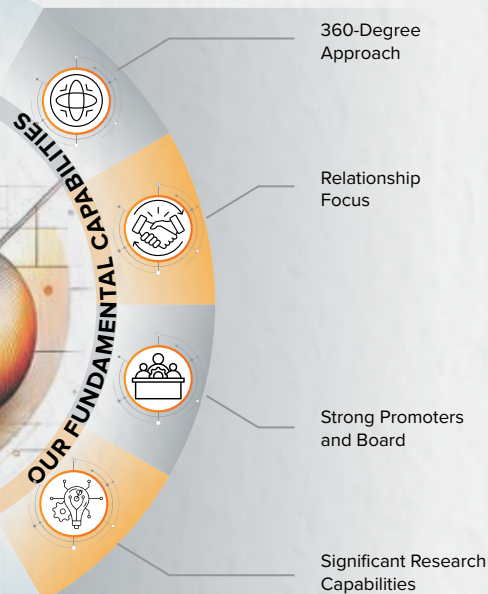
## Output

## SDGs Impacted



## OUR VISION

- ◆ To rank among the top 5 securities players in India.
- ◆ To achieve superior financial performance, creating significant value for all stakeholders.
- ◆ To leverage digital innovations for impactful industry transformation.
- ◆ To be an employer of choice, where a job is more than just a job.
- ◆ To uphold compliance and ethical standards at all times.



## RETURN TO SHAREHOLDERS AND INVESTORS

₹ <b>31,501</b> lakhs Revenue ▲ (46% Growth)	₹ <b>13.16</b> Earnings Per Share ● (130% Growth)
₹ <b>3,244</b> lakhs PAT ● (130% Growth)	<b>14%</b> RoE
₹ <b>1.50</b> Dividend Per Share	



## CLIENTS

<b>43,500+</b> Number of Clients
₹ <b>37,544</b> crore Assets Under Management
₹ <b>7,089</b> billion Equity Market ADTO (Annual)



## EMPLOYEES

₹ <b>61.41</b> lakhs Average Revenue per Employee	<b>9.5</b> hours Training Hours per Employee
<b>73 %</b> Employee Retention Rate	<b>5</b> Employee Wellbeing Programmes



<b>2</b> New Products Launched	<b>1,116</b> Research Papers Published	<b>3</b> Industry Awards Won
<b>254</b> Conferences/Events/Expert and Client Calls	<b>43</b> Roadshows	<b>25+</b> Total Number of Web Properties Across the Group for Sharing Information and Servicing



## COMMUNITY

<b>4</b> Beneficiaries of CSR Programmes (NGOs)
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## STAKEHOLDER ENGAGEMENT

# Engaging Stakeholders for Better Growth and Success

At Emkay, stakeholder engagement stands as a fundamental pillar of our operations. This underlines our commitment to fostering meaningful relationships with all stakeholders invested in our success. We recognise that our stakeholders encompass a broad spectrum, including clients, employees, investors, regulators, and the communities we serve. By actively engaging with them, Emkay gains valuable insights, feedback, and perspectives. These further inform our decision-making processes, enhance our offerings, and drive continuous improvement. Moreover, effective stakeholder engagement builds trust, transparency, and accountability, fostering a sense of shared purpose and alignment towards common goals.

We have carefully identified our stakeholders, understanding the mutual impact we have on each other and building relationships that extend beyond transactions. By actively engaging with them, we utilise their unique viewpoints, knowledge, and insights to shape our strategies and guide our decision-making process. Identifying our stakeholders is a thoughtful process that requires thorough analysis and consideration. Currently, we have identified and prioritised stakeholders who play a crucial role in our journey towards sustainable growth and success.



Customers

## Importance

- At Emkay, the expectations of our customers act as a guiding principle, driving our business towards success.
- Our customers expect outstanding experiences, execution excellence, innovative products, and robust financial guidance to enhance, grow, and safeguard their wealth.
- The trust and satisfaction of our customers are essential to our dedication to delivering excellence across all aspects of our operations.

## Highlights

43,500+

Customers Served

₹ 37,544 crore

Total Assets

₹ 3,177 crore

Wealth Assets

₹ 902 crore

Emkay PMS and AIF AUM

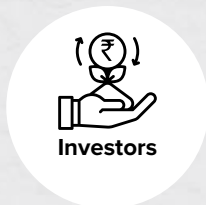
₹ 7,089 billion

Average Daily Turnover  
(Option turnover is strike plus+premium)

## Response

- We are committed to continuously enhancing our digital platforms and service channels to provide seamless, personalised experiences tailored to each customer's needs.
- Our dedication to delivering exceptional customer service is evidenced by the systematic improvement of our customer care processes and tools.
- Our dedicated research and product development teams work tirelessly to identify emerging market trends and develop innovative financial solutions to help customers achieve their goals.
- Our workforce consists of highly knowledgeable and skilled personnel who play a crucial role in our success and in ensuring customer satisfaction.





Investors

### Importance

- Facilitate the provision of funds while emphasising the requirement for long-term, sustainable returns, which necessitates the implementation of a clear and consistent strategy.

### Highlights

₹ 13.16  
Earnings Per Share

₹ 3,244 lakhs  
Net Profit

14%  
RoE

0  
Investor Grievances  
during 2023-24

### Response

- We maintain a strong emphasis on delivering commendable returns for our valued investors.
- We adhere to best-in-class corporate governance practices, ensuring transparency, accountability, and ethical decision-making at all levels.
- We aim to cultivate a culture of consistent and proactive engagement with our investors, ensuring they receive regular updates on our progress and performance.



### Importance

- Our continued success is fuelled by the exceptional skills, knowledge, and resolute commitment of our workforce.
- Our employees have rightful expectations of fair compensation, recognition, job security, and an inclusive work environment that promotes equity, opportunity, and meritocracy.
- We actively foster career development opportunities, creating an empowering atmosphere where our employees can thrive and grow professionally.

### Highlights

**513**

Total Workforce

**₹ 15,084 lakhs**

Total Employee Expenses

**₹ 37.59 lakhs**

Employee Training Cost

### Response

- We prioritise training, development, and mentorship initiatives to foster the growth and expertise of our employees.
- Our open communication channels ensure effective dissemination of the Company's strategy and key focus areas to all employees.
- We emphasise on the importance of technology proficiency by providing skilling opportunities to equip our workforce with necessary digital competencies.
- Our compensation structure incorporates performance and merit-based rewards as integral components.
- We are dedicated to providing equal opportunities based on meritocracy and fostering a fair and inclusive environment.
- Our grievance redressal system ensures prompt and effective resolution of employee concerns and issues.
- We have implemented reward and recognition programmes to acknowledge and appreciate the exceptional contributions of our employees.
- Engaging activities are organised to promote a sense of involvement, collaboration, and team spirit among our employees.



**Communities****Importance**

- Provide an opportunity for us to operate and undertake developmental and welfare initiatives.
- Encourage and expect us to engage in developmental and welfare initiatives, resulting in the creation of employment opportunities.

**Highlights**

₹ **31** lakhs  
Investments Towards CSR

**4**  
CSR Beneficiaries (NGOs)

**Response**

- We prioritise shared value-creation as a core principle of our business approach. This drives us to make a positive impact on society through our products, services, and community initiatives
- We continuously strive to create long-term value for both our shareholders and society, honouring our commitment to shared value-creation since the inception of Emkay Global
- We actively support skill development programmes and entrepreneurship initiatives, empowering individuals and contributing to the nation's economic progress.

**Government/  
Regulatory  
Bodies****Importance**

- Enact legislations and policies that hold significant influence over our business, including the ability to grant sanctions, clearances, and even revoke licenses.
- Expect our unyielding compliance with statutory and legal guidelines, while also emphasising our role in contributing to the overall progress of the nation.

**Highlights**

₹ **53,932** lakhs  
Contribution to the  
Exchequer

**Response**

- We proactively engage with policymakers and regulatory authorities, providing industry insights and advocating for progressive reforms that benefit all stakeholders.
- We are dedicated to strictly complying with pertinent and current laws, thereby actively bolstering India's socio-economic development and advocating sustainable capital market practices.
- We strive to maintain a robust framework of ethical business conduct as a fundamental principle.

## INDIA'S GROWTH STORY

# Key Trends Shaping India's Economic Growth

India's economic growth is being reshaped by a multitude of factors, from its demographic dynamics to rising incomes and digital transformation. As one of the world's fastest-growing major economies, India is poised to leverage its strengths and navigate challenges to unlock its true potential. The following key trends are expected to play a pivotal role in shaping India's economic trajectory in the years to come.



## Young Population

India boasts a youthful demographic profile, with a median age of 28.4 years, positioning it among the world's youngest nations. Remarkably, over 65% of India's population is under 35 years old. This demographic dividend is supplemented by projections indicating that India's working-age population (aged 15-64 years) will expand by approximately 9.7 million annually until 2030. This demographic advantage presents both opportunities and challenges for India's economic and social development in the coming decades.

### Emkay's Approach

At Emkay, we see India's young population as pivotal to its economic growth. We offer tailored financial services to professionals and entrepreneurs, targeting a market eager for wealth creation and asset management solutions. Among others, our services include equity research, portfolio management, and digital-first wealth management platforms that cater to tech-savvy millennials, presenting avenues for sustainable growth.

## Rising Tide of India's Per Capita Income

India has witnessed a substantial increase in its per capita income, from ₹ 94,797 in 2014-15 to ₹ 1,70,000 in 2022-23. This growth, characterised by an average annual rate of 7.1%, reflects significant economic progress over these years. Projections indicate a continued upward trajectory, with India's per capita income anticipated to reach ₹ 2,00,000 by 2025-26. This increasing prosperity highlights India's economic strength and potential for further development in the near future.

### Emkay's Approach

With India's per capita income steadily rising, we at Emkay see growing opportunities in wealth management. Increasing disposable incomes are driving demand for personalised financial planning, diversified investments, and legacy strategies among affluent individuals. Leveraging our expertise, we provide bespoke advisory services, customised investment products, and exclusive global opportunities. This positions us as the preferred partner for high net-worth clients seeking growth and wealth preservation.





## Digital Infrastructure

India has emerged as a digital powerhouse with a staggering 800 million internet users, second only to China globally. The country's digital landscape is set for even greater expansion, with projections indicating that the number of smartphone users will reach 1 billion by 2025-26. Simultaneously, India's digital economy is rapidly evolving, with the digital payments market expected to surge to USD 10 trillion by the same year. These trends underscore India's rapid digital transformation and its growing significance in the global digital economy arena.

### Emkay's Approach

India's digital revolution offers Emkay unprecedented chances to enhance service delivery and client engagement. By investing in cutting-edge financial technology, we streamline operations, enable seamless digital onboarding, and deliver real-time portfolio tracking and analytics. Embracing the fintech boom through partnerships enables us to offer digital payment solutions ensuring leadership in financial services innovation.

## Increasing Number of HNIs

The number of HNIs in India is expected to register a CAGR of 16% annually from 2022 to 2027, potentially doubling to 16.57 lakhs. This underscores the country's wealth and the increasing prominence of its affluent population on the global stage. It also highlights the opportunities and implications for wealth management and economic dynamics in India in the coming years.

### Emkay's Approach

India's rapidly growing HNI segment presents a lucrative market for Emkay's wealth management and asset management services. By customising services to address unique needs such as estate planning, succession management, and alternative investments, we strengthen our reputation as a trusted advisor. Strategic alliances with the right partners enhance our ability to offer exclusive opportunities and personalised services. This also helps us in meeting the sophisticated financial goals of discerning clientele.

## Rise of the Indian Retail Investor

India's financial landscape reflects significant growth and participation. During 2023-24, 1.8 crore new investors joined the market, indicating a broad-based bullish sentiment. Additionally, India's mutual fund industry has flourished, reaching a record high of ₹ 58,91,160 crore in AUM by May 2024, underscoring the growing popularity of mutual funds as a preferred investment avenue among Indian investors. These trends reflect a dynamic financial ecosystem poised for continued expansion and development in the years ahead.

### Emkay's Approach

With a surge in retail investor participation in India's capital markets, Emkay positions itself to empower this demographic with comprehensive financial education (through FinLearn Academy) and accessible investment solutions. Expanding brokerage services, robust research, and advisory support, along with innovative investment products attract a broader investor base keen on India's economic growth. Our commitment to transparency, investor protection, and ethical practices fosters long-term trust and loyalty among retail investors navigating financial market complexities.

## / LEVERAGING TECHNOLOGY /

# Leveraging Our Technological Edge for Growth

At Emkay, we are committed to delivering exceptional client services by seamlessly integrating advanced technology into our operations. Our strategic technological advancements empower us to make informed investment decisions and stay at the forefront of market trends. This not only enhances our industry standing but also helps us leverage opportunities in a dynamic investment landscape, driving our continuous success.



## Vision



Build and develop a stable robust platform by creating digital experience across all the touch points; by anticipating market needs and providing customised products towards digital disruption

## Mission



Conversion from 'As a service' to 'Business Enabler' and going towards 'Digital Transformation', where technology helps an organisation deliver value to its customers

## Technology Edge



Digital transformation is driving strong client acquisition and penetration in the markets, with various digital platforms being offered and customer feedback helping to explore the untapped potential which paves the way to achieve these goals



## Our Key Focal Points

As Emkay continues to integrate cutting-edge technology into its operations, we emphasise on three critical areas: infrastructure and security, technology for business, and a digital-first approach. Each of these areas plays a pivotal role in ensuring our commitment to excellence, client satisfaction, and sustained growth.



### Infrastructure and Security Aspects

At Emkay, we recognise that robust infrastructure and stringent security measures are vital for reliable financial services. Our state-of-the-art hardware, advanced security protocols, and resilient network infrastructure ensure seamless operations, offering clients a secure and efficient trading environment. This section highlights the key components of our infrastructure and security strategy, demonstrating our commitment to maintaining high standards in a dynamic industry.



### Robust Infrastructure

Our infrastructure is meticulously designed to handle the demands of high-volume trading. The optimised hardware ensures reliability, while our hardware platforms in Mumbai data centres integrate computing, storage, and networking resources for complex trading operations. High-spec servers further enhance our capability to deliver fast and efficient services.

#### Key Highlights

- Optimised Hardware: Continuously innovating and fine-tuning hardware to support high-frequency trading and large data volumes.
- Integrated resources located in Global standard data centres in Mumbai enhancing trading operations.
- High-Spec Servers: Supporting low-latency trading and faster broadcasts efficiently.



### Securing our Enterprise

At Emkay, security is of paramount importance. Our team ensures continuous monitoring and real-time threat detection. We strictly adhere to regulatory guidelines, ensuring that our operations are secure, and clients' data is protected.

#### Key Highlights

- Continuous monitoring, real-time surveillance, and threat detection.
- Prompt identification and mitigation of potential threats.
- Adherence to guidelines to maintain integrity and build client trust.



### Strong Network

Our network infrastructure supports the high demands of financial trading. High availability systems ensure minimal downtime, while strategic optimisations have significantly reduced latency, enhancing the overall client experience.

#### Key Highlights

- High Availability Systems: Increased network bandwidth for minimal downtime.
- Advanced firewalls, high-end networking equipment, and regular audits.
- Reduced latency, faster response times, and improved reliability.



### Reliable Platforms for Clients

Client satisfaction is central to our operations. Our ultralow latency infrastructure ensures maximum trading efficiency. Key applications deployed at data centres optimise performance and reliability. Our platforms support real-time data delivery, aiding informed trading decisions.

#### Key Highlights

- Ultralow Latency Infrastructure: Minimal latency at Exchange Colocation.
- Key Application Deployment: Optimised performance and reliability.
- Real-time market data delivery through scalable exchange multistream broadcasts.



### Technology for Business

At Emkay, our technology strategy is centred around empowering our clients with the tools they need to succeed in a competitive market. Our state-of-the-art trading technology, multiple electronic trading platforms and algorithms, and integrated technological experience across sales, research, and operations reflect our commitment to innovation and client satisfaction.



### State-of-the-Art Trading Technology

Our trading technology is designed to meet the evolving needs of our clients. Real-time connectivity and FIX messaging integrations enhance trading precision, while custom algorithms and risk management provide a competitive edge, enhancing client experience.

#### Key Highlights

- Real-time connectivity to diverse trading platforms.
- FIX messaging & integrations across various trading solutions.
- Customized logic algorithms & optimized trading strategies.
- Near real-time monitoring for effective risk management.



### Electronic Execution Solutions

Emkay's electronic execution solutions offer flexibility and efficiency. Our diverse trading solutions and upgraded platforms ensure clients have access to the latest trading options. This is supported by advanced charting tools for analysis.

#### Key Highlights

- Diverse Trading Solutions: Including CTCL, Algo, and DMA trading
- Upgraded Platforms: Support for internet, mobile, wireless trading.
- Trading Terminals: Fast broadcast and seamless execution across locations.
- Charting Solutions: Advanced tools for data analysis and informed decisions.





### Technology Experience Across Sales, Research, and Operations

Technology enhances every aspect of our operations, from sales to research. A robust CRM system ensures better service, while efficient Backoffice systems and processes streamline operations and maintain compliance.

#### Key Highlights

- CRM for Client Relations: Personalised service through a robust CRM system.
- Content Creation and Distribution: Simplified research report distribution and tracking.
- Backoffice systems streamlined for accurate trade processing.
- KYC and Compliance: Adherence to regulatory requirements.



### Digital-First Approach

Emkay's digital-first approach is designed to harness the power of technology to enhance client experiences and drive business growth. We focus on developing innovative software solutions, optimising product offerings, and building versatile digital platforms that cater to the evolving needs of our clients. Our commitment to a digital-first strategy ensures that we remain agile, responsive, and ahead of market trends. In this section, we outline how our digital initiatives create a seamless, engaging, and efficient environment for our clients, fostering stronger relationships and better outcomes.



### Software: Exploring New Horizons

Our software solutions are at the forefront of innovation. API initiatives, regular security enhancements, and improved error handling ensure robust and reliable platforms for our clients.

#### Key Highlights

- API Initiatives: Seamless integrations and enhanced functionality.
- Security Enhancements: Regular platform hardening and performance tests.
- Error Handling: Improved user experience and system reliability.
- In-House Developments: Continuous improvement through system rewrites.



### Product: Optimising Experience

We continuously improve the client journey, ensuring a balanced ecosystem of applications. Our support for the trader community and business requirement apps demonstrates our commitment to providing the best tools and services.

#### Key Highlights

- Client Journey Enhancements: Focus on ease of use and functionality.
- Balanced Ecosystem: Meeting client needs effectively.
- Trader Community Support: Advanced platforms for collaboration.
- Business Requirement Apps: In-house and vendor-supported tools.



### Digital Platform: Providing Best Experience

Our digital platforms are built to offer the best client experience. With diverse digital properties, open architecture, and multiple engagement avenues, we ensure that clients have a seamless and enjoyable experience. Continuous customer analysis helps us adapt and enhance our services based on client needs.

#### Key Highlights

- ◆ Diverse Digital Properties: Built in-house for a growing client base.
- ◆ Open Architecture: Seamless third-party product integration.
- ◆ Digital Acquisition: Multiple engagement avenues including mobile apps and APIs.

## Key Information Technology Achievements of 2023-24

1

Upgraded backoffice application for faster trade processing.

2

Enhanced network bandwidth for better connectivity to exchanges and colocation.

3

Deployed new hyper-converge platform to increase capacity and application performance.

4

Implemented critical infrastructure in global standard data centres with efficient cooling and advanced power distribution.

5

Replaced old servers and network equipment with newer ones.

6

Achieved DMA Certification on MCX, highlighting innovation and compliance.

7

Successfully onboarded a new trading platform in exchange colocation for seamless and secure trading.

8

Implemented OMS with FIX connectivity in the exchange colocation environment for streamlined order management and execution.

9

Developed a new backoffice platform in GIFT for processing DMA and Institutional trade flows.

10

Conducted an enterprise-wide hardware refresh and upgraded systems to the latest operating systems.





## Cybersecurity

At Emkay, we prioritise cybersecurity to protect our information assets and ensure the resilience of our digital infrastructure. Recognising the importance of our clients' data, we implement comprehensive measures to safeguard against threats. Our approach includes advanced technologies, rigorous assessments, and continuous training to stay ahead of evolving threats.

Robust framework aligned with regulatory guidelines for safeguarding Company information assets.

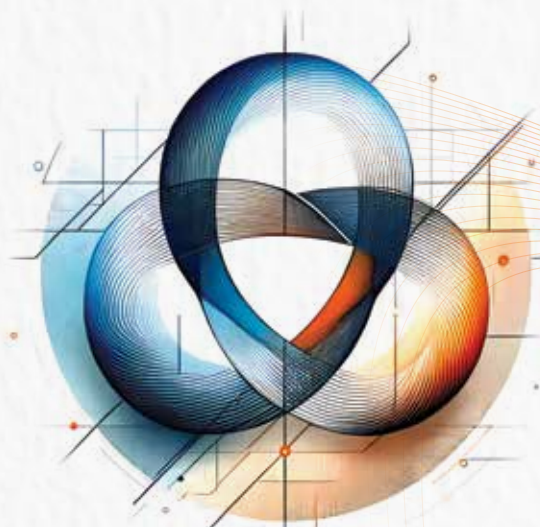
Periodic vulnerability assessments and penetration testing through a CERT-IN auditor to identify and remediate platform vulnerabilities.

Human resources as the first line of defence; conduct periodic simulation attacks and provide training programmes to educate users about modern cyber threats and promote cyber safety.

Engagement with a CERT-IN empanelled third-party SOC for continuous monitoring and protection of critical infrastructure.

Deployment of cutting-edge EDR platforms and virtual patching solutions to protect critical assets, including legacy platforms.

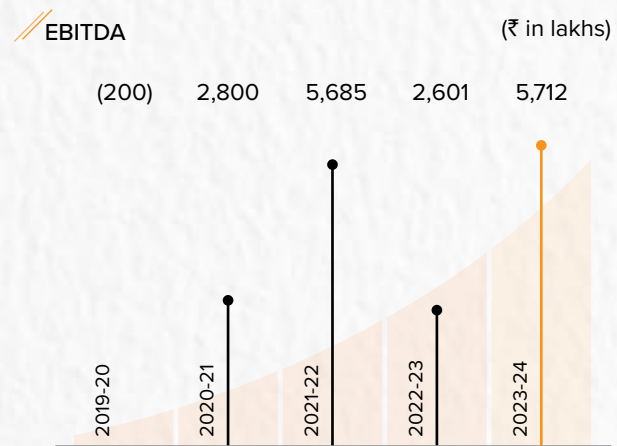
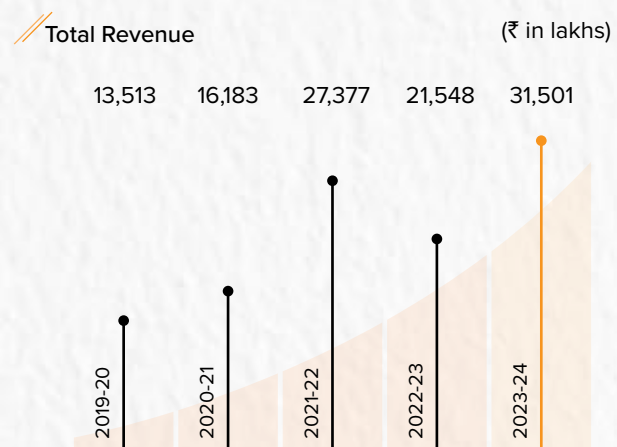
Utilisation of an identity threat detection and response platform to secure identities against unauthorised access.



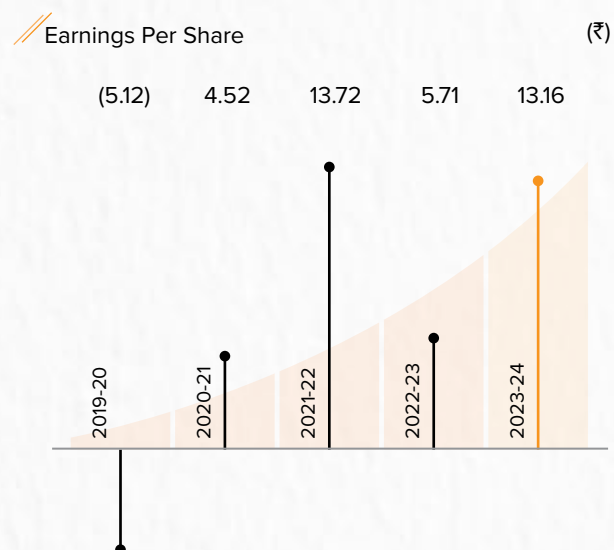
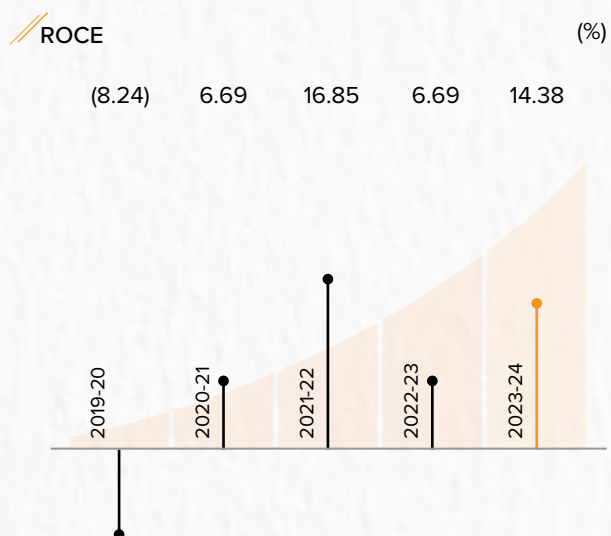
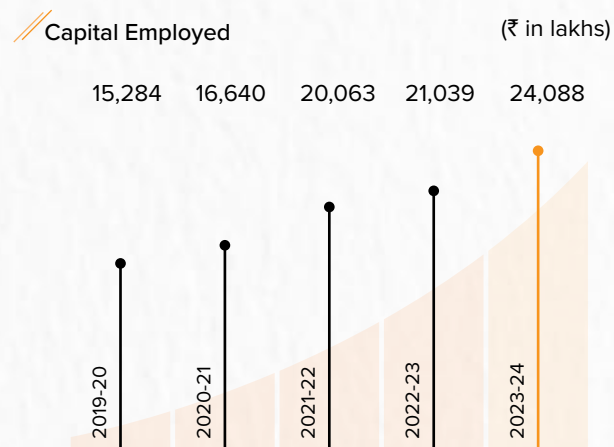
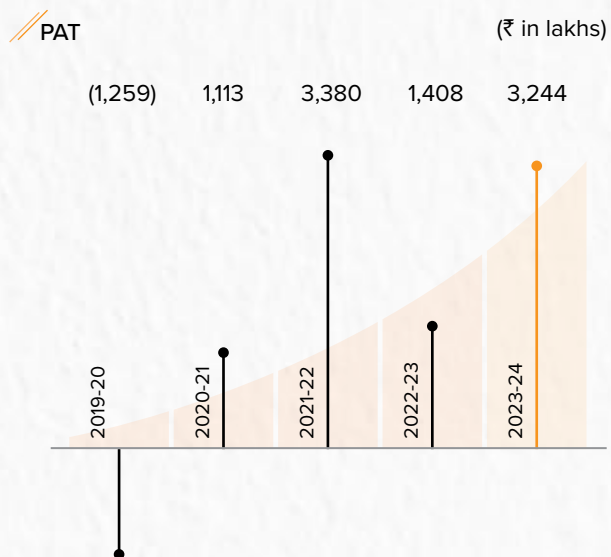
FINANCIAL HIGHLIGHTS

# Enhancing Financial Performance with Our Technology, People, and Processes

Financial performance plays a pivotal role in our success at Emkay. It serves as a cornerstone for our growth and sustainability in the competitive landscape of the financial services industry. It also reflects the Company's ability to generate sustainable revenues, manage costs efficiently, and deliver consistent returns on investments. Moreover, robust financial performance enables us to reinvest in our operations, innovate new products and services, expand our market presence, and attract top talent.







## NURTURING TALENT

# Nurturing Talent and Fostering Growth at Emkay

At Emkay, our clients benefit from a unique blend of seasoned veterans and dynamic young professionals in the Company. This synergy of experience and fresh perspectives enables us to deliver exceptional financial services, from institutional investment to wealth management. We invest heavily in the continuous development of our team through regular training and skill enhancement programmes. This ensures that our clients receive cutting-edge service. Furthermore, our robust rewards and recognition programme keeps our employees motivated and driven to achieve excellence.

At Emkay, we believe that our employees are our greatest assets. Our commitment to their wellness and engagement, talent acquisition and development, and continuous support is at the core of our human resources strategy. Here are some of the key initiatives and achievements from the past year:



5

Number of Wellness Initiatives During the Year

## Employee Wellness and Engagement Initiatives

- ◆ Voice of Employees Initiative: Continuous feedback through one-on-one sessions and repeated surveys to understand employee experiences and facilitate timely interventions.
- ◆ Participation in Tata Mumbai Marathon: Showcasing commitment to fitness and team spirit with around 70 employees participating in various race categories.
- ◆ HRMS Platform for Continuous Feedback: Ensuring timely, constructive, and actionable feedback for better performance and growth.
- ◆ Launch of 1to1 Help: Providing support for employee mental wellness.
- ◆ Institutional Equities Team Offsite: Fostering team cohesion and strategic alignment.
- ◆ One Company One Team: Reinforcing corporate culture and unity with Emkay T-shirts.





## Talent Acquisition & Development

- Hiring from Reputed B-Schools: Ensuring a continuous influx of fresh talent and innovative ideas.
- Development of Young Talent: Enhancing behavioural and functional skills through customised training programmes.
- Training Programmes and LMS: Achieving a 79% penetration rate in training programmes for employee skill enhancement and career growth.
- Internal Brand Ambassadors: Attracting top talent, with ambassadors accounting for almost 50% of hires.

# 73%

Retention Rate

# 142

New Employees  
Hired

## Year-Round Engagement Initiatives

- Health Camps: Ensuring physical well-being with comprehensive health check-ups and preventive care.
- Ease of Banking Camps: Facilitating banking-related concerns for smoother financial management.
- Performance Reviews: Providing constructive feedback and setting clear goals for employee development.



## Our Culture of Success

At Emkay, our success is built on a culture where achievements are shared and celebrated. Our inclusive work environment encourages every team member to pursue their dreams, fostering a sense of pride in individual and collective accomplishments. Appreciation is a cornerstone of our culture, ensuring that every member feels valued for their contributions.



## Dynamic Work Environment

One of Emkay's key strengths is our open and interactive work environment. We prioritise cross-organisational dialogue, allowing everyone to communicate freely without restrictions. This openness fosters collaboration, innovation, and a sense of community, making Emkay a place where ideas flourish and everyone's voice is heard.



## Pursuit of Excellence

At Emkay, we embrace change as a pathway to excellence. We constantly encourage our employees, analysts, and managers to enhance their skills and talents, striving for the best possible outcomes. This relentless pursuit of excellence ensures that our clients receive unparalleled service, leaving them satisfied and confident in our capabilities.

## MANAGEMENT TEAM

# Leading Our People with a Strong Management Team

**Nirav Sheth***CEO, Institutional Equities*

Nirav Sheth, the CEO of Emkay's Institutional Equities vertical, brings with him over 25 years of experience in capital markets and financial services. With a strong research background, Nirav is dedicated to expanding our business footprint and enhancing corporate access. He skilfully leverages his expertise and capabilities to achieve these objectives.

**Rahul Rege***Business Head, Retail*

Rahul Rege, with his sharp business acumen and extensive experience in the financial services industry, leads our entire retail division. His profound understanding of the segment, combined with exceptional leadership and people management skills, drives the success of our retail segment.

**Rajesh Sharma***Chief Operating Officer*

Rajesh Sharma, serving as the Chief Operating Officer at Emkay, possesses extensive experience in systems and operations. He leads strategic planning, implementation, and execution of systems, procedures, and internal controls, ensuring risk mitigation, process reengineering, and automation for scalable operations.





### **Siddhesh Sardesai**

*Chief Technology Officer*

Siddhesh Sardesai is an experienced techno-functional leader in financial markets with leadership roles in multinational banking & financial services corporations. As the Chief Technology Officer at Emkay Global, he envisions creating a digital experience at all the touch points, by anticipating market needs and providing solutions with a technology edge.



### **Shishir Dhulla**

*Chief Information Security Officer*

Shishir Dhulla, our Chief Information Security Officer leverages his expertise to drive key information security projects that contribute to the growth of Emkay. He has extensive experience in managing critical trading and equity research platforms. As a CISO, Shishir has successfully developed and implemented comprehensive cybersecurity strategies to protect critical assets and ensure compliance with industry regulations.



### **Saket Agrawal**

*Chief Financial Officer*

With over two decades of experience, Saket Agrawal serves as the Chief Financial Officer at Emkay and brings in-depth knowledge and expertise in accounting, finance, taxation, and auditing, effectively managing the financial aspects of all Emkay Group entities. He leads the financial planning and analysis efforts, conducting thorough assessments of financial performance, forecasting future trends, and providing strategic recommendations to optimise revenue generation and cost management.



### Yatin Singh

*Head, Investment Banking*

Yatin Singh leads our investment banking division. He is a highly accomplished professional in investment banking. With a wealth of experience in the financial industry and a strong track record of success, Yatin plays a pivotal role in driving strategic initiatives, overseeing complex financial transactions, and fostering relationships with clients and key stakeholders.



### Seshadri Sen

*Head of Research & Strategist*

Seshadri Sen brings over thirty years of experience in equity research, primarily on the sell-side, with notable involvement on the buy-side as well. His extensive career as a BFSI (Banking, Financial Services, and Insurance) analyst spanned two decades, encompassing almost nine years at JP Morgan, alongside positions at Macquarie Capital and SocGen (SG Asia). Throughout this period, his expertise was acknowledged in polls conducted by Institutional Investor, Asiamoney, and Starmine.



### Manish Sonthalia

*Director & Chief Investment Officer, Emkay Investment Managers Limited*

Manish Sonthalia comes with over 3 decades of exhaustive experience in equity fund management and research covering Indian markets.

Manish is a member of The Institute of Cost and Works Account of India, The Institute of Chartered Accountants of India and The Institute of Company Secretaries of India. His research paper on Indian Markets 'A Rising Consumer Class', was published by the Global World Economic Forum in 2010. His views are frequently sought by leading Media channels in India as well as globally.



### Sachin Shah

*Executive Director & Fund Manager, Emkay Investment Managers Limited*

With a wealth of experience in Portfolio Management spanning over two decades, Sachin Shah, brings extensive expertise in market strategy and thorough research abilities in sectors and companies. He has played a crucial role in establishing a well-documented investment process and framework for Emkay Investment Managers Ltd.





### **Jaykrishna Gandhi**

*Head Business Development – Institutional Equities*

Jaykrishna leads business development for the Institutional Equities team. Previously, he served as the Head of Equities at Reliance Nippon Life Insurance. His prior experience includes leadership roles at Reliance Capital, PINC Securities, and Roongta Capital Markets



### **Parag Morey**

*Head of Sales, Emkay Wealth Management*

Parag brings over 25 years of experience in the financial services industry. At Emkay, he leads the sales and client service function of the wealth division, ensuring exceptional quality standards across various operational areas. Parag is responsible for implementing effective systems and procedures to deliver a superior customer experience, continuously enhancing service excellence.



### **Dr. Joseph Thomas**

*Head of Research, Emkay Wealth Management*

Dr. Thomas holds a Master's in Economics and a Ph.D. in Management, bringing over three decades of rich experience to the table. His insights on the economy, markets, portfolios, and financial products are highly regarded and widely sought after.



### **Ashish Ranawade**

*Head of Products, Emkay Wealth Management*

Ashish brings over 25 years of experience in financial services and investment management to the team. As a seasoned fund manager, he has expertly managed diverse funds, including private equity, fixed income, hybrid, and equity. His extensive experience and deep product knowledge are invaluable assets to Emkay's institutional and high-net-worth clients. Ashish's process-oriented approach and robust background ensure a high level of service and expertise.

**Sharanabasappa Jade***Head, Human Resources*

With a strong background in banking and financial services, Sharanabasappa Jade oversees the crucial function of Human Resources. His extensive knowledge and deep understanding significantly contribute to the effective management of HR processes at Emkay.

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**Nidhi Verma***Head - Marketing*

Nidhi Verma comes with nearly two decades of experience in marketing and communication spanning both B2B and B2C domains, and excels in the intricate aspects of brand building, positioning, internal and external communication, and team management. Nidhi's expertise encompasses Marketing and Communications Strategy, Content Marketing, Brand Lifecycle Management, and Public Relations.

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**Bhalchandra M. Raul***Company Secretary*

At Emkay, Bhalchandra M. Raul holds the position of Company Secretary, ensuring timely compliance with the Companies Act, listing requirements, and SEBI guidelines.

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AWARDS AND ACCOLADES

# Awards and Accolades



## Best Sustainable Finance Deal 2023

award by the FinanceAsia Achievement Awards for South Asia - won by Azalea Capital Partners for acting as the Sole Arranger and Advisor to Gravita Netherlands' BV's ESG fundraise of EUR 34 million.

## Asiamoney Brokers Poll 2023

Best Economist:  
Madhavi Arora (Rank 1)  
  
Best Analyst for Energy:  
Sabri Hazarika (Rank 1)

## Best Technology Team (Wealth Management)

at the 2nd Annual NBFC and FinTech Excellence Awards 2023 by Quantic Business Media.

## Emkay Investment Managers Limited

awarded as 'Most Innovative Company of the Year (BFSI)' 2022 at the National Feather Awards.

## Emkay Emerging Stars Fund awarded

for 'Best post-Covid AIF performance across all categories (basis 6 months Absolute Returns)' by PMS AIF WORLD - 2021.

Emkay Wealth Management recognised as  
**'One of the Top 10 Wealth Management Advisors – 2020'**  
by CEO Insights magazine.

## CORPORATE INFORMATION

**Board of Directors****S. K. Saboo**

Chairman

**R. K. Krishnamurthi**

Independent Director

**G. C. Vasudeo**

Independent Director

**Dr. Satish Ugrankar**

Independent Director

**Dr. Bharat Kumar Singh**

Independent Director

**Hutokshi Wadia**

Independent 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](http://www.emkayglobal.com)**Statutory Auditors**

S. R. Batliboi &amp; Co. LLP,

Chartered Accountants

**Secretarial Auditors**

Parikh &amp; Associates,

Practicing Company Secretaries

**Internal Auditors**

Lovi Mehrotra &amp; Associates,

Chartered Accountants

**Bankers**

AXIS Bank Limited

IndusInd Bank Limited

IDFC First Bank Limited

Kotak Mahindra Bank

HDFC Bank Limited

State Bank of India

ICICI Bank Limited

NSDL Payments Bank

**Registered & Corporate Office**

The Ruby, 7th Floor, Senapati Bapat Marg,

Dadar (West),

Mumbai - 400 028, Maharashtra

Tel No: 022-66121212

**Administrative Office**

C-06, Ground Floor, Paragon Center,

Pandurang Budhkar Marg, Worli,

Mumbai - 400013, Maharashtra

Tel No: 022 - 6629 9299

**Registrar & Transfer Agent**

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 Thirtieth Annual Report of your Company and the Audited Financial Statements for the year ended 31st March, 2024.

## 1. FINANCIAL RESULTS

An overview of the financial performance of your Company along with its Subsidiaries for the year 2023-24 is as under:

( ₹ in Lacs )

Particulars	Standalone for the year ended		Consolidated for the year ended	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Total Income	28,340.33	19,853.31	31,501.15	21,547.60
<b>EBITDA</b>	<b>4,958.17</b>	<b>2,138.93</b>	<b>5,712.48</b>	<b>2,600.61</b>
Less: Depreciation and Amortization	890.77	883.55	980.14	918.04
Less: Finance Cost	611.74	442.91	490.81	428.02
<b>Profit before exceptional item and tax</b>	<b>3,455.66</b>	<b>812.47</b>	<b>4,241.53</b>	<b>1,254.55</b>
Exceptional item	(55.00)	(115.00)	-	-
<b>Profit before tax</b>	<b>3,400.66</b>	<b>697.47</b>	<b>4,241.53</b>	<b>1,254.55</b>
Less: Tax expenses	953.67	(365.99)	1,178.67	(145.94)
<b>Profit after tax</b>	<b>2,446.99</b>	<b>1,063.46</b>	<b>3,062.86</b>	<b>1,400.49</b>
(Less)/Add : Share of profit/(loss) of associates	-	-	25.78	12.76
Add: Profit/(loss) from discontinued operations	-	-	155.23	(5.64)
<b>Profit for the year</b>	<b>2,446.99</b>	<b>1,063.46</b>	<b>3,243.87</b>	<b>1,407.61</b>
<b>Other Comprehensive Income (net of tax)</b>	<b>(97.63)</b>	<b>(70.54)</b>	<b>(100.71)</b>	<b>(67.78)</b>
<b>Profit attributable to shareholders of the Company</b>	<b>2,349.36</b>	<b>992.92</b>	<b>3,143.16</b>	<b>1,339.93</b>
<b>Opening balance in statement of profit and loss</b>	<b>3,000.53</b>	<b>2,315.61</b>	<b>6,664.16</b>	<b>6,536.76</b>
Other adjustments	-	-	(3.31)	(833.11)
Amount available for appropriation	5,349.89	3,308.53	9,804.01	7,043.58
<b>Appropriations</b>				
Dividend paid on equity shares	246.40	308.00	246.40	308.00
Transfer to special reserve u/s 45-IC of RBI Act	-	-	48.30	71.42
<b>Closing balance in statement of profit and loss</b>	<b>5,103.49</b>	<b>3,000.53</b>	<b>9,509.31</b>	<b>6,664.16</b>

## 2. DIVIDEND

The Board of Directors is pleased to recommend a final dividend at the rate of ₹ 1.50 (15%) per equity share of the face value of ₹ 10 each for the year ended 31st March 2024 (Previous year ₹ 1.00) per equity share. This would involve a payout of ₹ 370.42 Lacs (previous year ₹ 246.40 Lacs) based on the number of equity shares as on 31st March 2024. The dividend would be paid to all the shareholders, whose names appear in the Register of Members/Beneficial Holders list on the Book Closure date. This Dividend is subject to approval of the Members at the forthcoming 30th Annual General Meeting. As per the prevailing provisions of the Income Tax Act, 1961, the dividend, if declared, will be taxable in the hands of the shareholders at the applicable rates.

## 3. REVIEW OF OPERATIONS

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

The Board of Directors is delighted to share the strong standalone and consolidated financial performance of the Company during Financial Year 2023-24, amidst a landscape of both challenges and opportunities. The Company has demonstrated resilience and agility, achieving significant growth in revenue and Profit as under:

### Standalone

During the year under review, your Company recorded a total income of ₹ 28,340.33 Lacs as compared to ₹ 19,853.31 Lacs in the previous financial year, higher by 42.75%. The profit for the same period stands at ₹ 2,446.99

## REPORT OF THE BOARD OF DIRECTORS (CONTD.)

Lacs as compared to the profit of ₹1,063.46 Lacs in the previous financial year, higher by 130.10%.

### Consolidated

During the year under review, your Company recorded a total income of ₹ 31,501.15 Lacs as compared to ₹ 21,547.60 Lacs in the previous financial year, higher by 46.19%. The profit for the same period stands at ₹ 3,243.87 Lacs as compared to the profit of ₹1,407.61 Lacs in the previous financial year, higher by 130.45% over previous year.

### 4. SHARE CAPITAL

During the year, the Company allotted 54,446 equity shares on exercise of stock options under the Employees Stock Option Plan -2007 and the Employees Stock Option Plan 2018 by some of the eligible employees.

Consequently, the issued, subscribed and paid-up capital of the Company has increased from 2,46,40,230 equity shares to 2,46,94,676 equity shares of ₹10/- each fully paid-up as on 31st March 2024.

### 5. UPDATE ON IN-PRINCIPAL APPROVAL FROM SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) FOR SPONSORING MUTUAL FUND

After receipt of the in-principal approval from Securities and Exchange Board of India, Investment Management Department on 31st March 2023, for sponsoring Mutual Fund under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, the Company had initiated necessary steps in the capacity of "Sponsor" for making necessary application to SEBI for getting the final approval. In the meantime, SEBI (Mutual Fund) (Amendment) Regulations, 2023, were amended by Gazette notification dated June 26, 2023, effecting material changes in the Net worth criteria & other norms for Sponsor and Asset Management Company. After review of these newly implemented provisions of the said SEBI notification and its potential impact on our Mutual Fund/AMC application as Sponsor, the management decided not to pursue the application made to Securities and Exchange Board of India for sponsoring Mutual Fund under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.

### 6. 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 2023-24 and the date of this report, adversely affecting the financial position of the Company.

### 7. 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>.

### 8. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the Financial Year 2023-24, 4 meetings were held on 15th May, 2023, 10th August, 2023, 30th October, 2023 and 31st January, 2024.

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

Name of the Director	Category	Board Meetings during Financial Year 2023-24	
		Held	Attended
Mr. S. K. Saboo	NED	4	4
Mr. R. K. Krishnamurthi	NED (I)	4	3
Mr. G. C. Vasudeo	NED (I)	4	3
Mr. Krishna Kumar Karwa	ED	4	4
Mr. Prakash Kacholia	ED	4	4
Dr. Satish Ugrankar	NED (I)	4	4
Dr. Bharat Kumar Singh	NED (I)	4	3
Mrs. Hutokshi Wadia	NED (I)	4	3

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

### 9. DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- 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;
- 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.
- The directors have prepared the annual accounts on a going concern basis.





## REPORT OF THE BOARD OF DIRECTORS (CONTD.)

- 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.

### 10. 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.

### 11. 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 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](http://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 attached Corporate Governance Report forming part of the Board's Report.

### 12. 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 Guidance note issued by SEBI vide circular no. SEBI/HO/CFD/CMD/CIR/P/2017/004

dated 05th January, 2017 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 2024 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 16th May 2024. The Board of Directors carried out performance evaluation of the Board, each Director and the Committees for the financial year ended 31st March 2024 in their meeting held on 16th May 2024 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.

### 13. 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 re-appointed as the Statutory Auditors of the Company on expiry of their first term at the 28th Annual General Meeting (AGM) held on 8th August, 2022 for a second term of five years commencing from the conclusion of the 28th AGM till the conclusion of the 33rd AGM of the Company.

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 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 to the Audit Committee or to the Board of Directors as

## REPORT OF THE BOARD OF DIRECTORS (CONTD.)

specified under Section 143(12) of the Companies Act, 2013 read with Rule 13 of the Companies (Audit and Auditors) Rules, 2014.

**Change In Accounting Policy**

The Company had adopted Indian Accounting Standards (IND - AS) with effect from April 1, 2019 with effective date of such transition as April 1, 2018. There is no change in the Accounting Policy thereafter.

**14. 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 2023-2024. The Secretarial Audit Report received from them is appended as “**Annexure A**” and forms part of this report.

The Secretarial Audit Report for the Financial year 2023-24 does not contain any qualification, reservation and adverse remarks.

**15. INTERNAL AUDIT**

As per the requirement 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 2023-2024.

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 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.

**16. 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.

**17. 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.

**18. 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.

**19. 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.

**20. 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 2023-24. 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**”.

**21. INFORMATION UNDER THE SEXUAL HARASSMENT 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





## REPORT OF THE BOARD OF DIRECTORS (CONTD.)

Redressal) Act, 2013. During the year no complaint was filed before the said Committee.

### 22. 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 are attached as “**Annexure C**” and forms part of this Report of the Board of Directors.

### 23. LEVERAGING DIGITAL TECHNOLOGY

Innovative ideas and technology is 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.

### 24. BUSINESS RISK MANAGEMENT

Pursuant to section 134(3)(n) of the Companies Act, 2013 and as per provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 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 for monitoring of both business and non-business risk. 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 forming part of the Board of Directors' Report.

### 25. CORPORATE SOCIAL RESPONSIBILITY

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 2023-24, as per the computation made pursuant to the provisions of section 135(5) of the Companies Act, 2013, the average net profit of last three years was not

falling in the criteria determined for statutorily spending any amount on CSR activities during the financial year 2023-24. Accordingly, the Company had not spent any amount on CSR activities during the financial year 2023-24.

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

### 26. 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 <http://www.emkayglobal.com/Investor-relations>. There were no complaints received during the year 2023-24.

### 27. 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. S. K. Saboo (DIN:00373201), a Non-Executive Non-Independent 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.

Brief profile of Mr. S. K. Saboo (DIN:00373201), Director 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 30th Annual General Meeting.

Further, the Company has received declaration from all the Independent directors that they meet 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. The Independent Directors of the Company have confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs ('IICA') in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014. They are exempt from the requirement to

## REPORT OF THE BOARD OF DIRECTORS (CONTD.)

undertake the online proficiency self-assessment test conducted by IICA.

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

The above appointment/re-appointment forms part of the Notice of the forthcoming 30th Annual General Meeting and the respective resolution is recommended for your approval.

Details of amount received from Directors of the Company falling under Rule 2(viii) of the Companies (Acceptance of Deposits) Rules, 2014, are given under Related Party Disclosure note no. 38 in the Financial Statements.

### Code of Conduct

All the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company

### Key Managerial Personnel (KMP)

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

### 28. 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 are provided in "Annexure E" which forms part of the Board's Report.

### 29. 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 Act, 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. In effect, such compliance system was largely found to be adequate and operating effectively. The paragraph 10(f) hereinabove has also confirmed the same to this effect.

### 30. MAINTENANCE OF COST RECORDS & COST AUDIT

The Company is engaged in carrying stock broking and related activities and hence provisions related to maintenance of cost records and requirement of cost audit as prescribed under section 148(1) of the Act are not applicable.

### 31. SUBSIDIARY COMPANIES

The Company has six subsidiaries as on 31st March 2024. Besides, there is one associate entity within the meaning of Section 2(6) of the Act.

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 Consolidated Financial Statements of the Company form part of this Annual Report.

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 will also be available on the website of the Company i.e. [www.emkayglobal.com](http://www.emkayglobal.com).

### 32. EMPLOYEE STOCK OPTION SCHEMES

With a view to remain a preferred employer, the Company had granted Stock Options under two Schemes viz. Employee 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.



## REPORT OF THE BOARD OF DIRECTORS (CONTD.)

Other disclosures in compliance with the provisions of the SEBI (Shared Based Employee Benefits and Sweat Equity) Regulations, 2021 are available on the website of the Company <https://www.emkayglobal.com/key-announcement>.

**(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 2024 is as under:

**Summary of ESOP-2007 as on 31st March 2024**

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	63.00
2,44,000	19.06.2009	63.00
2,07,500	24.07.2009	61.00
1,00,000	04.05.2010	93.00
6,11,500	27.07.2010	77.00
2,00,000	21.01.2012	37.00
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
61,738	09.09.2021	74.90
70,000	25.01.2022	104.25
1,41,125	08.08.2022	72.95
1,50,000	07.11.2022	78.95
1,00,000	15.05.2023	76.05
2,40,000	26.12.2023	142.75
Exercise Period		2-3 years
Re-Issued Options		41,93,886
Total no. of stock options granted under the scheme		66,20,461
Stock Options lapsed		53,85,603
Stock Options vested but not exercised		2,67,156
Stock Options exercised		3,07,330
Outstanding Stock Options		9,27,528

During the Financial Year 2023-24, 1,81,079 options were vested and 44,600 options were exercised under the ESOP-2007 scheme.

**b) ESOP- 2018**

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

The summary of the same as on 31st March 2024 is as under:

**Summary of ESOP-2018 as on 31st March 2024**

Total no. of stock options granted 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
1,00,000	20.05.2021	72.40
1,53,917	08.08.2022	72.95
1,09,299	10.08.2023	82.05
2,71,000	26.12.2023	142.75
Exercise Period		2 years
Re-Issued Options		16,15,606
Total no. of stock options granted under the scheme		40,69,009
Stock Options lapsed		24,14,348
Stock Options vested but not exercised		3,92,600
Stock Options exercised		9,846
Outstanding Stock Options		16,44,815

During the Financial Year 2023-24, 2,87,742 options were vested, and 9,846 options were exercised under the ESOP- 2018 scheme.

The third scheme i.e. Employees Stock Option Plan-2010 Through Trust Route is since non-operational.

The disclosures required to be made in the Board' Report in respect of the aforesaid ESOP Schemes, in terms of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are contained in "Annexure F" forming



## REPORT OF THE BOARD OF DIRECTORS (CONTD.)

part of the Directors' Report and are also uploaded on the website of the Company i.e. <https://www.emkayglobal.com/key-announcement>.

### 33. 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 up to the financial year 2015-2016 to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 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 the 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, 13,194 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, 2024.

The details of the unclaimed/unpaid dividends are available on the Company's website at [www.emkayglobal.com](http://www.emkayglobal.com) and also on website of Ministry of Corporate affairs at [www.iepf.gov.in](http://www.iepf.gov.in).

### 34. PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 197(12) of the Companies Act, 2013 (Act) read with 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.

### 35. 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 Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) 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" and forms part of this Report.

### 36. SIGNIFICANT AND MATERIAL ORDERS PASSED 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.

### 37. LISTING WITH STOCK EXCHANGES

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

### 38. ACKNOWLEDGEMENT

Your Directors would like to take this opportunity to express sincere gratitude to the customers, bankers and other business associates for the continued co-operation 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

**S. K. Saboo**  
Chairman  
DIN: 00373201

Place: Mumbai  
Date: 16th May 2024

**ANNEXURE "A"****Forming part of the Board of Directors' Report****FORM No. MR-3****SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024**

(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, to the extent the information 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 Securities and Exchange Board of India, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2024 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 March 31, 2024 according to the 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; (Not applicable to the Company during the audit period)
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (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 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, 2021; (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 specifically applicable to the Company namely
1. Bombay Stock Exchange Rules, Bye-law & Regulation
  2. National Stock Exchange Rules, Bye-law & Regulation
  3. Depository Act, 1996
  4. Securities Transaction Tax Rules, 2004
  5. Securities and Exchange Board of India (Stock Brokers) Regulations 1992

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 BSE Limited and National Stock Exchange of India 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 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.

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 16, 2024

Signature:  
Sarvari Shah  
Partner

FCS No: 9697 CP No: 11717  
UDIN: F009697F000379321  
PR No.: 1129/2021

*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:  
Sarvari Shah  
Partner

FCS No: 9697 CP No: 11717  
UDIN: F009697F000379321  
PR No.: 1129/2021

Place: Mumbai

Date: May 16, 2024

**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 Act  
and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain 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 Wealth Advisory Limited - Wholly Owned Subsidiary	Emkay Investment Managers 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, 2023 to 31st March, 2024			From 1st April, 2023 to 31st December, 2023
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 were not having their own office premises during the period.			
f	Date(s) of approval by the Board	30.01.2023	30.01.2023	30.01.2023	30.01.2023
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: [www.emkayglobal.com/investor-relations](http://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 2024, 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

**S.K.Saboo**

**Chairman**

**DIN: 00373201**

Place: Mumbai

Date: 16th May 2024



## 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. Decommissioning old servers, network equipment and replacing them with newer ones.
  2. Utilisation of efficient servers, storage devices, and networking equipment.
  3. Implemented server virtualization to increase hardware utilization rates.
  4. Implementing critical infrastructure into global standard data centers that have efficient cooling systems, and advanced power distribution systems like UPS.
  5. Regular maintenance and upgrades to hardware to ensure optimal performance and energy efficiency.
  6. Enabled automatic power off modes on idle monitors.
  7. Shutting off electronic devices when not in use
- 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 ₹ 225 Lacs
  - ii) The foreign exchange outflows were ₹ 1520 Lacs

**On behalf of the Board of Directors**

**S.K.Saboo**  
**Chairman**  
**DIN : 00373201**

Place: Mumbai  
 Date: 16th May, 2024

**ANNEXURE “D”****Forming part of the Board of Directors’ Report****ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2023-24  
[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> and 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	1	1
2	Mr. Krishna Kumar Karwa	Member	1	1
3	Mr. Prakash Kacholia	Member	1	1

**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 executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. - Not Applicable**

5. (a) Average net profit /(Loss) of the company as per sub-section (5) of section 135.: ₹ (1,35,76,679)
- (b) Two percent of average net profit /(Loss) of the company as per sub-section 5 of section 135: ₹ (2,71,534)
- (c) Surplus arising out of the CSR projects or programmes or activities of the Previous financial years : NIL
- (d) Amount required to be set off for the financial year, if any: NIL
- (e) Total CSR obligation for the financial year  $[(b)+(c)-(d)]$ .: ₹ (2,71,534)
6. (a) Amount spent on CSR Projects (both Ongoing Projects and other than Ongoing Projects) : NIL
- (b) Amount spent in Administrative Overheads: NIL
- (c) Amount spent on Impact Assessment, if applicable. NIL
- (d) Total amount spent for the Financial Year  $[(a) +(b)+(c)]$  : NIL

(e) **CSR amount spent or unspent for the financial year: 2023-24**

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
NIL					

## (f) Excess amount for set-off, if any :

Sl. No.	Particular	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per section 135(5)	( 2,71,534)
(ii)	Total amount spent for the Financial Year 2020-21	Nil
(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	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

## 7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years: NIL

1	2	3	4	5	6			7	8
Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (In ₹)	Amount spent in the Financial Year (in ₹).	Amount transferred to fund as specified under Schedule VII as per second proviso to sub-section(5) of section 135, if any.			Amount remaining to be spent in succeeding financial years. (in ₹)	Deficiency, if any.
					Name of the Fund	Amount (in ₹)	Date of transfer		
NIL									

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **No**

If Yes, enter the number of Capital assets created/ acquired

**Not Applicable**





Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s)[including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
NIL							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

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

**Krishna Kumar Karwa**  
**Managing Director**  
**DIN : 00181055**

**Prakash Kacholia**  
**Managing Director**  
**DIN: 00002626**

**G.C.Vasudeo**  
**Chairman CSR Committee**  
**DIN: 00021772**

Place: Mumbai

Date: 16th May, 2024

**ANNEXURE “ E”****Forming part of the Board of Directors' Report****A) RATIO/MEDIAN****Disclosure pursuant to Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

<b>Sr. No.</b>	<b>Disclosure Requirement</b>	<b>Disclosure Details</b>		
1.	Ratio of the remuneration of director to the median remuneration of the employees for the financial year	<b>Name</b>	<b>Title</b>	<b>Ratio</b>
		Krishna Kumar Karwa	Managing Director	<b>14.13</b>
		Prakash Kacholia	Managing Director	<b>14.13</b>
		S. K. Saboo	Chairman	<b>0.06</b>
		R. K. Krishnamurthi	Independent Director	<b>0.25</b>
		G. C. Vasudeo	Independent Director	<b>0.08</b>
		Dr. Satish Ugrankar	Independent Director	<b>0.41</b>
		Hutokshi Rohinton Wadia	Independent Woman Director	<b>0.20</b>
		Dr. Bharat Kumar Singh	Independent Director	<b>0.36</b>
2.	Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	<b>Name</b>	<b>Title</b>	<b>% increase in remuneration from FY 22-23 to FY 23-24</b>
		Krishna Kumar Karwa	Managing Director	<b>0%</b>
		Prakash Kacholia	Managing Director	<b>0%</b>
		Bhalchandra Raul	Company Secretary	<b>12%</b>
		Saket Agrawal	Chief Financial Officer	<b>13%</b>
3.	Percentage increase in the median remuneration of employees in the financial year		14.16%	
4.	Number of permanent employees including directors on the rolls of Company at the end of the year		449	
5.	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	For employees other than Key Managerial Personnel who were in employment in FY22-23 as well as in FY 23-24, the average increase in their remuneration was <b>14.90%</b> whereas average increase in remuneration of Key Managerial Personnel was <b>2.87%</b> for the same period.		
6.	Affirmation that the remuneration is as per the remuneration policy of the Company	The Company's Directors/Key Managerial Personnel and Employees are paid remuneration as per the Remuneration Policy.		

**On behalf of the Board of Directors**

**S.K.Saboo**  
**Chairman**  
**DIN: 00373201**

Place: Mumbai  
Date: 16<sup>th</sup> May 2024

**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 and Sweat Equity) Regulations, 2021, 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	3,40,000	---	3,80,299
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)	1,81,079	0	2,87,742
5	Options exercised (during the year)	44,600	0	9,846
6	The total number of shares arising as a result of exercise of options during the year.	44,600	0	9,846
7	Options lapsed (during the year)	5,53,496	0	5,73,503
8	Money realized by exercise of options (during the year)	33,71,760	0	7,44,357.60
9	Total number of options in force at the end of the year.	9,27,528	0	16,44,815
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)
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)	9.61 Standalone  12.74 Consolidated	-	9.61 Standalone  12.74 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	₹ 92.97 (weighted average exercise price)  ₹ 47.53 (weighted average fair value)	-	₹ 83.72 (weighted average exercise price)  ₹ 38.26 (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	<ul style="list-style-type: none"> <li>• Stock Price-Closing price on recognized stock where Company's shares are listed on date immediately prior to date of Grant</li> <li>• Volatility</li> <li>• Risk free rate of return</li> <li>• Exercise price</li> <li>• Time of Maturity</li> <li>• Expected dividend yield</li> </ul>	-	<ul style="list-style-type: none"> <li>• Stock Price-Closing price on recognized stock where Company's shares are listed on date immediately prior to date of Grant</li> <li>• Volatility</li> <li>• Risk free rate of return</li> <li>• Exercise price</li> <li>• Time of Maturity</li> <li>• Expected dividend yield</li> </ul>

#### On behalf of the Board of Directors

**S.K.Saboo**  
**Chairman**  
**DIN: 00373201**

Place: Mumbai  
Date: 16th May 2024



## MANAGEMENT DISCUSSION AND ANALYSIS

### GLOBAL ECONOMY

The global economy exhibited remarkable resilience in 2023, bouncing back from the challenges posed by the Covid-19 pandemic, geopolitical tensions, and rising cost of living. Notwithstanding the headwinds, including supply chain disruptions, energy and food crises, and soaring inflation, major economies successfully averted recession, while banking systems maintained their robustness. Global GDP growth for 2023 is estimated at 3.2%, with expectations of maintaining this momentum into 2024 and 2025. This optimistic outlook is supported by stronger-than-expected performances in the US and key emerging market economies, along with continued fiscal stimulus in China and pent-up consumer demand.

Throughout 2023, global equity markets experienced a significant upswing, characterised by double-digit returns posted by major benchmarks. This surge was propelled by several factors, including cooling inflation, lower oil prices, and expectations of rate cuts. Inflation, which peaked in 2022, outpaced expectations in terms of its deceleration, resulting in a less pronounced impact on employment and economic activity than initially forecasted.

On the other hand, global headline inflation landscape showed signs of improvement, with expectations for a decline from 6.8% in 2023 to 5.8% in 2024, followed by a further drop to 4.4% in 2025. Despite the easing of headline figures towards the end of 2023, they remained above central bank targets in most countries. As a result, major central banks opted to maintain a hawkish stance.

In terms of GDP growth performance, advanced economies like the US witnessed a modest uptick at 2.5%, propelled by robust consumer spending and a strong job market. Conversely, the Eurozone encountered a more challenging path with a growth rate of 0.4%, attributed to high energy prices and a less confident consumer base. On the contrary, the emerging and developing economies fared better, collectively growing at a faster clip of 4.3%, driven by China's reopening and India's strong domestic demand. Moving forward, the global economy is confronted with the challenge of striking a delicate balance between sustaining growth and managing inflation. Therefore, the emphasis

remains on vigilant and adaptive policy manoeuvres to ensure long-term stability and prosperity.

*Source: [https://www.businesstoday.in/markets/story/globalmarket-performance-heres-how-global-equity-markets-major-currencies-performed-in-2023-411391-2023-12-31]*

### INDIAN ECONOMY

#### India's Economic Growth Momentum: A Shining Star on the Global Stage

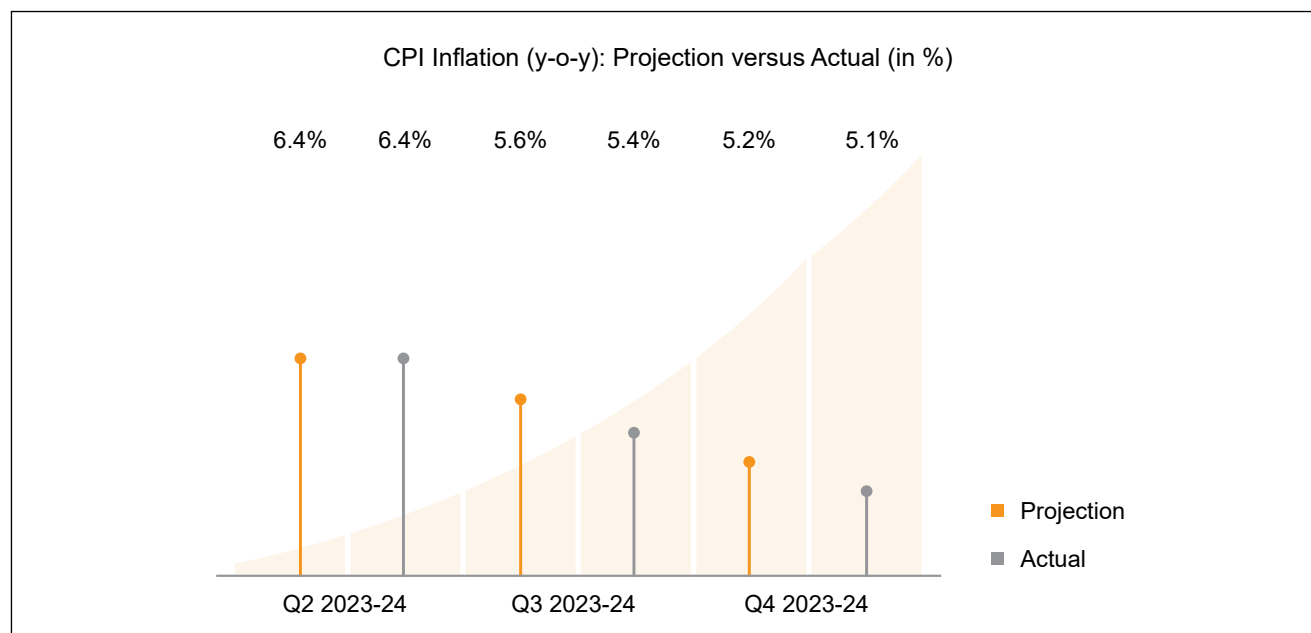
India shines bright on the global economic stage, surpassing major economies in terms of performance, while showcasing a robust growth trajectory. With an estimated GDP growth of 7.6% in 2023-24, India continues its forward march, fuelled by strategic national initiatives and resilient domestic demand. This formidable momentum garners recognition from the International Monetary Fund (IMF), which anticipates India to maintain its position as the fastest-growing major economy, with an expected real growth rate of 6.8% for 2024-25.

#### Favourable Economic Indicators

The Indian economy flourishes amid a plethora of encouraging indicators, including stable macroeconomic conditions, soaring optimism, and burgeoning domestic demand. Strong balance sheets of banks and corporates, along with normalised supply chains and heightened business confidence, paint a promising picture of India's economic landscape. In the 2024-25 Interim Union Budget, the Government set an ambitious target of ₹ 11.11 lakh crore, equivalent to 3.4% of GDP, for capital expenditure. This represents a significant surge of 11.11% over the previous year's allocation, thereby indicating a revival of the capital expenditure cycle. Moreover, these robust fundamentals have instilled optimism in the Indian economy, positioning the nation to achieve significant milestones in the years ahead. Despite the Reserve Bank of India's (RBI) projections of 5.6% inflation for Q3 and 5.2% for Q4 of 2023-24, actual inflation figures stood at 5.4% and 5.1% respectively, undershooting projections by 20 bps and 10 bps respectively. This outcome is attributed to subdued food and core price increases, aided by proactive Government interventions in the supply chain, effectively mitigating inflationary pressures.

*Source: [Monetary Policy Report April 2024 Reserve Bank of India]*

## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)



Sources: National Statistical Office (NSO); and RBI staff estimates

### India's Solid Foreign Exchange Reserves

India's economic resilience is highlighted by its soaring foreign exchange reserves, which hit a record high of USD 645.6 billion as of 29th March, 2024. The substantial forex reserves – indicative of the country's economic strength, comprising assets like cash and gold held by the central bank – provide a buffer against external shocks and facilitate international trade. India's robust forex position enhances its creditworthiness globally and fortifies its status as an emerging economic powerhouse, adept at navigating the ever-evolving landscape of global economic dynamics.

Source: [<https://www.cnbctv18.com/market/currency/rbi-monetary-policy-2024-india-forex-reserves-record-high-rupee-us-dollar-external-debt-shaktikanta-das-19392593.htm>]

### Robust Job Market

India's job market witnessed a major surge, as indicated by a staggering 214% increase in listed vacancies on the National Career Service portal, with openings reaching 1.09 crore in 2023-24, compared to 34.81 lakhs in 2022-23. This unprecedented demand for talent outpaced the 53% growth in registered job seekers, pointing towards a potential skills gap or evolving job preferences. Key sectors driving this uptick in employment included finance and insurance, operations, and support, civil and construction, and manufacturing.

Source: [<https://www.businesstoday.in/india/story/more-jobs-less-takers-only-87-lakh-applied-against-109-crore-openings-in-fy24-427220-2024-04-27>]

### Nurturing Manufacturing Prowess

Another pivotal contributor to India's economic growth is the concerted effort to nurture niche and complex manufacturing sectors, while simultaneously enhancing the supporting physical infrastructure, as the manufacturing sector currently accounts for only a modest 17% of GDP in 2023-24, indicating room for further growth and development in this area. The Government has identified sectors with the potential to leverage India's competitive advantages in resources and skills. Introductions of initiatives such as Production Linked Incentive (PLI) schemes, tax incentives, ease of business reforms, national infrastructure projects, and the national logistics plan are aimed at revitalising manufacturing, streamlining logistics, and capitalising on positive externalities.

Source: [<https://economictimes.indiatimes.com/news/economy/policy/indias-experience-in-terms-of-manufacturing-gdp-growth-different-from-rest-of-world-niti-aayog-member-arvind-virmani/articleshow/104166950.cms>]

### Robust Financial Sector and Regulatory Oversight

A robust financial sector is imperative for achieving ambitious national goals. The RBI maintained a vigilant stance on inflation, leading to credit growth outpacing deposit growth. Encouragingly, there are positive indications in asset quality, with the gross NPA ratio declining to 3.0% in December 2023 from 4.5% a year ago. Retail credit, especially personal loans, recorded a significant uptick, presently comprising one-third of all loans, up from less than one-fifth





## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

a decade ago. However, in a bid to maintain stability, the RBI implemented stricter regulations for consumer lending.

Source: [Monetary Policy Report April 2024 Reserve Bank of India]

### Indian Equity Market Outperforming Global Counterparts

India's equity market consistently outshone other major global equity markets across all investment horizons, firmly establishing India as a standout performer in the global equity landscape. Since the year 2000, Indian equities continued to deliver stellar performance and offered the highest dollar returns for nearly all investment periods among emerging markets, rivalling even those from more advanced economies.

Source: [<https://economictimes.indiatimes.com/markets/stocks/news/indias-best-equity-story-on-a-10-year-view-chris-wood/articleshow/107956272.cms>]

### Catalysing the Digital Transformation

The digital revolution in India gained significant momentum, catalysing transformation across various sectors and driving innovation. Government initiatives and policies continued to play a crucial role in accelerating this digital shift. A notable aspect of these revolutionary changes is the exponential growth of digital transactions in India, which reached an astounding level. The total volume of UPI transactions surged to a record ₹ 131 billion in 2023-24, marking a remarkable 57% increase over the previous year. Additionally, the Indian capital market also witnessed

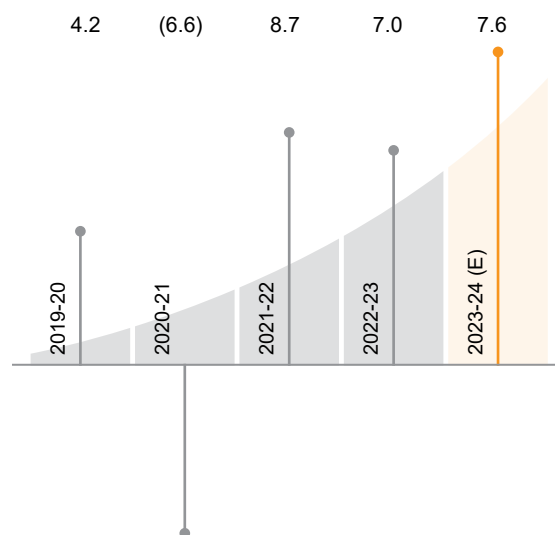
a surge in participation, with over 3.70 crore new demat accounts opened in 2023-24 alone. On the whole, the total number of demat accounts is estimated to reach a record high of 15 crore by March 2024, reflecting the growing interest of investors in the stock market.

Source: [<https://www.businesstoday.in/latest/economy/story/upi-transactions-dip-marginally-to-rs-1964-lakh-cr-in-april-from-rs-1978-lakh-cr-in-march-427817-2024-05-01> <https://www.zeebiz.com/market-news/news-demat-account-in-fy24-rose-nearly-370-crore-recording-new-high-283058>]

### Addressing Growth Challenges

Despite the remarkable resilience displayed by the Indian economy, challenges persist on multiple fronts. Private consumption growth remains subdued, having increased by only 3.5% in Q3 of 2023-24. Additionally, the moderation observed in core GDP growth and Gross Value Added (GVA) growth suggests an uneven growth spurt across sectors. Moreover, the escalation of global geopolitical tensions and slowing down of external demand have the potential to hamper the prospects of the external sector. The ongoing general election process in April-June 2024 further contributes to volatility, with concerns regarding policy direction and market sentiments. However, with policy continuity, a sustained focus on infrastructure development, and ongoing benefits from supply chain diversification, India is well-equipped to address these hurdles and maintain its robust economic performance.

Indian Economy Real GDP Growth Rate (in %)



Source: [Monetary Policy Report April 2024]

Note: E stands for Estimate

## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

## INDIAN EQUITY MARKET OVERVIEW

The Indian equity market witnessed a remarkable surge in 2023-24, further cementing India's position as one of the world's leading investment destinations. The total market capitalisation soared past the historic USD 4 trillion mark, positioning India as the fifth-largest market worldwide. Symbolising the impressive run of Indian equity market, the benchmark indices, Sensex and Nifty50, concluded the fiscal year with gains of 24.85% and 28.61%, respectively. Noteworthy is the standout performance of the realty sector, boasting a staggering 135% gain, trailed closely by state-owned banks at 120%, the auto sector at 90%, and the energy sector at 70%. This broad-based rally across sectors showcased the strength and resilience of the Indian equity market. Moreover, the small-cap and mid-cap segments also outperformed the benchmarks, with small-cap stocks surging by 70% and mid-cap stocks experiencing a 60% increase, demonstrating their growth potential and investor appeal, despite valuation concerns observed in March.

Foreign Portfolio Investors (FPIs) emerged as pivotal players, transitioning into net buyers of Indian equities with substantial investments amounting to ₹ 2.04 trillion (USD 24.46 billion) from 1st April, 2023 until 27th March, 2024. This marks the second largest FPI investment since the post-Covid-19 market recovery in 2020-21. Concurrently, domestic mutual fund investors maintained their confidence in equity-oriented schemes, with assets under management (AUM) surging past the ₹ 40 trillion mark for the first time in March 2024, indicative of the burgeoning retail participation in the market.

India emerged as the world's second most active space for equity capital market (ECM) transactions, second only to the US. With 75 new issues, the market saw a convergence of eager investors and ambitious companies, setting a new benchmark for the primary market. Standout IPOs this year often exceeded expectations, drawing in substantial subscriptions and achieving notable success on their listing days. This upswing in IPO engagement facilitated a significant 20% increase in equity fundraising, with companies raising ₹ 61,915 crore. This represents a considerable leap from the ₹ 52,116 crore amassed by 37 IPOs in 2022-23, signifying the burgeoning confidence in India's equity markets. Moreover, prominent global investors like Blackstone Inc., Blackrock Inc., The Carlyle Group, KKR & Co., and The Brookfield Asset Management are aggressively expanding their private equity holdings and investments in India across sectors. These encompass investments in technology, real estate, infrastructure, healthcare, and financial services. This trend underlines India's growing appeal as an attractive investment destination for international investors.

The strong performance of the Indian equity market is attributed to robust domestic demand, favourable economic conditions, a stable regulatory environment, and increased global investor interest. The Government's persistent emphasis on reforms and infrastructure development, combined with the country's resilient economic growth, sets the stage for further growth and attractiveness of the Indian equity market in the coming years.

## Global Equity Market Performance

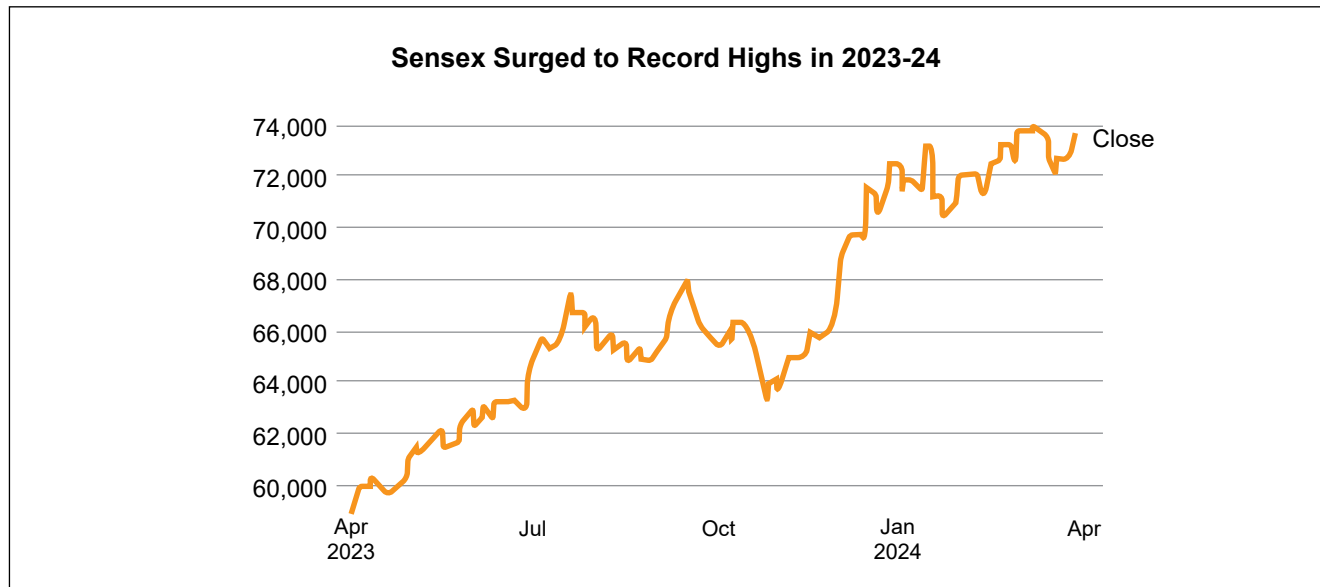
Index	% Change
Nikkei	45.97
Nasdaq Composite	39.97
S&P 500	32.16
Nifty 50	31.00
Ibovespa	26.00
Dow Jones	22.74
DAX	22.03
Euro Stoxx 50	21.92
CAC 40	15.75
KOSPI	12.77
FTSE 100	5.98
CSI 300	[11.97]
Hang Seng	[16.37]

Source: [<https://www.wrightresearch.in/blog/fy24-stock-market-recap-and-outlook-for-india-in-fy25/>]



## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

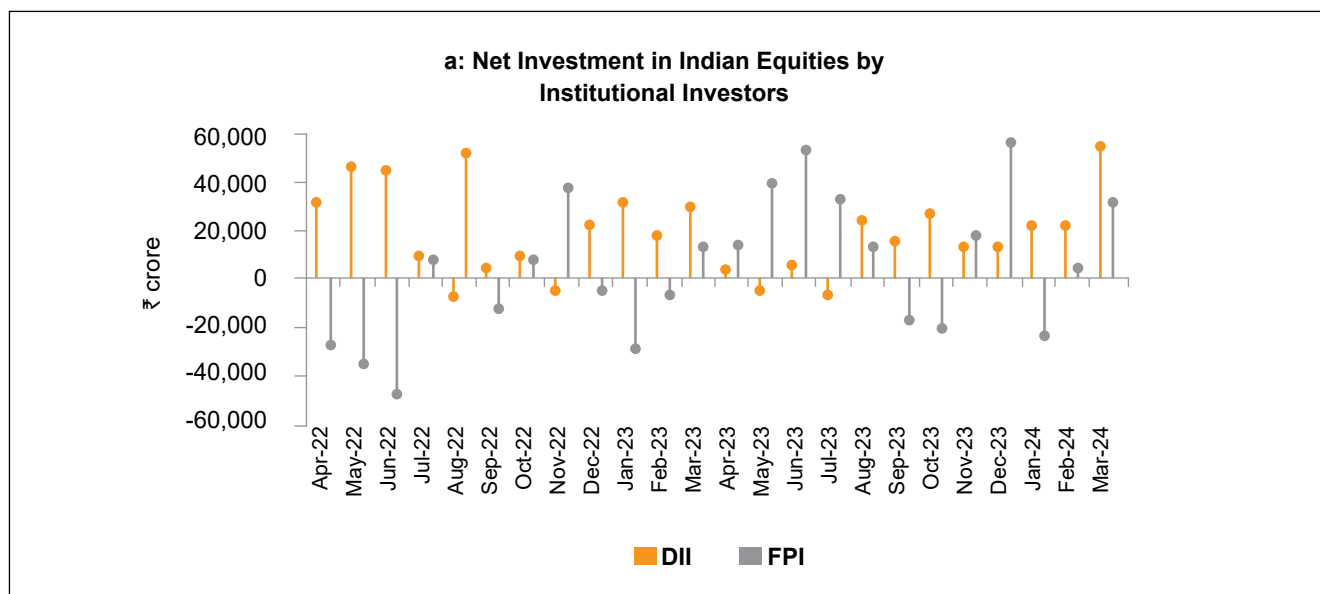
The Nifty 50's remarkable 31% gain reflects the inherent strength and robust growth prospects of the Indian equity market, supported by solid economic fundamentals and persistent investor confidence. While Japan's Nikkei and US indices like Nasdaq and S&P 500 outperformed with even higher gains, this trend reflects the broad-based rally witnessed in the global equity market.



Source: [<https://timesofindia.indiatimes.com/business/india-business/india-coming-of-age-sensex-nifty-soar-to-record-highs-in-fy23-24-whats-next/articleshow/108854885.cms>]

The Sensex surged to record highs during 2023-24, with significant upward movements and volatility. It started around 62,000 levels in April 2023 and surged to nearly 74,000 by the end of the fiscal year, reflecting a gain of around 12,000 points or nearly 20%.

### Net Investment in Indian Equities by Institutional Investors



Sources: [Capitaline; National Securities Depository Limited (NSDL); and Securities and Exchange Board of India (SEBI)]



## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

For the 2023-24 period, Foreign Institutional Investors (FIIs) were net sellers in the Indian equity market, resulting in a total net outflow of ₹ 4,890.33 crore. In contrast, Domestic Institutional Investors (DIIs) emerged as net buyers with a total net inflow of ₹ 10,741.48 crore. These divergent investment patterns between the two investor groups highlight distinct approaches and sentiments in the market.

### Outlook

As India transitions into the financial year 2024-25, the domestic equity markets are poised for a bullish run, fuelled by a confluence of positive factors. Historically, Indian stock markets demonstrated resilience leading up to general elections, and this time was no exception. The significant net buying by Foreign Institutional Investors (FIIs) in March 2024, amounting to ₹ 24,000 crore, coupled with significant positions carried into April 2024, reflect this empirical trend, with overseas investors harbouring positive sentiment. Notably, the surge of ₹ 38,098 crore in FPI inflows into Indian equities in March 2024 reverses earlier selling trends and underscores a renewed appetite for Indian assets among foreign investors, aligning with historical patterns of FPI behaviour around general elections. Moreover, indications from the United States Federal Reserve regarding potential rate cuts may prompt the RBI to follow suit, thereby increasing liquidity in the stock markets and creating a more conducive environment for equity investments.

The finance ministry's optimistic perspective on inflation, coupled with the downward trend in core inflation, indicates a broad-based moderation in price pressures. This is in sync with initiatives aimed at stabilising inflation levels, such as promoting summer sowing to reduce food prices. Such measures bode well for corporate profitability and consumer confidence. Additionally, the anticipated inclusion of Indian bonds in Bloomberg's emerging market index holds the potential to attract additional foreign investment, estimated between USD 3-4 billion in 2024-25. This move is anticipated to deepen the Indian bond market and indirectly bolster equities through improved overall market sentiment.

The upward revisions in India's GDP growth projections for 2024-25 signal a promising trajectory. With Morgan Stanley now estimating a growth of 6.8% up from 6.5% and the National Statistical Office forecasting a strong surge of 7.6% up from 7.3%, the focus is on the country's robust economic prospect. These revisions reinforce India's position as a standout performer on the global stage. Fuelled by a vibrant industrial sector and amplified capital expenditure, India's growth momentum gains strength, driving the nation's economic engine forward.

Source: [<https://www.wrightresearch.in/blog/fy24-stock-market-recap-and-outlook-for-india-in-fy25/>]

## BUSINESS OVERVIEW

We, at Emkay Global Financial Services Limited ('Emkay' or 'EGFSL' or 'Our Company'), are a renowned diversified financial services institution with a rich history spanning almost three decades. From our modest origins as Emkay Share and Stockbrokers Private Limited in 1995, our Company embarked on a transformative journey that led to our listing on the Indian stock exchanges in 2006. This pivotal milestone paved the way for our Company's rebranding to the current identity, Emkay Global Financial Services Limited, in 2008.

We cater to a diverse clientele, spanning foreign institutional investors, domestic mutual funds, banks, insurance companies, private equity firms, corporate entities, small and medium-sized enterprises, as well as high-net-worth individuals. Our commitment to excellence shines through our comprehensive suite of transactional and advisory services, meticulously crafted to address the unique requirements of each client segment across equity, debt, currency, and commodities markets. A team of experienced research professionals, drives our success, supported by robust infrastructure and well-defined processes. With a strong legacy of 29 years, we stand as industry leaders, rooted in traditional values, such as integrity, while seamlessly blending them with cutting-edge technology and innovation. We stay committed to empowering our clients with customised financial solutions.

## BUSINESS SEGMENTS

### 1. Equity

We prioritise the uncovering of long-term value and viable investment opportunities, leveraging the sound expertise of our research team. Deploying a rigorous blend of qualitative and quantitative analysis, we identify undervalued stocks with a primary focus on preserving capital. Through our unique offerings, we serve both institutional and non-institutional clients, delivering meticulously crafted, dependable portfolio constructions with significant growth potential.

During 2023-24, the institutional equities segment contributed 53% of the total equity broking business, while the non-institutional segment accounted for the remaining.



## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

### Institutional Equities

Emkay Global's Institutional Equities (IE) offerings are renowned for their expansive presence in global markets, covering Europe, Hong Kong, India, Singapore, Taiwan, the UK, the US, and other key regions. Our distinguished clientele in this domain primarily comprises Mutual Funds, Insurance Companies, Banks, Foreign Portfolio Investors (FPI), Family Offices, Global Hedge Funds, and Alternative Investment Funds (AIF).

Our competent IE team had a dynamic year in the last fiscal. In June 2023, the team orchestrated the Commercial Vehicle Conference 2.0, bringing together key stakeholders for insightful discussions and productive meetings. August 2023 saw the team hosting our flagship event, the Emkay Confluence 2023, serving as a premier platform for industry leaders, companies, and funds to converge, resulting in extensive engagement and networking opportunities. Additionally, the Emkay Digi Banking Conference, held on 29th and 30th November, 2023, provided a forum for meaningful exchanges and exploration of digital banking trends. Moreover, complementing these major events, our team organised 43 roadshows, 186 expert/client calls, and 68 group calls/events/conferences during the year. These endeavours reflect our dedication to facilitate meaningful connections and knowledge sharing within the industry.

### Non-Institutional Equities

The Non-Institutional Equities division caters to a diverse clientele across India and among Non-Resident Indians worldwide. Our clients include corporates, high-net-worth individuals, family offices, trusts, and private equity firms. We prioritise personalised and effective service delivery, leveraging our widespread network of offices across the country, thereby successfully meeting the specific needs of each client within this segment. As of 31st March, 2024, the number of institutional and active non-institutional clients stood at 328 and 43,200, respectively.

### Research

We, at Emkay, are known for delivering unparalleled, distinctive, and comprehensive real-time insights through our research capabilities. Our exceptional research quality makes us stand out in the financial industry, as we harness our proprietary research methodology to conduct thorough due diligence with institutional-grade analytics. This allows us to delve into

macro and micro-economic trends, offering insights into the capital market outlook. This enables us to craft tailored capital allocation strategies, empowering our clients with informed decision-making.

Our team of analysts and research associates possess extensive experience and sound domain knowledge in their respective industries. We covered 190 stocks as of 31st March, 2024, including 29 of the Nifty 50 and 24 of the BSE Sensex companies.

## 2. Asset Management

Emkay Investment Managers Limited (EIML), the Asset Management arm of Emkay Global, serves a diverse clientele, including family offices, high-net-worth individuals (HNIs), corporations, Non-Resident Indians (NRIs), and trusts. We offer Portfolio Management Services (PMS) and Alternative Investment Funds (AIFs) tailored to meet the specific needs of each client. Our investment strategies are rooted in in-depth research, focussing on sectors and companies with promising growth prospects. With assets under management exceeding ₹ 900 crore, we are committed to delivering customised wealth management and investment solutions to our esteemed clients.

At EIML, we prioritise capital preservation and client comfort in our asset management approach. Transparency is paramount to us, and we ensure that the investors have full visibility into their investments. Our greatest achievement lies in crafting a clear narrative that illustrates why our stock selection and governance model 'E-QUAL' consistently helps us achieve zero blowouts in our portfolios.

### • E-QUAL

EIML's patented governance system – 'E-QUAL' – evaluates managements based on criteria such as management capability, management integrity, and wealth distribution ability, among others. E-Qual is a first-of-its-kind evaluation framework in the country for quantifying and thereby objectively evaluating the governance aspect of management quality.

### Our Strategies: PMS & AIFs

#### Emkay Emerging Stars Fund

Emkay Emerging Stars Fund intends to produce capital appreciation over the long term for investors from a collection of equity and equity-related securities.

- Received award from PMS - AIF World for robust performance

## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

- Completed the early distribution of proceeds from the Emkay Emerging Stars Fund – AIF Series IV to our unit holders during the year
- Achieved an impressive 20% to 25% XIRR (depending on the class of shares) for our investors, following deductions for all fees and expenses
- Launched Emkay Emerging Stars Fund - Series VI (AIF Category III), a thematic-focussed multi-cap fund during the year under review
- Unveiled 'Emkay India's Golden Decade of Growth', a PMS strategy on the same lines

**Emkay Capital Builder**

- This multi-cap portfolio uncovers companies with the potential for long-term wealth creation over a horizon of over 3-5 years
- Evaluates the top 600 companies by market capitalisation, carefully adhering to a well-defined portfolio construction discipline
- Applies strict limits to filter stocks through a rigorous three-pronged investment process, thereby ensuring that only the most promising opportunities are selected to maximise returns for our clients

**Emkay GEMS**

- Employs an equal-weighted twenty-stock mid-cap-oriented strategy
- Focusses on risk-adjusted returns without wide diversification
- Results in lower portfolio volatility and high liquidity
- It is characterised by low portfolio turnover

**Emkay New Vitalised India Strategy**

- A multi-cap portfolio aimed at achieving long-term capital appreciation
- Targeted investments in companies poised to benefit from trends like private and public capex, greater indigenisation to reduce dependence on imports, robust export growth, a strong turnaround in the industrial sector and services integral to industrial growth
- Focussed on absolute Returns, with high emphasis on Purchase Price

**Emkay Pearls**

- Emkay Pearls aims to create wealth over an

investment horizon of 2 to 3 years through a robust and research-backed equity portfolio.

- The strategy focusses on 15-20 stocks in the mid-and small-cap space.
- It follows a unique Bargain Hunting method to spot potential stocks at low current valuations, which would deliver superior returns in the long term.

**Other Key Highlights of the Year**

- Opening of new office space by Emkay Investment Managers during Q3 of 2023-24, with the team successfully moving into the new workspace on 1st January, 2024, marking the start of an exciting phase for our Company
- Unveiling of Emkay India's Golden Decade of Growth, a PMS strategy, seeking to enable investors to benefit from Five Key Themes that are expected to see accelerated growth in the years ahead

**3. Wealth Management**

We offer a comprehensive suite of services to our clients, within our Wealth Management segment, targeting Ultra High Net Worth Individuals (UHNIs), family offices, and corporate treasuries. Our holistic approach begins with rigorous client risk profiling and portfolio analysis, followed by meticulous asset allocation and personalised portfolio construction. Our commitment extends to continuous performance evaluation, rigorous monitoring, and strategic rebalancing to ensure optimal outcomes. Additionally, we tender adept transactional support, cutting-edge Management Information System (MIS) solutions, comprehensive information assistance, and tailored advisory services, designed to empower our clients in achieving their financial objectives.

Our approach is firmly grounded in a rigorous commitment to processes and research, enabling us to sharpen our understanding of market dynamics and asset categories. This methodology empowers us to offer tailored investment products and Wealth Management Services. Leveraging both quantitative and qualitative techniques, our wealth research team adeptly navigates the extensive array of available products and services. Our team of private bankers, ably assisted by advanced client profiling methods, dedicate significant time to understanding each client's specific needs, thereby ensuring the provision of tailored products and services.





## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Emkay Wealth Advisory Private Limited, our subsidiary, specialises in estate and succession planning services, operating as a Registered Investment Advisor. Our proactive research team consistently disseminates insightful articles covering economic trends, market dynamics, and various asset classes, thereby ensuring our clients are well-versed in evolving market landscapes. The efficacy of Emkay Wealth stems from its systematic approach to distribution, strategy development, client engagement, asset allocation, and technological innovation.

With the support of our committed and seasoned private bankers and wealth managers stationed across our branches in India, Emkay Wealth has witnessed substantial expansion since its inception four years ago. Reflecting our continued growth trajectory and dedication to delivering value to our clientele, we surpassed the milestone of 2,500 clients by the end of 2023-24, while managing assets worth ₹ 3,177 crore.

### 4. Investment Banking

Emkay Investment Banking stands out as a versatile, product-agnostic platform, dedicated to serving mid-market clients. Our expertise lies in guiding clients to secure growth capital from both public and private markets.

Our team of professional investment bankers possesses a profound understanding of the mid-market corporate sector, providing both strategic and financial advisory services. Our strong relationships with regulators and stakeholders further enhance the value we deliver to our clients.

Emkay has built a solid reputation for closing deals successfully within the small and mid-sized company segments, fostering long-term relationships, and delivering consistent value.

Some of our Investment Banking services include Initial Public Offer (IPO)/ Follow on Public Offer (FPO), Qualified Institutional Placement (QIP), Preferential Issue/PIPE, Growth Capital for Private Companies, Private Equity Exits, Private Equity Buyouts, Advisory Services on Buyback, Delisting, Open Offer, Promoter OFS, and Rights Issue, among others.

The Emkay Investment Banking division continues to gain traction, as evidenced by our successful advisory role in numerous prestigious capital market transactions throughout 2023-24.

#### Key Highlights

- Advisor to the ₹ 405 crore IPO of Senco Gold Limited

- Sole Merchant Banker for the ₹ 200 crore QIP of Vishnu Chemicals Limited
- Merchant Banker to the ₹ 55 crore buyback for Ashiana Housing Limited
- Merchant Banker to the ₹ 4,000 crore QIP of Indian Bank
- Merchant Banker to the ₹ 750 crore QIP of J&K Bank Limited
- Sole Merchant Banker for the ₹ 500 crore QIP of JK Tyres and Industries Limited
- Merchant Banker to the ₹ 251 crore IPO of J.G Chemicals Limited
- Merchant Banker for the ₹ 6 crore Open Offer by Heranba Group for Daikaffil Chemicals India Limited
- Advisor for ₹ 110 crore private equity deal of Biodeal Pharmaceuticals Limited

The remarkable success and positive responses garnered from these transactions reinforced our reputation and propelled us further, building upon the growth momentum accumulated in previous years.

### 5. Currency and Commodity

Emkay's affiliation with the Multi Commodity Exchange (MCX), the National Commodity & Derivatives Exchange (NCDEX), and the NSE Commodity enables us to offer a comprehensive range of client services in the Commodities sector. These include the following:

- Trading Software: We offer the Omnesys Nest by Thomson Reuters. For our clients, we provide a varied suite of Algo Strategies (Omnesys Nest/ Greeksoft).
- Execution Channels: We provide clients the convenience of Call & Trade services through recorded lines, along with access via Bloomberg and Reuters chat platforms.
- Trading Platforms: We facilitate online platforms for both trade execution and viewing. Additionally, for clients sensitive to latency, we provide Direct Market Access (DMA).
- Research Advisory: We deliver real-time research advisory to our clients through WhatsApp messages & phone, Bloomberg, and Reuters chat.
- Client Support: We offer online client back-office access, electronic contract notes, and SMS facility.

## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Research reports such as the Daily Technical Report, Monthly Fundamental Review, and Periodic Special Reports further contribute to keeping our clients informed about the commodity market direction.

#### Key Service Offerings Provided in Currency

Our comprehensive suite of offerings is tailored to meet the needs of clients seeking in-depth insights and analysis for navigating the foreign exchange markets. The FX Insights report tracks the Indian Rupee (INR) movement and trends, furnishing a daily outlook on its performance. Meanwhile, the RBI MPC Meeting Preview report conducts a thorough analysis of macroeconomic indicators to gauge their potential market impact and influence on the RBI's policy decisions. In addition, the Daily FX Insight report delivers technical and fundamental analysis across various Forex market segments. Furthermore, we offer regular updates on Forex Markets via WhatsApp to ensure our clients stay abreast of the latest developments.

Our specialised reports delve into specific areas, such as the Exchange v/s OTC Spread report, which compares forward premiums between the Exchange and Over-the-Counter markets. Meanwhile the USDINR Weekly Insight report provides a comprehensive analysis of the weekly movement and trends of the US Dollar and Indian Rupee (USDINR) pair. It includes a hedging matrix for importers and exporters, along with a weekly economic events calendar to facilitate decision-making. Additionally, our Option Max Pain - USDINR report analyses derivative concepts and strategies related to the USDINR pair, helping determine potential levels of maximum pain for option traders at expiration. Furthermore, the USDINR Technical Report focusses on offering in-depth technical analysis and hedging strategies tailored specifically for the USDINR currency pair.

### Opportunities

#### Large Potential IPO and M&A Pipeline

The Indian capital markets are witnessing a significant uptick in activity, as evidenced by companies raising substantial fund through initial public offerings (IPOs) in 2023-24. Looking ahead, the pipeline appears equally robust for 2024-25, with offerings worth ₹ 70,000 crore expected to hit the markets, featuring some prominent names. This bullish IPO trend is complemented by a rise in entrepreneurial endeavours, facilitated by initiatives like Ease of Doing Business and Start-up India.

Additionally, there is a significant uptick in mergers &

acquisitions (M&A) as various sectors undergo consolidation. This trend is coupled with an influx of private equity and venture capital investments flowing into Indian companies.

Despite a number of persisting challenges, including high inflation and geopolitical tensions, there is a prevailing sense of optimism. Many anticipate that once these factors stabilise, a growing number of companies across various sectors will seek to raise capital through primary markets, driven by expectations of reduced volatility and the promising potential for strong earnings.

Source: [<https://economictimes.indiatimes.com/markets/ipo/fpos/rs-70000-crore-pipeline-awaits-ipo-market-in-fy25-featuring-some-household-names/articleshow/108872722.cms?from=mdr>]

#### Increasing HNIs in India

The surge in High-Net-Worth Individuals (HNIs) across India presents a compelling opportunity for the wealth management industry. With HNI numbers expected to nearly double from 797,714 individuals with assets over USD 1 million in 2022-23 to 1,657,272 by 2026-27, this affluent investor class holds immense potential. Defined as individuals with an investment capacity exceeding ₹ 5 crore, HNIs seek diverse investment avenues to grow and safeguard their wealth. Financial institutions and wealth managers are well-positioned to cater to their unique requirements through personalised services, encompassing portfolio management, risk mitigation, inheritance planning, and tax optimisation strategies. The burgeoning HNI in India represents an opportunity for the introduction of innovative financial products and specialised advisory services designed to meet their evolving requirements.

Source: [<https://cleartax.in/s/high-net-worth-individuals>]

#### Financialisation of Household Savings

The household sector is a vital contributor to the Indian economy, accounting for roughly 78.5% of gross savings and serving as the primary source of financial resources for gross investment. A striking trend emerging in recent years is the growing commitment of Indian households to allocate larger portions of their savings towards financial assets, moving away from traditional investments in physical assets like gold and real estate. This shift is driven by steady economic growth and a diminishing appeal of physical assets, primarily due to their lower returns compared to financial assets. Consequently, there is a projected surge in investment options, including mutual funds, equities, ULIPs, and various other avenues, all set for substantial growth.

Source: [[https://www.rbi.org.in/Scripts/BS\\_ViewBulletin.aspx?Id=21336](https://www.rbi.org.in/Scripts/BS_ViewBulletin.aspx?Id=21336)]



## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

### Fintech Innovations

The financial industry has significant opportunities for growth and innovation by embracing fintech solutions like digital banking and innovative payment systems. Leveraging big data analytics presents an opportunity to gain valuable customer insights and steer towards data-driven decision-making. Additionally, developing sustainable finance initiatives such as green investment funds and carbon trading platforms, holds immense promise for sustainable finance. By adopting these innovations, financial institutions can usher in a new era of customer services, enhanced operational efficiency, new revenue streams. Furthermore, embracing these advancements position financial institutions as industry leaders in the rapidly evolving digital and sustainable finance landscape.

### Rising Alternative Investments in India

The Alternative Investment market in India is growing rapidly, with total AUM increasing from USD 26 billion in 2015-16 to an estimated USD 65 billion in 2023-24 – representing a staggering increase of over 100%. This burgeoning demand is driven by several factors, including the expansion of India's middle class with rising wealth, higher interest rates making traditional assets less appealing, and regulatory reforms enabling easier access. Private equity, venture capital, hedge funds, real estate funds, and infrastructure funds emerge as key drivers of this growth, with private equity and real estate being largest and fastest growing segments. Alternative investments offer potential for higher returns and portfolio diversification due to low correlation with public markets. However, they also entail risks, such as illiquidity and volatility. Nonetheless, this expanding market presents an opportunity to cater to the evolving needs of investors by providing access to a diverse range of investment avenues.

Source: [<https://www.sganalytics.com/blog/what-are-alternative-investments/>]

### Threats

Emkay's advancement may face obstacles stemming from various quarters, including geopolitical tensions, market volatility, escalating commodity and energy prices, inflationary pressures, and anticipated interest rate hikes aimed at restricting liquidity. In addition to these potential threats, it is crucial to explore further risks that could impede our Company's growth.

### Risk Mitigation

Risk	Impact	Mitigation
Technology Risk	A substantial surge in user traffic could potentially overload the server's capacity, leading to service disruptions and inconveniences for our clients. Moreover, given the critical role of our IT infrastructure in sustaining business operations, the risks associated with system failures, security breaches, or similar incidents cannot be ruled out.	We are committed to deliver seamless service to our clients and mitigate technology risk. To ensure this, we implemented a cloud-based Customer Relationship Management (CRM) system for the Commodity PCG Desk, and developed Web API services to facilitate efficient data exchange with the Wealth CRM. Furthermore, our ongoing investments in technological advancements seeks to fortify the resilience of our platform and enhance the user experience.
Competition Risk	The ever-increasing entry of emerging competitors into our industry possesses a significant threat to our market share.	We set ourselves apart from our competitors to mitigate this risk. By offering top-notch research, advisory services, and alpha generation capabilities, we tackle the threat from emerging competitors. Moreover, we continue to diversify our services and offerings to effectively encounter the impact of market fluctuations arising out of increased competition.
Reputation Risk	The significant concern, arising out of negative public perception, stakeholder dissatisfaction, or adverse media coverage may pose risk to our reputation. This has the potential to result in loss of customers, and market share, while augmenting regulatory scrutiny.	We focus on several key initiatives to mitigate reputation risk. Firstly, we cultivate a robust corporate culture that emphasises ethical behaviour and accountability. Secondly, we develop a crisis management plan to address potential reputation risk events. Lastly, we actively engage with stakeholders to build trust and uphold a positive reputation.



## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Risk	Impact	Mitigation
Cyber Attacks and Data Breaches	Cyber attacks and data breaches represent a substantial threat to our operations, alongside compromising sensitive information, and potentially damaging our reputation.	We plan to implement robust cybersecurity measures to mitigate this risk. Our strategy includes deployment of firewalls, data encryption, and multi-factor authentication. Additionally, we plan to conduct regular security assessments and vulnerability testing, provide comprehensive employee cybersecurity training, and develop a detailed incident response plan.
Talent Acquisition and Retention	Inability to attract and retain skilled and experienced employees has the potential to impact our productivity, innovation, and competitiveness.	We are committed to mitigate this risk by offering competitive compensation and benefits packages, providing professional development and career growth opportunities, fostering a positive and inclusive corporate culture, and implementing employee engagement and retention initiatives.

## Financial Performance

(₹ in Lakhs)

Particulars	As of 31st March, 2024	As of 31st March, 2023
<b>ASSETS</b>		
<b>Financial Assets</b>		
(a) Cash and cash equivalents	4,782	2,949
(b) Bank balance other than (a) above	53,498	31,911
(c) Stock in trade (Securities held for trading)	130	72
(d) Trade receivables	12,515	10,529
(e) Loans	3,958	5,136
(f) Investments	2,616	2,368
(g) Other financial assets	23,323	13,965
<b>Sub-total - Financial Assets</b>	<b>1,00,822</b>	<b>66,930</b>
<b>Non-Financial Assets</b>		
(a) Current tax assets (net)	384	510
(b) Deferred tax assets (net)	-	501
(c) Property, plant and equipment	3,243	2,999
(d) Right of use assets	890	747
(e) Other intangible assets	146	55
(f) Other non-financial assets	1,041	1,353
<b>Sub-total - Non-Financial Assets</b>	<b>5,704</b>	<b>6,165</b>
<b>Total - Assets</b>	<b>1,06,526</b>	<b>73,095</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
<b>Financial Liabilities</b>		
(a) Trade payables	20,889	12,026
(b) Borrowings (other than debt securities)	3,255	1,497
(c) Deposits	1,032	1,036
(d) Lease liabilities	916	763
(e) Other financial liabilities	50,836	33,129
<b>Sub-total - Financial Liabilities</b>	<b>76,928</b>	<b>48,451</b>



## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

## Financial Performance

(₹ in Lakhs)

Particulars	As of 31st March, 2024	As of 31st March, 2023
<b>Non-Financial Liabilities</b>		
(a) Current tax liabilities (net)	17	4
(b) Provisions	3,710	2,192
(c) Deferred tax liabilities (net)	19	-
(d) Other non-financial liabilities	1,764	1,409
<b>Sub-total - Non-Financial Liabilities</b>	<b>5,510</b>	<b>3,605</b>
<b>Equity</b>		
(a) Equity share capital	2,469	2,464
(b) Other equity	21,619	18,575
<b>Sub-total - Equity</b>	<b>24,088</b>	<b>21,039</b>
<b>Total - Liabilities and Equity</b>	<b>1,06,526</b>	<b>73,095</b>

	2023-24	2022-23	2021-22	2020-21
Revenue	31,501	21,548	27,377	16,183
Earnings before interest, tax and depreciation & amortisation	5,712	2,601	5,685	2,800
Profit/(Loss) before tax	4,242	1,255	4,611	1,737
Profit/(Loss) for the year	3,244	1,408	3,380	1,113
Total assets	1,06,526	73,095	76,393	56,484
EPS (in ₹)	13.16	5.71	13.72	4.52

## Financial Ratios

Metrics	Standalone			Consolidated			Explanation in Case Change is 25% or More, As Compared to The Previous Year
	31st March, 2024	31st March, 2023	% Change Increase (Decrease)	31st March, 2024	31st March, 2023	% Change Increase (Decrease)	
Current ratio	1.10	1.04	5.77	1.21	1.16	4.31	
Debt equity ratio	0.2	NA	NA	0.14	0.07	100.00	
Net profit margin	8.63%	5.36%	61.01	10.30%	6.53%	57.73	Net Profit margin has risen due to substantial jump in profits backed by increased revenue
Return on net worth	14.11%	7.03%	100.71	13.47%	6.69%	101.35	Substantial jump in profits have contributed for higher return on net worth
Interest coverage ratio	6.56	2.57	155.25	9.64	3.93	145.29	EBIT has increased substantially due to rise in profitability and revenue

## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

**INFORMATION TECHNOLOGY**

Our sustained focus on transformation is the mantra behind the success in client acquisition. We emphasise enhancing interfaces, streamlining efficiencies, and elevating the customer experience across all our platforms. Our strength lies in driving innovation and actively incorporating feedback into tangible actions. This methodology empowers our team to develop a platform that delivers a seamless experience across all touchpoints. Our goal is to anticipate needs, respond to disruptions with appropriate offerings, and create an ecosystem that adapts to evolving demands. This approach ensures a holistic experience for our users, propelling our growth in the industry.

We undertook the following initiatives in 2023-24 to enhance our technology process:

- Initiated an upgrade in the Backoffice application to process trades with higher volumes and faster processing capabilities
- Enhanced network bandwidth for our connectivity to Exchanges & Colocation facilities, ensuring faster performance
- Rolled-out a new hyper-converged platform, upgrading capacity and improving performance of user applications
- Implemented critical infrastructure upgrade to align with global standard within our data centres, featuring efficient cooling systems and advanced power distribution systems
- Decommissioned older servers and network equipment and replaced them with newer, more advanced hardware
- Pioneered DMA Certification on MCX, demonstrating our commitment to innovation and compliance within the industry
- Onboarded a new trading platform within the exchange colocation facility, enabling seamless and secure trading activities
- Implemented an Order Management System (OMS) with FIX connectivity in the exchange colocation environment, streamlining order management and execution processes
- Deployed a new Backoffice platform in GIFT City processing DMA & Institutional trade flows
- Adopted a granular application control platform to safeguard the user environment, thereby restricting unauthorised applications on our Company's computers
- Conducted enterprise-wide hardware refresh with the aim of offering a superior user experience, while upgrading systems to the latest operating systems

**FASTER TRADING EXPERIENCE THROUGH DIGITAL INNOVATION**

We prioritise delivering an optimal trading experience to our clients, empowering them to make well-informed financial decisions. We are committed to providing our customers with faster, more accurate, and more secure access to data. Through our platform offerings and API initiatives, we strive to deliver superior performance and an enhanced experience to our clients in a highly competitive landscape.

To enhance our software services and infrastructure robustness, we took the following initiatives:

- Backoffice Application was upgraded to process trades in multiples of volumes and faster processing.
- Upgraded the network bandwidth for our connectivity to Exchanges & Colocation for faster performance.
- A new hyper-converge platform was rolled out for upgrading the capacity and better performance of the user applications.
- Implemented critical infrastructure into global standard data centres that have efficient cooling systems and advanced power distribution systems.
- Decommissioning old servers, and network equipment and replacing them with newer ones.
- Pioneering DMA Certification on MCX, demonstrating our commitment to innovation and compliance.
- We successfully onboarded a new trading platform within the exchange colocation facility, enabling seamless and secure trading activities.
- We implemented the OMS with FIX connectivity in the exchange colocation environment, streamlining order management and execution.
- In GIFT, we deployed a new Backoffice platform for processing DMA & Institutional trade flows.
- To safeguard our user environment, we implemented a granular application control platform, restricting unauthorized applications on our computers.
- To provide a superior user experience, we conducted an enterprise-wide hardware refresh and upgraded systems to the latest operating systems.

These initiatives reinforce our commitment to providing clients with a seamless, secure, and technologically advanced trading experience, solidifying our position as a leader in the financial services industry.





## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

### CYBERSECURITY

We fortified our infrastructure and information with robust security measures. We have a robust framework in sync with the regulatory guidelines for safeguarding the information assets of the Company.

- We carry out periodic vulnerability assessments and penetration testing through a CERT-IN auditor to identify and remediate any vulnerabilities in our platforms.
- We consider our human resources as our first line of defence against cyber-threats and conduct periodic simulation attacks to assess any vulnerable human resources, followed by appropriate training programmes to educate our users about modern cyber-threats and guide them to stay alert and cyber-safe.
- We have engaged with a CERT-IN empanelled third-party SOC that monitors and protects our critical infrastructure on a 24x7 basis.
- We have deployed an cutting-edge EDR platform that protects our critical assets and a layer of virtual patching solution to protect any legacy platforms.
- We have deployed an identity threat detection and response platform to ensure that our identities are secured from unauthorised access.

Through these initiatives, we remain committed to maintaining a robust and secure technological infrastructure, ensuring the safety and integrity of our operations and information assets.

### HUMAN RESOURCES

We, at Emkay, firmly believe that our employees are our greatest asset, and their well-being and engagement are paramount to our success. Our Human Resource initiatives are driven by a deep commitment to fostering a supportive and nurturing environment to enable our employees to thrive both personally and professionally.

#### Employee Wellness & Engagement Initiatives

- Launched the 'Voice of Employees' initiative, facilitating one-on-one feedback sessions with existing employees. By fostering collaboration and actively listening to employees from their early days, we aim to create a culture of open communication and continuous improvement, facilitated by repeated surveys at intervals of 30, 60, and 90 days
- Encouraged active participation by Emkayites in the prestigious Tata Mumbai Marathon, organised in January 2024, highlighting our collective dedication to fitness and team spirit

- Activated an HRMS platform for continuous feedback, providing a mechanism for employee development and fostering strong team dynamics
- Unveiled '1to1 Help', an employee mental wellness initiative, underscoring our commitment to the overall well-being of our employees and their families, addressing their physical, mental, and emotional needs
- Organised an offsite for the Institutional Equities team, aligning them to a common mission while promoting cohesion, and strengthening the shared vision
- Introduced Emkay T-shirts to spotlight the agenda of 'One Company, One Team,' thereby fostering a sense of unity and pride among our employees

#### Talent Acquisition & Development

- We continue to hire from reputed B-schools and attract seasoned professionals to build a young, dynamic workforce for Emkay and nurture our future leaders
- We invest in the development of our young talent through customised trainings, equipping them with the necessary behavioural and functional skills to excel in their roles
- We deliver our training initiatives through a Learning Management System and concerted in-house programmes, achieving a remarkable 79% coverage across the organisation
- We designed a recruitment strategy where a significant portion of our new hires, almost 50%, is through employee referrals from our existing workforce, reflecting the thriving culture and level of employee satisfaction we cultivated within the organisation

#### Continuous Activities to Aid Employees

- We organise health camps to promote the overall well-being of our employees
- Conduct 'Ease of Banking' camps to address employee issues and provide convenient financial services
- Undertake mid and annual performance reviews to ensure fair evaluation, feedback, and recognition of our employees' contributions

At Emkay, we are committed to creating and sustaining an environment where our employees thrive, grow, and contribute to our collective success. Our human resources initiatives are designed to nurture talent, promote well-being, and foster a culture of excellence, innovation, and camaraderie.

## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACIES

We, at Emkay, place great importance on the implementation of Internal Control Systems, ensuring they are adequate, effective, and appropriate for our business size. Our professional management team, alongside established policies and procedures, plays a pivotal role in facilitating this process. We maintain a robust audit programme, an internal control environment, effective risk monitoring, and management information systems. Regular updates to our systems are made in accordance with industry best practices, and internal audits complement our internal control systems. Management conducts regular evaluations, ensuring that standard policies and norms are in place to guarantee the accuracy of financial records used in compilation of financial statements and other data. Integral to our control system is our Management Information System (MIS), which undergoes regular checks and processes to ensure its efficacy. Moreover, we engage Independent audit companies to conduct regular internal audits, and carefully review their reports. Executive summaries, as well as Action Taken Reports (ATR) outlining management actions to address issues, are presented to the Audit Committee/Board

meetings for evaluation. The Audit Committee thoroughly reviews internal auditor reports, and corrective actions are promptly taken to improve the efficiency of future systems and procedures in alignment with Internal Control Systems. The acknowledgment of auditors' work by the Board serves as an independent validation of the information provided by management regarding our Company's operations and performance.

### CAUTIONARY STATEMENTS

The Management Discussion and Analysis contains statements about our Company's objectives, plans, estimates, and expectations. It should be noted that these statements may be deemed as 'forward-looking statements' under relevant securities laws and regulations. It is important to acknowledge that the actual outcomes may significantly differ from those stated or suggested due to various factors such as economic developments in the country, industry demand and supply circumstances, input pricing, changes in Government regulations and tax laws, as well as issues such as litigation and labour relations. These factors hold the potential to impact our Company's operations in a significant manner.



## ANNEXURE - G

### 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 as on 31st March, 2024, each having expertise in their field of operation including one Woman Director. The total number of Non-Executive Directors are 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. 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 56 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 51 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 lawyer & 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, born on July 14, 1965, is a distinguished rank holder from the prestigious Institute of Chartered Accountants of India (ICAI). With over three decades of extensive experience, Mr. Karwa holds the esteemed position of Promoter and Managing Director of the Company. His expertise spans across all facets of the Equity Capital Markets, where he plays a pivotal role in overseeing the Research, Asset Management, and Corporate Advisory divisions at the Company. Notably, Mr. Karwa's contributions extend beyond the Company, as he has served as a Director on the Board of West Coast Paper Mills Ltd., further showcasing his dedication to fostering excellence across diverse sectors.

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

Mr. Prakash Kacholia, born on 27 September 1965, is an accomplished Chartered Accountant from the 1987 batch of the prestigious ICAI, boasting over three decades of invaluable experience in the dynamic Capital Market. Mr. Kacholia's expertise extends beyond the corporate realm; he has made significant contributions



as a member of the SEBI Committee on Derivatives. Moreover, his seasoned leadership has played a pivotal role in his directorship on the boards of Bombay Stock Exchange Limited, Central Depository Services (India) Limited, and BOI Shareholding Limited, a subsidiary of the Bank of India. During his tenure as Director at BSE Limited, he also served as a member of the Audit Committee. He is currently a member of the Advisory Committee of the NSE and serves as a Director on the Board of West Coast Paper Mills Ltd.

(vii) 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 Aadhyathma Management Pvt. Limited, Emkay Wealth Advisory Limited, Emkay Investment Managers Limited and Emkay Commotrade Limited.

(viii) Mrs. Hutokshi Rohinton Wadia (Non-executive, Independent Director)

Mrs. Hutokshi Rohinton Wadia is a woman Director on the Board of Directors of the Company. She is an Associate member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. She has a well-rounded rich experience of 31 years as a Company Secretary out of which 23 years was in two large TATA Group companies (Trent Ltd. and Trent Hypermarkets Ltd.) and 8 years in Aditya Birla Group Companies viz. Aditya Birla NOVO Limited as Senior Vice-President & Company Secretary and in Grasim Industries Ltd. as its President & Company Secretary. Presently she is working in the capacity of Hon. General Secretary & Chief Operating Officer of Indian National Theatre.

**The Composition of the Board, Directorship/ Committee positions in other companies as on 31st March, 2024 and number of Meetings held and attended during the year are as follows:**

The names and category of the Directors on the Board, their attendance at Board Meeting held during the year under review and at the last Annual General Meeting (AGM), name of the other Public Companies in which the Director is a Director and the number of the Directorship and Committee Chairmanship/Membership held by them in other public limited companies as on 31st March, 2024 are as under -

Name of the Director	Category	No. of Board Meetings held during his/ her tenure and attended in 2023-2024		Whether attended last AGM held on 10.08.2023	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	4	Y	2	-	-	-
Mr. R. K. Krishnamurthi	NED (I)	4	3	Y	3	1	-	1. Madhav Marbles and Granites Limited NED (I)
Mr. G. C. Vasudeo	NED (I)	4	3	N	2	-	1	-
Dr. Satish Ugrankar	NED (I)	4	4	Y	-	-	-	-
Mr. Krishna Kumar Karwa	ED	4	4	Y	1	-	1	-
Mr. Prakash Kacholia	ED	4	4	Y	2	-	1	1. West Coast Paper Mills Limited NED (I)
Dr. Bharat Kumar Singh	NED (I)	4	3	N	3	-	-	-
Mrs. Hutokshi Wadia	NED (I)	4	3	N	-	-	-	-

Note 1:

- Category: NED: Non-Executive Director, NED (I): Non-Executive Director and Independent, ED - Executive Director & Promoter
- 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.
- None of the Non-Executive Directors hold any shares or convertible instruments in the Company.
- 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.

**NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON-EXECUTIVE DIRECTORS**

Sr. No.	Name of Director	No. of Shares held	Convertible instrument
1.	Mr. S.K. Saboo	Nil	NA
2.	Mr. R.K. Krishnamurthi	Nil	NA
3.	Mr. G.C. Vasudeo	Nil	NA
4.	Dr. Satish Ugrankar	Nil	NA
5.	Dr. Bharat Kumar Singh	Nil	NA
6.	Mrs. Hutokshi Wadia	Nil	NA

**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
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
Mrs. Hutokshi Wadia	Financial Regulatory/Legal & Risk Management, Corporate Governance and Strategic Matters

**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 received a declaration from them in the manner as provided in the Companies Act, 2013 and as per amended Listing Regulations.

A sample of the letter of appointment is available on the website of the Company and can be accessed through the link: <https://www.emkayglobal.com/policy-and-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 the 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: <https://www.emkayglobal.com/policy-and-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, 2024. 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 19<sup>th</sup> March, 2024 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

During the Financial Year 2023-24, four (4) Board Meetings were held on 15th May, 2023, 10th August, 2023, 30th October, 2023 and 31st January, 2024, respectively.

Name of Director	No. of Meetings entitled to attend	Number of Meetings Attended
Mr. S.K. Saboo	4	4
Mr. Prakash Kacholia	4	4
Mr. Krishna Kumar Karwa	4	4
Mr. G.C. Vasudeo	4	3
Mr. R.K. Krishnamurthi	4	3
Dr. Bharat Kumar Singh	4	3
Dr. Satish Ugrankar	4	4
Mr. Hutokshi Wadia	4	3

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 2023-24, Four Meetings of the Committee were held on 15th May, 2023, 10th August, 2023, 30th October, 2023 and 31st January, 2024. The attendance of each Committee member was as under:

Name	No. of Meetings attended
Mr. G. C. Vasudeo	3
Mr. R. K. Krishnamurthi	3
Dr. Satish Ugrankar	4
Mr. Prakash Kacholia	4
Dr. Bharat Kumar Singh	3

The Chairman of the Audit Committee Mr. G.C. Vasudeo authorised Mr. R. K. Krishnamurthi, member of the Audit committee and NRC committee to attend on his behalf. Mr. R. K. Krishnamurthi attended the 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.

### Further the Audit Committee also mandatorily reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Management letters/ letters of internal control weaknesses issued by the statutory auditors;
3. Internal audit reports relating to internal control weaknesses;
4. The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the Audit Committee; and
5. 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 2023-24, Four Meetings were held on 15th May, 2023, 10th August, 2023, 26th December, 2023 and 31st January, 2024. The attendance of each Committee member was as under:

Name	No. of Meetings attended
Mr. G. C. Vasudeo	3
Mr. R. K. Krishnamurthi	3
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. For every appointment of an independent director, the Nomination, Remuneration and Compensation Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.
3. Formulation of criteria for evaluation of performance of Independent Directors and the Board;
4. Devising a policy on Board diversity;
5. 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.
6. 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.
7. Recommend to the board, all remuneration, in whatever form, payable to senior management.

### 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 the shareholders, subject to the limit of 1% of the net profits of the Company computed as per the applicable provisions of the Act or in case of no profit or inadequate profit not exceeding the limits prescribed in Table (A) of section II of Part II of Schedule V to the Companies Act, 2013.

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 are 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 2023-24

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 28th Annual General Meeting held on 8th August, 2022, 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, 2022 to September 30, 2025 at a basic salary of ₹ 12,00,000 (Rupees Twelve Lakh Only) per month 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.



## 5. REMUNERATION OF DIRECTORS

The following table gives details of remuneration paid to Directors. During 2023-24, 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.

(In ₹)

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
Mr. S. K. Saboo	Related to Krishna Kumar Karwa	70,000	0	0	0	70,000	None
Mr. R. K. Krishnamurthi	None	90,000	0	0	2,00,000	2,90,000	None
Mr. G. C. Vasudeo	None	90,000	0	0	0	90,000	None
Dr. Satish Ugrankar	None	1,20,000	0	0	3,50,000	4,70,000	None
Mr. Krishna Kumar Karwa (Managing Director)	Related to S. K. Saboo	0	1,20,00,000	14,40,000	0	1,34,40,000	None
Mr. Prakash Kacholia (Managing Director)	None	0	1,20,00,000	14,40,000	0	1,34,40,000	None
Dr. Bharat Kumar Singh	None	60,000	0	0	3,50,000	4,10,000	None
Mrs. Hutokshi Wadia	None	30,000	0	0	2,00,000	2,30,000	None

Note: Sitting fees are paid for attending Board Meetings and Board level Committees i.e. Audit and Nomination, Remuneration and Compensation Committee

Name of the Director	Service contracts	Notice period	Severance fee
Mr. S. K. Saboo	NA	NA	NA
Mr. R. K. Krishnamurthi	NA	NA	NA
Mr. G. C. Vasudeo	NA	NA	NA
Dr. Satish Ugrankar	NA	NA	NA
Mr. Krishna Kumar Karwa (Managing Director)	3 yrs*	NA	NA
Mr. Prakash Kacholia (Managing Director)	3 yrs*	NA	NA
Dr. Bharat Kumar Singh	NA	NA	NA
Mrs. Hutokshi Wadia	NA	NA	NA

\*Reappointed as Managing Director for the further term of three years w.e.f. 1st October, 2022 at the AGM held on 8th August, 2022.

## 6. SENIOR MANAGEMENT AS ON MARCH 31, 2024:

Sr. No.	Name	Designation
1.	Mr. Ashish Madhukar Ranawade	Head of Products
2.	Mr. Ashish Todi	Head - Strategy & New Initiatives
3.	Mr. Bhalchandra Raul	Company Secretary
4.	Mr. Joseph Thomas	Head of Research - Wealth Management
5.	Mr. Nirav Sheth	Chief Executive Officer - Institutional Equities
6.	Ms. Nidhi Verma	Deputy Vice President - Marketing
7.	Mr. Parag Rameshwar Morey	Head of Sales - Wealth Management
8.	Mr. Rahul Rege	Business Head – Retail
9.	Mr. Rajesh Sharma	Chief Operating Officer
10.	Mr. Saket Agrawal	Chief Financial Officer
11.	Mr. Sharanabasappa P Jade	Head - HR
12.	Mr. Seshadri Kumar Sen	Head of Research and Strategist
13.	Mr. Shishir Dhulla	Chief Information Security Officer
14.	Mr. Siddhesh Vinay Sardesai	Chief Technology Officer
15.	Mr. Yatin Kumar Singh	Head - Investment Banking

During the FY 2023-24, Mr. Seshadri Kumar Sen was appointed as the Head of Research and Strategist.

## 7. 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 2023-24, 5 meetings of the Committee were held. These meeting were held on 1st April, 2023, 15th May, 2023, 10th August, 2023, 30th October, 2023 and 31st January, 2024.

The attendance of each Committee member was as under:

Name	No. of Meetings attended
Mr. R. K. Krishnamurthi	4
Mr. Krishna Kumar Karwa	5
Mr. Prakash Kacholia	5

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) Regulations.

(c) Details of Shareholders/ Investors Complaints for the financial year 2023-24:

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

## 8. 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 2023-24, One Meeting of the Committee was held on 15th May, 2023. The attendance of each Committee member was as under:

Name	No. of Meetings attended
Mr. G. C. Vasudeo	1
Mr. Krishna Kumar Karwa	1
Mr. Prakash Kacholia	1





## Terms of Reference

The terms 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 activities 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 statutory notification, amendment or modification, as may be applicable, necessary or appropriate.

## 9. 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
2022-2023	29th	Video Conferencing (VC)/ Other AudioVisual Means (OAVM)	10th August, 2023	04.30 p.m.
2021-2022	28th	Video Conferencing (VC)/ Other AudioVisual Means (OAVM)	08th August, 2022	04.30 p.m.
2020-2021	27th	Video Conferencing (VC)/ Other AudioVisual Means (OAVM)	06th August, 2021	03.00 p.m.

### Special Resolutions passed at the last three AGMs:

- At the 29th AGM held on 10th August, 2023 through Video Conferencing (VC) / Other Audio Visual Means (OAVM)**
  - Appointment of Mr. S. K. Saboo (DIN: 00373201) as a Non-Executive Non-Independent Director liable to retire by rotation
  - Re-appointment of Dr. Bharat Kumar Singh (DIN: 00274435) as an Independent Director for second term of five consecutive years with effect from 14th August, 2023 up to 13th August, 2028.
- At the 28th AGM held on 08th August, 2022 through Video Conferencing (VC) / Other Audio Visual Means (OAVM)**
  - Appointment of Mrs. Hutokshi Wadia (DIN-00103357) as an Independent Director
  - Re-appointment of Mr. Krishna Kumar Karwa as Managing Director with effect from October 1, 2022 and Payment of remuneration to him
  - Re-appointment of Mr. Prakash Kacholia as Managing Director with effect from October 1, 2022 and Payment of remuneration to him.
- At the 27th AGM held on 06th August, 2021 through Video Conferencing (VC) / Other Audio Visual Means (OAVM)**
  - Appointment of Mr. S. K. Saboo (DIN-00373201), aged 78 years, who retired by rotation and being eligible, had offered himself for re-appointment
  - Payment of Commission to Non-Executive Directors.
  - Re-appointment of Dr. Satish Ugrankar (DIN - 00043783) as an Independent Director
  - Grant of Stock options to Mr. Sanjay Chawla, Head of Research and Strategist in excess of one per cent of issued equity capital under Employee Stock Option Plan-2007 (ESOP-2007)

### Postal Ballot:

During the year, no resolutions were passed by the Company through postal ballot.

### Proposal for Postal Ballot:

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

## 10. 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 <https://www.emkayglobal.com/investor-relations>
- 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.

**11. GENERAL SHAREHOLDER INFORMATION**

<b>Sr. No.</b>	<b>AGM: Date, Time and Venue</b>	<b>August, 08, 2024 at 4.30 p.m. through the mode of Video Conferencing and OAVM</b>
(a)	Financial Year	1st April, 2023 to 31st March, 2024.
(b)	Date of Book Closure	02 <sup>nd</sup> August, 2024 to 08 <sup>th</sup> August, 2024 (Both days inclusive)
(c)	Dividend Payment Date	Dividend if declared at the Annual General Meeting shall be paid to all eligible shareholders from 12 <sup>th</sup> August, 2024 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 2023-24 and 2024-25.
(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	As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed entities can be transferred only in dematerialised form, with effect from 1st April 2019. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. Any Director of the Company or the Company Secretary is empowered to approve transfers. Pursuant to SEBI circular dated 25th January, 2022, securities of the Company shall be issued in dematerialized form only while processing service requests in relation to issue of duplicate securities certificate, renewal/ exchange of securities certificate, endorsement, sub-division/ splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition.
(j)	Dematerialization of Shares and liquidity	As on 31.03.2024 99.98% of the Equity Share Capital comprising 2,46,90,669 equity shares out of total 2,46,94,676 equity shares were dematerialized.
(k)	Outstanding GDR /ADR / Warrants or any Convertible Instruments, 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	<b>Registered Office:</b> The Ruby, 7th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028 <b>Administrative Office:</b> Paragon Center, C-06, Ground Floor, Pandurang Budhkar Marg, Worli, Mumbai - 400 013. <b>Registrar and Transfer Agent:</b> 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 instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.	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, 2023 to 31st March, 2024 is as follows:

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2023	82.59	61.55	82.50	64.05
May, 2023	82.55	68.08	82.40	67.80
June, 2023	78.59	71.50	78.55	72.25
July, 2023	84.50	72.96	84.70	72.75
August, 2023	88.27	74.50	88.90	74.40
September, 2023	93.80	83.00	94.40	82.00
October, 2023	107.49	82.40	107.85	83.00
November, 2023	121.30	94.80	121.50	95.90
December, 2023	154.00	111.80	155.00	113.65
January, 2024	154.35	133.00	153.70	132.00
February, 2024	170.15	116.40	169.40	116.40
March, 2024	134.80	97.75	136.25	97.35

**Categories of Share Holding as on 31st March, 2024**

The Shareholding of different categories of the shareholders as on 31st March, 2024 is given below:

Category	No. of Shareholders	No. of Shares	% of total
<b>(A) Promoters and Promoter Group Shareholding</b>			
Individual / Hindu Undivided family	6	1,35,02,500	54.68
Bodies Corporate	1	48,51,484	19.65
<b>Total (A)</b>	<b>7</b>	<b>1,83,53,984</b>	<b>74.33</b>
<b>(B) Public Shareholding</b>			
Other Bodies Corporate	73	7,20,657	2.92
NRI (including Non Repatriable)	174	1,60,721	0.65
Alternate Investment Fund	1	18,264	0.07
NBFCs registered with RBI	1	2,700	0.01
Clearing Members	2	62,572	0.25
Indian Public	11,255	44,42,038	17.99
Key Managerial Personnel	2	18,100	0.07
IEPF	1	13,194	0.05
HUF	222	2,99,965	1.22
Foreign Portfolio investors	3	2,88,597	1.17
LLP	4	1,19,773	0.49
Office bearers	22	1,86,111	0.75
Trust	1	8,000	0.03
<b>Total (B)</b>	<b>11,761</b>	<b>63,40,692</b>	<b>25.67</b>
<b>(C) Non Promoter-Non Public Shareholding</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total (A+B+C)</b>	<b>11,768</b>	<b>2,46,94,676</b>	<b>100.00</b>



Distribution of Shareholding according to size class as on 31st March, 2024

The Shareholding distribution of the equity shares as on 31st March, 2024 is given below:

Number of Shares held (Face value of ₹10 each)	Shareholders		Shares	
	Number	% of total	Number	% of total
1-500	10,848	90.8847	9,00,633	3.6471
501-1,000	503	4.2141	4,06,465	1.6460
1,001-2,000	236	1.9772	3,65,164	1.4787
2,001-3,000	105	0.8797	2,64,844	1.0725
3,001-4,000	55	0.4608	1,95,220	0.7905
4,001-5,000	38	0.3184	1,82,323	0.7383
5,001-10,000	68	0.5697	5,13,085	2.0777
10,001 & above	83	0.6954	2,18,66,942	88.5492
<b>Total</b>	<b>11,936</b>	<b>100.0000</b>	<b>2,46,94,676</b>	<b>100.0000</b>

## 12. OTHER DISCLOSURES

### A. Related Party Transactions (RPT)

- 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, is uploaded on the website of the Company and can be accessed through the following link: [www.emkayglobal.com/policy-and-disclosures](http://www.emkayglobal.com/policy-and-disclosures)
- 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.
- During the financial year ended 31st March 2024, 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.
- There are no materially significant related party transactions of the Company which conflict with the interests of the Company at large.
- A statement in summary form of all the transactions with related parties is placed periodically before the audit committee.
- 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 during the last three years.**

### 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. <https://www.emkayglobal.com/policy-and-disclosures>

### 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. Web link where policy for determining 'material' subsidiaries is disclosed:** <https://www.emkayglobal.com/policy-and-disclosures>

**F. Web link where policy on dealing with related party transactions:** <https://www.emkayglobal.com/policy-and-disclosures>

**G. 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.

**H. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A): Not Applicable****I. 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.****J. 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****K. 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 no. 34 to the Standalone Financial Statement and note no. 36 to the Consolidated Financial Statement.****L. 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.****M. Loans and Advances in the nature of loans to firms/ companies in which Directors are interested: Not Applicable****N. Subsidiary Companies**

The Company has six wholly owned unlisted subsidiaries as under:

Name of subsidiary	Date of Incorporation & Place of Incorporation	Name of Statutory Auditor	Date of Appointment
Emkay Fincap Limited	16.05.2005 Mumbai	S.K. Loonker & Co.	05.08.2021
Emkay Commotrade Limited	05.01.2006 Mumbai	B.L. Sarda & Associates	12.08.2019
Emkay Wealth Advisory Limited	08.03.2007 Mumbai	B.L. Sarda & Associates	12.08.2019
Emkay Investment Managers Limited	08.06.2010 Mumbai	B.L. Sarda & Associates	12.08.2019
Emkayglobal Financial Services IFSC Private Limited	21.06.2018 Gandhinagar	B.L. Sarda & Associates	30.09.2019
Emkay Global Financial Services Pte. Ltd., Singapore	10.02.2021 Singapore	JBS Practice Public Accounting Corporation	07.04.2022

Out of the above six subsidiaries, Emkay Fincap Limited and Emkay Investment Managers Limited are material non-listed Indian subsidiaries 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, 2023. As required under regulation 24 (1) SEBI (LODR) Regulations, 2015, an Independent Director of the Company has been appointed on the Board of Emkay Fincap Limited and Emkay Investment Managers 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/policy-and-disclosures>

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) 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.

**c) 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, 2024. A certificate signed by the Managing Directors/ CEO is annexed to this report as 'Annexure 1.'

**d) Code of Conduct for Prevention of Insider Trading :**

Pursuant to Regulation 9(1) of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Board has laid down Internal Code of Conduct for Prevention of Insider Trading for dealing with Securities of Emkay Global Financial Services Limited and the same can be accessed through the following link: <https://www.emkayglobal.com/policy-and-disclosures>

**e) CEO / CFO Certification:**

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

**f) IPO Unclaimed Shares Demat Suspense Account**

As per the directive issued by the Securities and 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, 2024, 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 2024, an amount of ₹ 389.50 was lying in the said bank account.

**g) 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").

Dividend declared for the FY 2016-17, remaining unpaid or unclaimed for seven consecutive years or more will be transferred to the IEPF on or before 13<sup>th</sup> October, 2024.

**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 2023-24, 10,189 shares in respect of which dividend had not been paid or claimed for seven consecutive years or more

has been transferred 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) 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.

#### **i) 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.

#### **j) 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.

#### **k) 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.

#### **l) Disclosure of certain types of agreements specified in clause 5A of Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

There are no such agreements.

**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 (1) 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**

**S.K.Saboo**  
**Chairman**  
**DIN: 00373201**

Place: Mumbai  
Date: 16<sup>th</sup> May, 2024



**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](http://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, 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, 2024 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	24/01/1995
2	Girindrachandra Vasudeo Chandrakant	00021772	20/01/2006
3	Satish Ugrankar Shripad	00043783	12/08/2015
4	Krishna Karwa Kumar	00181055	24/01/1995
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	Hutokshi Rohinton Wadia	00103357	25/05/2022

\*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

**Sarvari Shah**  
**FCS: 9697 CP: 11717**  
Mumbai, May 16, 2024  
UDIN: F009697F000379440  
PR No.: 1129/2021



**REPORT ON CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV  
OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS  
AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AS AMENDED**

**PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE**

**TO THE MEMBERS OF**

**Emkay Global Financial Services Limited**

We have examined the compliance of the conditions of Corporate Governance by Emkay Global Financial Services Limited ('the Company') for the year ended on March 31, 2024, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, the representations made by the Directors and the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India, we certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2024.

We further state that such compliance 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**  
Company Secretaries

Place: Mumbai  
Date: May 16, 2024

**Sarvari Shah**  
Partner  
FCS No: 9697 CP No: 11717  
UDIN: F009697F000379330  
PR No.: 1129/2021

**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 and Prakash Kacholia, Managing Directors 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, 2024.

**For EMKAY GLOBAL FINANCIAL SERVICES LIMITED**

**Krishna Kumar Karwa**  
**Managing Director**

**Prakash Kacholia**  
**Managing Director**

Place: Mumbai

Date: 16<sup>th</sup> May, 2024



## 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 31.03.2024 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 31.03.2024;
- (2) Significant changes in accounting policies during the year ended on 31.03.2024 and that the same have been disclosed in the notes to the financial statements; and
- (3) There are no instances of significant fraud of which we 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**  
Managing Director

**Prakash Kacholia**  
Managing Director

**Saket Agrawal**  
Chief Financial Officer

Place: Mumbai

Date: 16<sup>th</sup> May, 2024



# 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, 2024, 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, 2024, 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, 2024. 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 the matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matter described below to be the key audit matter 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 this matter. 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 matter below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key audit matter	How our audit addressed the key audit matter
<b>1. IT systems and controls</b> <p>The financial accounting and reporting systems of the Company are fundamentally reliant on IT systems and IT controls to process significant transaction volumes.</p> <p>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.</p> <p>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.</p>	<p>We performed the following procedures assisted by specialized IT auditors on the IT infrastructure and applications relevant to financial reporting:</p> <ul style="list-style-type: none"> <li>• Tested the design and operating effectiveness of IT access controls, including audit trail, over the information systems that are important to financial reporting and various interfaces, configuration and other identified application controls.</li> <li>• 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.</li> <li>• Tested the Company's periodic review of access rights. We also inspected requests of changes to systems for appropriate approval and authorization.</li> <li>• 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.</li> <li>• Tested the design and operating effectiveness compensating controls in case deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures.</li> </ul>

## INDEPENDENT AUDITOR'S REPORT (Contd.)

### Other Information

The 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 standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the standalone 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 standalone 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 charged with governance 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)

## INDEPENDENT AUDITOR'S REPORT (Contd.)

(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, 2024 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, 2020 ("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 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, except for the matters stated in paragraph (f) below on reporting under Rule 11 (g);
  - (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 as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above on reporting under Section 143(3)(b) and paragraph (i)(vi) below on reporting under Rule 11(g);
  - (g) 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;

## INDEPENDENT AUDITOR'S REPORT (Contd.)

- (h) In our opinion, the managerial remuneration for the year ended March 31, 2024 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;
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 40 to the standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which 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.
  - iv. a) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 59 (i) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 59 (j) to the standalone financial statements, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 55 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

- vi. Based on our examination which included test checks, the Company has used three accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature is not enabled for direct changes to data when using certain access rights, as described in note 56 to the financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software where audit trail has been enabled.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Viren H. Mehta**

Partner

Membership Number : 048749

UDIN : 24048749BKFGYQ6498

Place of Signature : Mumbai

Date : May 16, 2024



**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) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2024.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) As disclosed in note 59(d) to the financial statements, the Company has been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the audited/unaudited books of accounts of the Company.
- (iii) (a) During the year the Company has provided loans to Companies, Firms, Limited Liability Partnerships or any other parties as follows:

Particulars	Loans (Amount in ₹)
Aggregate amount granted/ provided during the year	
- others	75,83,32,380
Balance outstanding as at balance sheet date	
- others	9,46,23,822

During the year the Company has not provided advances in the nature of loans or loans other than Margin Trading Facility (“MTF”), stood guarantee or provided security to Companies, Firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on these is not applicable to the Company.

- (b) During the year the terms and conditions of the grant of all loans to Companies, Firms, Limited Liability Partnerships or any other parties are not prejudicial to the Company's interest.

During the year the Company has not made investments, provided guarantees, given security and granted advances in the nature of loans and guarantees to Companies, Firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on these is not applicable to the Company.

- (c) In respect of MTF loans granted by the Company, the schedule of repayment of principal and payment of interest has not been stipulated and in the absence of such schedule, we are unable to comment on the regularity of the repayments of principal amounts and payment of interest. (Refer reporting under clause (iii)(f) below).

The Company has not granted advances in the nature of loans or loans other than MTF during the year to Companies, Firms, Limited Liability Partnerships or any other parties where the schedule of repayment of principal and payment of interest has been stipulated. Accordingly, the requirement to report on this is not applicable to the Company.

- (d) There are no amounts of loans granted to Companies, Firms, Limited Liability Partnerships or any other parties which are overdue for more than ninety days.

The Company has not granted advances in the nature of loans during the year to Companies, Firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on this is not applicable to the Company.

- (e) There were no loans granted to Companies, Firms, Limited Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

The Company has not granted advances in the nature of loans during the year to Companies, Firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on this is not applicable to the Company.

**Annexure 1 referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our Report of even date (Contd.)**

- (f) During the year, the Company has granted MTF loans either repayable on demand to Companies, Firms, Limited Liability Partnerships or any other parties as stated below and none of these are granted to promoters or related parties as defined in clause (76) of section 2 of the Companies Act, 2013:

Particulars	All Parties (Amount in ₹)	Related Parties and Promoters (Amount in ₹)
Aggregate amount of loans - Repayable on demand	75,83,32,380	-
Percentage of loans to the total loans	100%	-

The Company has not granted advances in the nature of loans or loans other than MTF, either repayable on demand or without specifying any terms or period of repayment to Companies, Firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on these is not applicable to the Company.

- (iv) Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) The Company is not in the business of sale of any goods or provision of such services as prescribed. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.

- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, service tax, income-tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these 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 sales tax, duty of customs, duty of excise and value added tax are currently not applicable to the Company.

- (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, service tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount in ₹	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service tax on broking income earned from FII & other foreign client	5,12,47,152	FY 2012-13 & FY 2013-14	Commissioner of CGST and Central Excise
Finance Act, 1994	GST on excess ITC availed	11,81,543	July 2017 to March 2018	Commissioner of GST

As informed, the provisions of sales tax, duty of customs, duty of excise and value added tax are currently not applicable to the Company.

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

**Annexure 1 referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our Report of even date (Contd.)**

- |  |   |
|--|---|
| <p>(b) The Company has not been declared as a wilful defaulter by any bank or financial institution or government or any government authority during the year.</p> <p>(c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.</p> <p>(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes during the year by the Company.</p> <p>(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures during the year.</p> <p>(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.</p> <p>(x) (a) The Company has not raised any money during the year by way of initial public offer/further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.</p> <p>(b) The Company has not made any preferential allotment or private placement of shares/fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.</p> <p>(xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.</p> <p>(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.</p> <p>(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.</p> | <p>(xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clauses 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.</p> <p>(xiii) Transactions with the related parties are in compliance with sections 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.</p> <p>(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.</p> <p>(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.</p> <p>(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.</p> <p>(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.</p> <p>(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.</p> <p>(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.</p> <p>(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.</p> <p>(xvii) The Company has not incurred cash losses in the current financial year or the previous financial year.</p> <p>(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.</p> |
|--|---|

**Annexure 1 referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our Report of even date (Contd.)**

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) The provisions of Section 135(5) to the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(a) of the Order is not applicable to the Company.
- (b) The provisions of Section 135(5) to the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(b) of the Order is 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 : 24048749BKFGYQ6498

Place of Signature : Mumbai

Date : May 16, 2024



## **Annexure 2 to the independent auditor's report of even date on the standalone financial statements of Emkay Global Financial Services Limited**

### **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, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to

**Annexure 2 to the independent auditor's report of even date on the standalone financial statements of Emkay Global Financial Services Limited (Contd.)**

standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note 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 : 24048749BKFGYQ6498

Place of Signature : Mumbai

Date : May 16, 2024

# STANDALONE BALANCE SHEET

AS AT 31ST MARCH, 2024

(₹ in Lacs)

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023
<b>ASSETS</b>			
<b>1 Financial assets</b>			
(a) Cash and cash equivalents	5	2,337.59	1,264.02
(b) Bank balance other than cash and cash equivalents	6	50,484.42	28,928.56
(c) Trade receivables	7	12,120.65	10,316.83
(d) Loans	8	946.24	448.13
(e) Investments	9	5,663.41	5,401.99
(f) Other financial assets	10	23,011.12	13,790.08
<b>Total financial assets</b>		<b>94,563.43</b>	<b>60,149.61</b>
<b>2 Non-financial assets</b>			
(a) Current tax assets (net)	11	261.60	407.16
(b) Deferred tax assets (net)	20	-	425.51
(c) Property, plant and equipment	12	3,000.91	2,962.04
(d) Right-of-use-assets	44	557.99	722.43
(e) Other intangible assets	13	140.11	52.65
(f) Other non-financial assets	14	446.23	409.22
<b>Total non-financial assets</b>		<b>4,406.84</b>	<b>4,979.01</b>
<b>TOTAL ASSETS ( 1 + 2 )</b>		<b>98,970.27</b>	<b>65,128.62</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>1 Financial liabilities</b>			
(a) Trade payables	15		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		20,895.87	11,726.86
(b) Borrowings (other than debt securities)	16	3,500.00	-
(c) Deposits	17	1,031.93	1,036.47
(d) Lease liabilities	44	574.55	731.16
(e) Other financial liabilities	18	51,028.65	33,166.27
<b>Total financial liabilities</b>		<b>77,031.00</b>	<b>46,660.76</b>
<b>2 Non-financial liabilities</b>			
(a) Provisions	19	3,232.31	1,988.22
(b) Deferred tax liabilities (net)	20	105.49	-
(c) Other non-financial liabilities	21	1,257.64	1,353.44
<b>Total non-financial liabilities</b>		<b>4,595.44</b>	<b>3,341.66</b>
<b>3 EQUITY</b>			
(a) Equity share capital	22	2,469.47	2,464.02
(b) Other equity	23	14,874.36	12,662.18
<b>Total equity</b>		<b>17,343.83</b>	<b>15,126.20</b>
<b>TOTAL LIABILITIES AND EQUITY ( 1 + 2 + 3 )</b>		<b>98,970.27</b>	<b>65,128.62</b>

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

As per our report of even date  
**For S.R.Batlboi & Co. LLP**  
 ICAI Firm registration number : 301003E/E300005  
 Chartered Accountants

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

**Place : Mumbai**  
**Date : 16 May 2024**

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

**Krishna Kumar Karwa**  
 Managing Director  
 DIN : 00181055

**Saket Agrawal**  
 Chief Financial Officer

**Place : Mumbai**  
**Date : 16 May 2024**

**Prakash Kacholia**  
 Managing Director  
 DIN : 00002626

**Bhalchandra Raul**  
 Company Secretary  
 Membership No.FCS1800



# STANDALONE STATEMENT OF PROFIT & LOSS

## FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ in Lacs)

Particulars	Note No.	Year ended 31 March 2024	Year ended 31 March 2023
<b>REVENUE FROM OPERATIONS</b>			
(a) Interest income	24	706.71	442.05
(b) Fees and commission income	25	23,282.28	15,765.84
(c) Net gain on fair value changes	26	1,022.58	2,194.60
(d) Other operating income	27	197.60	212.03
<b>Total revenue from operations ( I )</b>		<b>25,209.17</b>	<b>18,614.52</b>
<b>Other income ( II )</b>	28	3,131.16	1,238.79
<b>Total income ( I + II = III )</b>		<b>28,340.33</b>	<b>19,853.31</b>
<b>Expenses</b>			
(a) Finance costs	29	611.74	442.91
(b) Fees and commission expenses	30	2,943.17	2,325.65
(c) Impairment on financial instruments	31	8.98	9.70
(d) Employee benefits expenses	32	12,889.73	10,670.28
(e) Depreciation and amortization expenses	33	890.77	883.55
(f) Other expenses	34	7,540.28	4,708.75
<b>Total expenses ( IV )</b>		<b>24,884.67</b>	<b>19,040.84</b>
<b>Profit before exceptional items and tax ( III - IV = V )</b>		<b>3,455.66</b>	<b>812.47</b>
<b>EXCEPTIONAL ITEMS ( VI )</b>	54	(55.00)	(115.00)
<b>Profit before tax ( V+VI = VII )</b>		<b>3,400.66</b>	<b>697.47</b>
<b>Tax expense:</b>			
(a) Current tax		422.67	-
(b) Deferred tax		531.00	(362.90)
(c) Taxes for earlier years		-	(3.09)
<b>Total income tax expenses / (benefit) ( VIII )</b>	50	<b>953.67</b>	<b>(365.99)</b>
<b>Profit for the year ( VII - VIII = IX )</b>		<b>2,446.99</b>	<b>1,063.46</b>
<b>Other comprehensive loss</b>			
<b>Items that will not be reclassified to profit or loss</b>			
(a) Re-measurement losses on defined benefit plans		(118.30)	(70.54)
(b) Income tax relating to above item		20.67	-
<b>Net other comprehensive loss for the year ( X )</b>		<b>(97.63)</b>	<b>(70.54)</b>
<b>Total comprehensive income for the year ( IX +X = XI )</b>		<b>2,349.36</b>	<b>992.92</b>
<b>Earnings per equity share ( face value ₹ 10 each )</b>	35		
Basic EPS (in ₹)		9.93	4.32
Diluted EPS (in ₹)		9.61	4.29

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

As per our report of even date  
**For S.R.Batliboi & Co. LLP**  
ICAI Firm registration number : 301003E/E300005  
Chartered Accountants

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

Place : Mumbai  
Date : 16 May 2024

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

**Krishna Kumar Karwa**  
Managing Director  
DIN : 00181055

**Saket Agrawal**  
Chief Financial Officer

Place : Mumbai  
Date : 16 May 2024

**Prakash Kacholia**  
Managing Director  
DIN : 00002626

**Bhalchandra Raul**  
Company Secretary  
Membership No.FCS1800



# STANDALONE STATEMENT OF CHANGES IN EQUITY

AS AT 31ST MARCH, 2024

## (A) EQUITY SHARE CAPITAL

(₹ In Lacs)

Particulars	No of Shares	Amount
<b>Equity shares of ₹.10/- each issued, subscribed and fully paid up</b>		
<b>Balance as at 1 April 2023</b>	2,46,40,230	2,464.02
Changes in equity share capital due to prior year errors	-	-
<b>Restated balance at the beginning of the current reporting year</b>	<b>2,46,40,230</b>	<b>2,464.02</b>
Changes in equity share capital during the current year (Refer note 22)	54,446	5.45
<b>Balance as at 31 March 2024</b>	<b>2,46,94,676</b>	<b>2,469.47</b>
<b>Balance as at 1 April 2022</b>	2,46,40,230	2,464.02
Changes in equity share capital due to prior year errors	-	-
<b>Restated balance at the beginning of the previous reporting year</b>	<b>2,46,40,230</b>	<b>2,464.02</b>
Changes in equity share capital during the previous year (Refer note 22)	-	-
<b>Balance as at 31 March 2023</b>	<b>2,46,40,230</b>	<b>2,464.02</b>

## (B) OTHER EQUITY (REFER NOTE 23)

(₹ In Lacs)

Particulars	Reserves and Surplus				Total
	Securities premium	Retained earnings	General reserve	Equity settled share based payment reserve	
<b>Balance at the beginning of the current reporting period as at 01 April 2023</b>	<b>7,025.56</b>	<b>3,000.54</b>	<b>1,804.97</b>	<b>831.11</b>	<b>12,662.18</b>
Changes in accounting policy or prior year errors	-	-	-	-	-
<b>Restated balance at the beginning of the current reporting year</b>	<b>7,025.56</b>	<b>3,000.54</b>	<b>1,804.97</b>	<b>831.11</b>	<b>12,662.18</b>
Profit for the year	-	2,446.99	-	-	2,446.99
Other comprehensive loss (net)	-	(97.63)	-	-	(97.63)
Dividend paid	-	(246.40)	-	-	(246.40)
Addition during the year on allotment of ESOP shares	35.71	-	-	-	35.71
Transfer from / to equity settled share based premium reserve (reversal of vested lapsed options)	-	-	167.96	(167.96)	-
Transfer from / to equity settled share based premium reserve on allotment of ESOP shares	26.35	-	-	(26.35)	-
Fair value of stock options - charge for the year	-	-	-	73.51	73.51
<b>Balance as at 31 March 2024</b>	<b>7,087.62</b>	<b>5,103.50</b>	<b>1,972.93</b>	<b>710.31</b>	<b>14,874.36</b>
<b>Balance at the beginning of the previous reporting period as at 01 April 2022</b>	<b>7,025.56</b>	<b>2,315.62</b>	<b>1,761.51</b>	<b>883.36</b>	<b>11,986.05</b>
Changes in accounting policy or prior year errors	-	-	-	-	-
<b>Restated balance at the beginning of the previous reporting year</b>	<b>7,025.56</b>	<b>2,315.62</b>	<b>1,761.51</b>	<b>883.36</b>	<b>11,986.05</b>
Profit for the year	-	1,063.46	-	-	1,063.46
Other comprehensive loss (net)	-	(70.54)	-	-	(70.54)
Dividend paid	-	(308.00)	-	-	(308.00)
Transfer from / to equity settled share based premium reserve (reversal of vested lapsed options)	-	-	43.46	(43.46)	-
Fair value of stock options - charge for the year	-	-	-	(8.79)	(8.79)
<b>Balance as at 31 March 2023</b>	<b>7,025.56</b>	<b>3,000.54</b>	<b>1,804.97</b>	<b>831.11</b>	<b>12,662.18</b>

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

As per our report of even date

For S.R.Batliloi &amp; Co. LLP

ICAI Firm registration number : 301003E/E300005

Chartered Accountants

per Viren H. Mehta

Partner

Membership No.048749

Place : Mumbai

Date : 16 May 2024

For and on behalf of the Board of Directors of

Emkay Global Financial Services Limited

Krishna Kumar Karwa

Managing Director

DIN : 00181055

Saket Agrawal

Chief Financial Officer

Place : Mumbai

Date : 16 May 2024

Prakash Kacholia

Managing Director

DIN : 00002626

Bhalchandra Raul

Company Secretary

Membership No.FCS1800



# STANDALONE STATEMENT OF CASHFLOW

## FOR THE YEAR ENDED 31 MARCH 2024

(₹ In Lacs)

Particulars	For the Year ended 31 March 2024		For the Year ended 31 March 2023	
<b>A. Cash flow from operating activities</b>				
Profit before tax and exceptional items		3,455.66		812.47
Add / (less) : adjustment for non cash and non operating activities :				
Interest income	(138.16)		(57.82)	
Fair value (gain) / loss on investments, stock in trade and derivative trades	(155.47)		(46.08)	
Net gain on sale Investments	(1,041.11)		(2,182.98)	
Net loss / (gain) on disposal of property, plant and equipment	2.16		(9.79)	
Fair valuation of security deposit	(15.03)		(13.85)	
Unrealised foreign exchange loss (Net)	34.30		35.27	
(Gain) / loss on lease closure and rent waiver	(5.56)		(0.83)	
Dividend income	(0.04)		(95.64)	
Finance costs	545.29		390.61	
Finance cost pertaining to lease liability	66.45		52.30	
Impairment on financial instrument (Gross)	2.02		1.25	
Share based payment to employees	71.53		32.18	
Depreciation and amortisation expenses	890.77	257.15	883.55	(1,011.82)
<b>Operating profit before working capital changes</b>		<b>3,712.81</b>		<b>(199.35)</b>
<b>Add: (less) : Adjustment for changes in working capital:</b>				
(Increase) / decrease in deposits with banks and other items	(21,555.87)		56.53	
(Increase) / decrease in derivative financial instruments	-		3.51	
(Increase) / decrease in securities held for trading	-		147.05	
(Increase) / decrease in trade receivables	(1,805.75)		(1,718.47)	
(Increase) / decrease in loans	(498.11)		(356.71)	
(Increase) / decrease in other financial assets	(9,213.45)		392.09	
(Increase) / decrease in other non financial assets	(134.44)		(91.47)	
Increase / (decrease) in trade payables	9,169.01		(1,859.57)	
Increase / (decrease) in deposits	(4.54)		(1,841.63)	
Increase / (decrease) in other financial liabilities	17,828.67		(987.84)	
Increase / (decrease) in provisions	1,125.78		(212.77)	
Increase / (decrease) in other non financial liabilities	(95.79)	(5,184.49)	90.39	(6,378.89)
<b>Cash flow used in operations</b>		<b>(1,471.68)</b>		<b>(6,578.24)</b>
Income tax paid (net)		(256.44)		(292.24)
<b>Cash flow before exceptional items</b>		<b>(1,728.12)</b>		<b>(6,870.48)</b>
Exceptional items		-		-
<b>Net cash flow used in operating activities (A)</b>		<b>(1,728.12)</b>		<b>(6,870.48)</b>
<b>B. Cash flow from investing activities</b>				
Purchase of investments measured at FVTPL	(924.23)		(2,380.86)	
Proceeds from sale of investments measured at FVTPL	1,806.37		5,617.18	
Investment in subsidiary companies	-		(300.00)	
Proceeds from buyback of investments in subsidiary companies	-		1,080.81	
Purchase of property, plant, equipment and intangible assets	(608.91)		(769.08)	
Proceeds from sale of property, plant and equipment	1.22		18.79	
Interest received	138.16		57.81	
Dividend received	0.04	412.65	95.64	3,420.29
<b>Net cash flow generated from investing activities (B)</b>		<b>412.65</b>		<b>3,420.29</b>
<b>C. Cash flow from financing activities</b>				
Issue of equity share capital (including securities premium)	41.16		-	
Cash payment of lease liabilities	(293.31)		(278.81)	
Interest paid on lease liabilities	(66.45)		(52.30)	
Proceeds from short-term borrowings	3,500.00		-	
Finance costs paid	(545.29)		(390.61)	
Dividend paid	(246.40)		(308.00)	
(Decrease) in unclaimed dividend	(0.25)	2,389.46	(0.05)	(1,029.77)
<b>Net cash flow generated/(used in) from financing activities (C)</b>		<b>2,389.46</b>		<b>(1,029.77)</b>
<b>D. Net Change due to foreign exchange translation differences (D)</b>		<b>(0.42)</b>		<b>(1.07)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C+D)</b>		<b>1,073.57</b>		<b>(4,481.03)</b>

## STANDALONE STATEMENT OF CASHFLOW FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

(₹ In Lacs)

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
<b>Net increase in cash and cash equivalents</b>	1,073.57	(4,481.03)
Cash and cash equivalents at the beginning of the year	1,264.02	5,745.05
Cash and cash equivalents at the end of the year	2,337.59	1,264.02
<b>Notes :</b>		
<b>1. Components of cash and cash equivalents</b>		
Balances with Banks		
- In India with scheduled banks	2,328.81	1,258.10
Cash on hand	5.91	1.78
Others : Balances in prepaid cards	2.87	4.14
<b>Total cash and cash equivalents</b>	<b>2,337.59</b>	<b>1,264.02</b>

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. Cash and cash equivalent excludes deposit with banks towards margin / security for bank guarantees, borrowings and other commitments and balance in unclaimed dividend accounts.

4. Changes in liabilities arising from financing activities

	01 April 2023	Cash flows	New leases	Other	31 March 2024
Borrowings (other than debt securities)	-	3,500.00	-	-	3,500.00
Lease liabilities	731.16	(359.76)	163.83	39.32	574.55
<b>Total liabilities from financing activities</b>	<b>731.16</b>	<b>3,140.24</b>	<b>163.83</b>	<b>39.32</b>	<b>4,074.55</b>
	01 April 2022	Cash flows	New leases	Other	31 March 2023
Borrowings (other than debt securities)	-	-	-	-	-
Lease liabilities	400.91	(331.11)	624.49	36.87	731.16
<b>Total liabilities from financing activities</b>	<b>400.91</b>	<b>(331.11)</b>	<b>624.49</b>	<b>36.87</b>	<b>731.16</b>

As per our report of even date  
**For S.R.Batliloi & Co. LLP**  
 ICAI Firm registration number : 301003E/E300005  
 Chartered Accountants

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

**Place : Mumbai**  
**Date : 16 May 2024**

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

**Krishna Kumar Karwa**  
 Managing Director  
 DIN : 00181055

**Saket Agrawal**  
 Chief Financial Officer

**Place : Mumbai**  
**Date : 16 May 2024**

**Prakash Kacholia**  
 Managing Director  
 DIN : 00002626

**Bhalchandra Raul**  
 Company Secretary  
 Membership No.FCS1800

# STANDALONE ACCOUNTING POLICIES

## FOR THE YEAR ENDED 31 MARCH 2024

### 1. Corporate information

Emkay Global Financial Services Limited ('the Company') is a public limited company domiciled in India and was incorporated under the provisions of the Companies Act, 1956 vide Certificate of Incorporation (CIN) : L67120MH1995PLC084899 dated 24 January 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 and presentation and Material accounting policies

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 2015 as amended and other relevant provisions of the Act.

Accounting policies have been consistently applied to all the financial year presented in the standalone financial statements except where a newly issued accounting standard is initially adopted or revision to the existing accounting standard requires a change in the accounting policy hitherto in use.

#### 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 4 - 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, and all values are rounded to the nearest lac with two decimals except when otherwise indicated. 0.00 indicates the amount are below rounding off threshold.

Daily backup of books of accounts and accounting records is taken on servers physically located in India.

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 51.

Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the



## Standalone Accounting Policies

For the year ended 31 March, 2024 (contd.)

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

### 3. Material accounting policies

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

#### (ii) Fee & 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.

## Standalone Accounting Policies

For the year ended 31 March, 2024 (contd.)

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 approve 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 "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 "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.

## 3.2 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 4.1. Financial instruments are initially measured at their fair value (as defined in Note 4.3), 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.

## Standalone Accounting Policies

For the year ended 31 March, 2024 (contd.)

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(OCI) (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

## Standalone Accounting Policies

For the year ended 31 March, 2024 (contd.)

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;
- Debt instruments with contractual terms that do not represent solely payments of principal and interest; and
- 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.

The profit/(loss) earned on sale of investments and securities held for trading are recognised on trade date basis. Profit or loss on sale of investments is determined on the basis of the weighted average cost method and

securities held for trading on FIFO method. On disposal of an investment, the difference between carrying amount and net disposal proceeds is charged to or credited to statement of profit and loss.

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 8.

### (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.



## Standalone Accounting Policies

For the year ended 31 March, 2024 (contd.)

### (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.

## Standalone Accounting Policies

For the year ended 31 March, 2024 (contd.)

### 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, ECL are calculated and presented together with the loan. For loan commitments, the ECL is recognised within Provisions. Margin trading facilities

are secured by collaterals. As per policy of the Company, margin trading facilities to the extent covered by collateral and servicing interest on a regular basis is not considered as due/default.

#### *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 the Ind AS109 '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

## Standalone Accounting Policies

For the year ended 31 March, 2024 (contd.)

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 52 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.

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

## Standalone Accounting Policies

For the year ended 31 March, 2024 (contd.)

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.

### 3.3 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

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



## Standalone Accounting Policies

For the year ended 31 March, 2024 (contd.)

- 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*

##### Compensated absences

The employees can carry forward a portion of the unutilized accrued compensated absences and utilize it in future service periods. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase the entitlement. The obligation is measured based on independent actuarial valuation using the projected unit credit method.

### (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

## Standalone Accounting Policies

For the year ended 31 March, 2024 (contd.)

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 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.

### (vi) Taxes

#### Current Tax

Current tax assets and liabilities for the current and prior years are measured in accordance with Income Tax Act, 1961 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

## Standalone Accounting Policies

For the year ended 31 March, 2024 (contd.)

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 paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax 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.

## 3.4 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

## Standalone Accounting Policies

For the year ended 31 March, 2024 (contd.)

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.

### 3.5 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.

### 3.6 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.



## Standalone Accounting Policies

For the year ended 31 March, 2024 (contd.)

### 3.7 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.

### 3.8 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

## Standalone Accounting Policies

For the year ended 31 March, 2024 (contd.)

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 ROU asset, or is recorded in profit or loss if the carrying amount of the ROU 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.

## 3.9 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.

## 3.10 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.

## 3.11 Dividend 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.

## 3.12 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.

## Standalone Accounting Policies

For the year ended 31 March, 2024 (contd.)

### 3.13 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective from 01 April 2023. However, these amendments do not have an impact on Financial Statements and material accounting policy information.

**Ind AS 1 : Presentation of financial Statements –** This amendment required the entities to disclose their material accounting policies rather than their significant accounting policies. The effective dates for adoption of this amendment is annual periods beginning on or after 01 April 2023. The Company has evaluated the amendment, and the impact of the amendment is insignificant in the Company's financial statements.

**Ind AS 8 : Accounting policies, changes in accounting estimates and errors –** This amendment has introduced a definition of accounting estimates and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 01 April 2023. The Company has evaluated the amendment, and the impact of the amendment is insignificant in the Company's financial statements.

**Ind AS 12 : Income Taxes –** This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 01 April 2023. The Company has evaluated the amendment, and the impact of the amendment is insignificant in the Company's financial statements.

#### Standards notified but not yet effective.

There are no standards that are notified and not yet effective as on the date.

### 4. Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity

with Ind AS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities) and disclosures as of the date of the financial statements and the reported amounts of revenue and expenses for the reporting period. Actual results could differ from these estimates. Accounting estimates and underlying assumptions are reviewed on an ongoing basis and could change from period to period. Appropriate changes in estimates are recognised in the period in which the Company becomes aware of the changes in circumstances surrounding the estimates. Any revisions to accounting estimates are recognised prospectively in the period in which the estimate is revised and future periods. Following are estimates and judgements that have significant impact on the carrying amount of assets and liabilities at each balance sheet:

#### 4.1 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 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

## Standalone Accounting Policies

For the year ended 31 March, 2024 (contd.)

fair value being recognised in the standalone statement of profit and loss in the period in which they arise.

### 4.2 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.

### 4.3 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.

### 4.4 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 3.2 (iii)(h) overview of ECL principles.

### 4.5 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

### 4.6 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 and 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, 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.

### 4.7 Share based payments

Estimating fair value for share based payment requires determination of the most appropriate valuation model. The estimate also requires determination of the most appropriate inputs to the valuation model including the



## Standalone Accounting Policies

For the year ended 31 March, 2024 (contd.)

expected life of the option, volatility and dividend yield and making assumptions about them. The assumption and models used for estimating fair value for share based payments transactions are disclosed in Note 42 Employee stock option plan (ESOP).

### 4.8 Expected credit loss

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and credit assessment and including forward-looking information.

### 4.9 Deferred tax

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences become deductible. The Company considers the expected reversal of deferred

tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of the future taxable income during the carry-forward period are reduced.

### 4.10 Leases

Ind AS 116 defines a lease term as the non-cancellable period for which the lessee has the right to use an underlying asset including optional period, when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Company considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term. The option to extend the lease term are included in the lease term, if it is reasonably certain that the lessee will exercise the option. The Company reassess the option when significant events or changes in circumstances occur that are within the control of the lessee.

### 4.11 Other estimates

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

**Notes forming part of the Standalone Financial Statements**

For the year ended 31 March, 2024

**(5) CASH AND CASH EQUIVALENTS**

(₹ In Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Cash on hand	5.91	1.78
Balances with banks		
- in current accounts	2,328.81	1,258.10
Others		
- balance in prepaid cards	2.87	4.14
<b>Total</b>	<b>2,337.59</b>	<b>1,264.02</b>

**(6) BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS**

(₹ In Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Earmarked balances with banks towards unclaimed dividend	5.49	5.75
Fixed deposits with original maturity of upto 12 months *	44,380.00	13,616.17
Fixed deposits with original maturity of more than 12 months *	4,954.00	14,996.05
Accrued interest on fixed deposits with banks	1,144.93	310.59
<b>Total</b>	<b>50,484.42</b>	<b>28,928.56</b>

**\* Breakup of deposits**

(₹ In Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Fixed deposits under lien with stock exchanges and clearing corporations **	36,789.00	18,225.05
Fixed deposits for bank guarantees	8,825.00	9,368.17
Fixed deposits for credit facilities	3,720.00	1,019.00
<b>Total</b>	<b>49,334.00</b>	<b>28,612.22</b>

\*\* The above fixed deposits are towards security deposits, minimum base capital and margin requirements.

**Notes forming part of the Standalone Financial Statements**

For the year ended 31 March, 2024 (contd.)

**(7) TRADE RECEIVABLES**

(₹ In Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Receivables considered good - secured *	4,687.00	2,783.96
Receivables considered good - unsecured **	7,433.65	7,532.87
Receivables which have significant increase in credit risk	-	-
Receivables - credit impaired	24.60	22.59
	<b>12,145.25</b>	<b>10,339.42</b>
Less: Provision for expected credit loss / impairment loss allowance	(24.60)	(22.59)
<b>Total</b>	<b>12,120.65</b>	<b>10,316.83</b>
* Secured against securities given as a collateral by the clients		
* Above includes receivable from stock exchanges on account of trades executed by clients	1,868.01	1,446.08
** Above includes due from a managing director (Refer note 38(B))	0.00035	0.00472
** Above includes due from subsidiaries, associates and other related parties (Refer note 38(B))	56.77	27.94
** Net of margin		

The Company 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 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 statement of profit and loss. Subsequent recoveries of amounts previously written off are credited to the statement of profit and loss.

**Trade receivables ageing schedule as at 31 March 2024**

Particulars	Outstanding for following period from due date of payment							(₹ In Lacs)
	Not due	Unbilled	Less than 6 months	6 months - 1 year	1-2 years	2 - 3 years	More than 3 years	Total
Undisputed trade receivables								
- considered good	7,871.50	50.11	4,219.58	2.15	1.57	0.26	0.08	12,145.25

**Trade receivables ageing schedule as at 31 March 2023**

Particulars	Outstanding for following period from due date of payment							(₹ In Lacs)
	Not due	Unbilled	Less than 6 months	6 months - 1 year	1-2 years	2 - 3 years	More than 3 years	Total
Undisputed trade receivables								
- considered good	8,930.06	165.18	1,230.99	11.96	1.09	0.14	-	10,339.42

**Notes forming part of the Standalone Financial Statements**

For the year ended 31 March, 2024 (contd.)

**(8) LOANS**

(₹ In Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>(A) At amortised cost</b>		
Margin trading facility	946.24	448.13
Less: Provision for expected credit loss / impairment loss allowance	-	-
<b>Total Net</b>	<b>946.24</b>	<b>448.13</b>
<b>(B) Secured / Unsecured</b>		
Secured by shares/securities	946.24	448.13
Unsecured	-	-
	<b>946.24</b>	<b>448.13</b>
Less: Provision for expected credit loss / impairment loss allowance	-	-
<b>Total Net</b>	<b>946.24</b>	<b>448.13</b>
<b>(C) Loans in India</b>		
Public Sector	-	-
Others (Includes body corporates, firms, HUFs, individuals)	946.24	448.13
Less: Provision for expected credit loss / impairment loss allowance	-	-
<b>Total Net</b>	<b>946.24</b>	<b>448.13</b>
<b>(D) Stage wise break up of loans</b>		
(i) Low credit risk (Stage 1)	946.24	448.13
(ii) Significant increase in credit risk (Stage 2)	-	-
(ii) Credit impaired (Stage 3)	-	-
<b>Total Net</b>	<b>946.24</b>	<b>448.13</b>



**Notes forming part of the Standalone Financial Statements**

For the year ended 31 March, 2024 (contd.)

**(9) INVESTMENTS**

(₹ In Lacs)

	Particulars	As at 31 March 2024	As at 31 March 2023
<b>I</b>	<b>Investments measured at cost (unquoted)</b>		
<b>1</b>	<b>In equity instruments of subsidiary companies* (fully paid up)</b>		
	Emkay Fincap Limited	1,650.22	1,650.22
	Emkay Commotrade Limited	637.59	637.59
	Emkay Investment Managers Limited	900.00	900.00
	Emkayglobal Financial Services IFSC Pvt. Ltd.	500.00	500.00
	Less : Impairment loss allowance	(160.00)	(105.00)
		340.00	395.00
	Emkay Wealth Advisory Limited	410.00	410.00
	Less : Impairment loss allowance	(220.00)	(220.00)
		190.00	190.00
	Emkay Global Financial Services Pte. Ltd.	5.53	5.53
	<b>Total ( A )</b>	<b>3,723.34</b>	<b>3,778.34</b>
<b>2</b>	<b>Capital contribution In associate* ( B )</b>		
	- Azalea Capital Partners LLP	4.50	4.50
	<b>Total ( B )</b>	<b>4.50</b>	<b>4.50</b>
<b>II</b>	<b>Measured at fair value through profit or loss (unquoted)</b>		
<b>1</b>	<b>In alternative investment funds ( Category III )</b>		
	Emkay Emerging Stars Fund - IV	-	765.26
	Emkay Emerging Stars Fund - V	1,082.86	843.44
	Emkay Emerging Stars Fund - VI	840.29	-
	<b>Total ( C )</b>	<b>1,923.15</b>	<b>1,608.70</b>
<b>2</b>	<b>Value of stock options granted to employees of subsidiaries**</b>		
	Emkay Global Financial Services Pte. Ltd.	12.42	3.47
	Emkay Wealth Advisory Limited	-	6.98
	<b>Total ( D )</b>	<b>12.42</b>	<b>10.45</b>
	<b>Total ( A+B+C+D )</b>	<b>5,663.41</b>	<b>5,401.99</b>
	Investment in India	5,645.46	5,392.99
	Investment outside India	17.95	9.00

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

\*\* 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

**Significant investments in subsidiaries**

	Name of Company	Principal place of business	Holding/subsidiary
1	Emkay Fincap Limited	Mumbai	Wholly owned subsidiary
2	Emkay Commotrade Limited	Mumbai	
3	Emkay Investment Managers Limited	Mumbai	
4	Emkay Wealth Advisory Limited	Mumbai	
5	Emkayglobal Financial Services IFSC Pvt. Ltd.	GIFT City, Gandhinagar	
6	Emkay Global Financial Services Pte. Ltd.	Singapore	

**Notes forming part of the Standalone Financial Statements**

For the year ended 31 March, 2024 (contd.)

**(10) OTHER FINANCIAL ASSETS ( UNSECURED, CONSIDERED GOOD )**

(₹ In Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>At amortised cost</b>		
Deposits with stock exchanges / clearing corporations *	22,682.40	13,412.49
Deposits for leased premises	171.88	170.33
Less: Provision for expected credit loss / impairment loss allowance	(1.72)	(1.70)
	170.16	168.63
Deposits others	72.22	68.69
Other receivable	86.34	5.25
Recoverable from related parties (Refer note 38(B))	-	135.02
<b>Total</b>	<b>23,011.12</b>	<b>13,790.08</b>

\* The deposits are kept with stock exchanges / clearing corporations as security deposits , minimum base capital and margin requirements.

**(11) CURRENT TAX ASSETS (NET)**

(₹ In Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Income tax paid (net of provision for taxation : 31 March 2024 : ₹ 1,581.67 Lacs, 31 March 2023 : ₹ 1,430.87 Lacs)	261.60	407.16
<b>Total</b>	<b>261.60</b>	<b>407.16</b>

**(12) PROPERTY PLANT AND EQUIPMENTS**

Current year

(₹ In Lacs)

Particulars	Gross Carrying Value				Accumulated depreciation/amortization				Net Block	
	Balance as at 01 April 2023			Balance as at 31 March 2024	Balance as at 01 April 2023			Balance as at 31 March 2024	Balance as at 01 April 2023	Balance as at 31 March 2024
		Additions	Disposals			Additions	Disposals			
Property, plant and equipment										
Office premises	2,736.19	-	-	2,736.19	603.30	103.65	-	706.95	2,132.89	2,029.24
Furniture & fixtures	104.31	10.07	2.74	111.64	65.96	6.14	1.91	70.19	38.35	41.45
Vehicles	176.26	-	-	176.26	71.23	32.79	-	104.02	105.03	72.24
Office equipments	117.26	10.09	4.47	122.88	75.12	17.71	3.64	89.19	42.14	33.69
Computers	1,562.84	502.33	4.26	2,060.91	936.84	321.47	2.61	1,255.70	626.00	805.21
Air conditioners	33.41	0.34	0.19	33.56	18.16	2.79	0.12	20.83	15.25	12.73
Leasehold improvements	251.67	6.89	-	258.56	249.29	2.92	-	252.21	2.38	6.35
Total	4,981.94	529.72	11.66	5,500.00	2,019.90	487.47	8.28	2,499.09	2,962.04	3,000.91

**Notes forming part of the Standalone Financial Statements**

For the year ended 31 March, 2024 (contd.)

**Previous year**

(₹ In Lacs)

Particulars	Gross Carrying Value				Accumulated depreciation/amortization				Net Block	
	Balance as at 01 April 2022			Balance as at 31 March 2023	Balance as at 01 April 2022			Balance as at 31 March 2023	Balance as at 01 April 2022	Balance as at 31 March 2023
	Additions	Disposals			Additions	Disposals				
Property, plant and equipment										
Office premises	2,736.19	-	-	2,736.19	494.35	108.95	-	603.30	2,241.84	2,132.89
Furniture & fixtures	96.88	9.68	2.25	104.31	60.86	6.51	1.41	65.96	36.02	38.35
Vehicles	98.33	103.70	25.77	176.26	50.78	40.84	20.39	71.23	47.55	105.03
Office equipments	92.32	28.17	3.23	117.26	60.94	16.84	2.66	75.12	31.38	42.14
Computers	946.27	618.89	2.32	1,562.84	610.20	327.04	0.40	936.84	336.07	626.00
Air conditioners	31.25	2.91	0.75	33.41	15.65	2.93	0.42	18.16	15.60	15.25
Leasehold improvements	216.14	35.53	-	251.67	202.32	46.97	-	249.29	13.82	2.38
Total	4,217.38	798.88	34.32	4,981.94	1,495.10	550.08	25.28	2,019.90	2,722.28	2,962.04

There is no (i) acquisition through business combinations (ii) revaluation of property, plant and equipment (iii) no adjustments to property, plant and equipment on account of borrowing cost and exchange differences and (iv) impairment losses and its reversal during the current year / previous year.

**(13) OTHER INTANGIBLE ASSETS****Current year**

(₹ In Lacs)

Particulars	Gross Carrying Value				Accumulated depreciation/amortization				Net Block	
	Balance as at 01 April 2023	Additions	Disposals	Balance as at 31 March 2024	Balance as at 01 April 2023	Additions	Disposals	Balance as at 31 March 2024	Balance as at 01 April 2023	Balance as at 31 March 2024
Computer software	316.61	176.62	-	493.23	263.96	89.16	-	353.12	52.65	140.11
Total	316.61	176.62	-	493.23	263.96	89.16	-	353.12	52.65	140.11

**Previous year**

(₹ In Lacs)

Particulars	Gross Carrying Value				Accumulated depreciation/amortization				Net Block	
	Balance as at 01 April 2022	Additions	Disposals	Balance as at 31 March 2023	Balance as at 01 April 2022	Additions	Disposals	Balance as at 31 March 2023	Balance as at 01 April 2022	Balance as at 31 March 2023
Computer software	249.54	67.07	-	316.61	229.49	34.47	-	263.96	20.05	52.65
<b>Total</b>	<b>249.54</b>	<b>67.07</b>	<b>-</b>	<b>316.61</b>	<b>229.49</b>	<b>34.47</b>	<b>-</b>	<b>263.96</b>	<b>20.05</b>	<b>52.65</b>

There is no revaluation of any intangible assets during the current year / previous year.

**Notes forming part of the Standalone Financial Statements**

For the year ended 31 March, 2024 (contd.)

**(14) OTHER NON FINANCIAL ASSETS**

(₹ In Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Capital advances	1.60	99.03
Prepaid expenses	305.24	227.15
Income tax refund receivable	0.88	0.88
Advances to vendors	28.33	12.20
Goods and service tax input credit available / receivable	110.18	69.96
<b>Total</b>	<b>446.23</b>	<b>409.22</b>

**(15) TRADE PAYABLES**

(₹ In Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Trade Payables</b>		
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises *	20,895.87	11,726.86
* Above includes payable to stock exchanges on account of trades executed by clients	3,235.43	3,911.31
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 year of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

**Trade payable due for payment - ageing schedule as at 31 March 2024**

(₹ In Lacs)

	Not due	Unbilled	Outstanding for following period from due date of payment				Total
			Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) MSME - undisputed	-	-	-	-	-	-	-
(ii) Others - undisputed	-	2,242.78	18,489.35	23.96	22.38	117.40	20,895.87

**Trade payable due for payment - ageing schedule as at 31 March 2023**

(₹ In Lacs)

	Not due	Unbilled	Outstanding for following period from due date of payment				Total
			Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) MSME - undisputed	-	-	-	-	-	-	-
(ii) Others - undisputed	-	4,178.32	7,402.82	22.90	79.82	43.00	11,726.86



**Notes forming part of the Standalone Financial Statements**

For the year ended 31 March, 2024 (contd.)

**(16) BORROWINGS (OTHER THAN DEBT SECURITIES)**

(₹ In Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>At amortised cost (unsecured)</b>		
Loan repayable on demand		
From related parties (refer note 38(B))		
- From director	2,000.00	-
- From subsidiary company	1,500.00	-
<b>Total</b>	<b>3,500.00</b>	<b>-</b>
Borrowings in India	3,500.00	-
Borrowings outside India	-	-
<b>Total</b>	<b>3,500.00</b>	<b>-</b>

Rate of interest is 10% p.a. for above borrowings.

**(17) DEPOSITS**

(₹ In Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>At amortised cost (unsecured)</b>		
Security deposits		
- from intermediaries	117.33	121.87
- from others	914.60	914.60
<b>Total</b>	<b>1,031.93</b>	<b>1,036.47</b>

**(18) OTHER FINANCIAL LIABILITIES**

(₹ In Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Interest accrued but not due on borrowings	5.70	10.00
Unclaimed dividends	5.49	5.75
Margin from clients	50,222.42	32,653.71
Payable for expenses	370.20	314.39
Accrued salaries and benefits	57.58	104.26
Payable to subsidiaries (refer note 38(B))	245.51	36.22
Other liabilities	121.75	41.94
<b>Total</b>	<b>51,028.65</b>	<b>33,166.27</b>

**Notes forming part of the Standalone Financial Statements**

For the year ended 31 March, 2024 (contd.)

**(19) PROVISIONS**

(₹ In Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Provision for employee benefits</b>		
- Gratuity (refer note 43)	107.68	210.65
- Bonus	2,500.00	1,400.00
- Compensated absences (refer note 43)	59.63	95.57
- Incentives	565.00	282.00
<b>Total</b>	<b>3,232.31</b>	<b>1,988.22</b>

**(20) DEFERRED TAX LIABILITIES / (ASSETS) (NET)\***

(₹ In Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Deferred tax liabilities</b>		
Property, plant and equipment and other intangible assets	142.39	123.70
Right of use assets	162.49	210.37
<b>Total</b>	<b>304.88</b>	<b>334.07</b>
<b>Deferred tax assets</b>		
Financial assets at fair value through profit or loss	7.05	9.26
Lease liabilities	167.32	212.91
Provisions	7.66	7.07
Disallowances	17.36	27.83
Unabsorbed tax losses	-	502.51
<b>Total</b>	<b>199.39</b>	<b>759.58</b>
<b>Deferred tax liabilities / (assets) (net)</b>	<b>105.49</b>	<b>(425.51)</b>

\* Refer note 50

**(21) OTHER NON FINANCIAL LIABILITIES**

(₹ In Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Statutory dues payable	1,188.63	1,312.59
Income received in advance	60.13	38.56
Advances received from clients	8.88	2.29
<b>Total</b>	<b>1,257.64</b>	<b>1,353.44</b>

**Notes forming part of the Standalone Financial Statements**

For the year ended 31 March, 2024 (contd.)

**(22) EQUITY SHARE CAPITAL**

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of Shares	(₹ In Lacs)	Number of Shares	(₹ In Lacs)
<b>Authorised:</b>				
Equity shares of ₹ 10/- each	5,00,00,000	5,000.00	5,00,00,000	5,000.00
	<b>5,00,00,000</b>	<b>5,000.00</b>	<b>5,00,00,000</b>	<b>5,000</b>
<b>Issued, subscribed and fully paid up</b>				
Equity shares of ₹ 10/- each	2,46,94,676	2,469.47	2,46,40,230	2,464.02
<b>Total Equity</b>	<b>2,46,94,676</b>	<b>2,469.47</b>	<b>2,46,40,230</b>	<b>2,464.02</b>

**( A ) Reconciliation of the shares outstanding at the beginning and at the end of the year**

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of Shares	(₹ In Lacs)	Number of Shares	(₹ In Lacs)
<b>At the beginning of the reporting year</b>	2,46,40,230	2,464.02	2,46,40,230	2,464.02
Issued during the year : ESOP (Refer note 42)	54,446	5.45	-	-
<b>Outstanding at the end of the reporting year</b>	<b>2,46,94,676</b>	<b>2,469.47</b>	<b>2,46,40,230</b>	<b>2,464.02</b>

**( B ) 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 in case of 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 year ended 31 March 2024 dividend recognized as distribution to equity shareholders was ₹1.00 per share being final dividend year ended 31 March 2023. The total dividend appropriated amounts to ₹ 246.40

**( C ) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Name of Shareholder	As at 31 March 2024		As at 31 March 2023	
	No of Shares	% Held	No of Shares	% Held
Krishna Kumar Karwa	49,22,500	19.93%	49,22,500	19.98%
Prakash Kacholia	47,50,000	19.23%	47,50,000	19.28%
Emkay Corporate Services Private Limited	48,51,484	19.65%	48,51,484	19.69%
Priti Kacholia	18,80,000	7.61%	18,80,000	7.63%
Raunak Karwa	17,50,000	7.09%	17,50,000	7.10%
<b>Total</b>	<b>1,81,53,984</b>	<b>73.51%</b>	<b>1,81,53,984</b>	<b>73.68%</b>

## Notes forming part of the Standalone Financial Statements

For the year ended 31 March, 2024 (contd.)

### ( D ) Details of shares held by promoters/promoter group

#### As at 31 March 2024

Promoter name	No of shares	% of total shares	% Change during the year
Krishna Kumar Karwa	49,22,500	19.93%	-0.05%
Prakash Kacholia	47,50,000	19.23%	-0.05%
Emkay Corporate Services Private Ltd	48,51,484	19.65%	-0.04%
Priti Kacholia	18,80,000	7.61%	-0.02%
Raunak Karwa	17,50,000	7.09%	-0.01%
Murlidhar Karwa (HUF)	1,00,000	0.40%	-0.01%
Krishna Kumar Karwa (HUF)	1,00,000	0.40%	-0.01%
<b>Total</b>	<b>1,83,53,984</b>	<b>74.31%</b>	

#### As at 31 March 2023

Promoter name	No of shares	% of total shares	% Change during the year
Krishna Kumar Karwa	49,22,500	19.98%	0.00%
Prakash Kacholia	47,50,000	19.28%	0.00%
Emkay Corporate Services Private Ltd	48,51,484	19.69%	0.00%
Priti Kacholia	18,80,000	7.63%	0.00%
Raunak Karwa	17,50,000	7.10%	0.00%
Murlidhar Karwa (HUF)	1,00,000	0.41%	0.00%
Krishna Kumar Karwa (HUF)	1,00,000	0.41%	0.00%
<b>Total</b>	<b>1,83,53,984</b>	<b>74.50%</b>	

### ( E ) Shares reserved for issue under employee stock option plans

Particulars	As at 31 March 2024	As at 31 March 2023
	Numbers	Numbers
ESOP's reserved for offering to eligible employees of the Company and its subsidiaries under ESOP scheme		
- ESOP's granted and are pending for vesting / exercise	25,72,343	30,33,489
- ESOP's not yet granted	19,90,459	15,83,759
<b>Total</b>	<b>45,62,802</b>	<b>46,17,248</b>

### ( F ) 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

### ( G ) Capital management :

The Company's objective for capital management is to maximize 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 need based borrowings for 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.



**Notes forming part of the Standalone Financial Statements**

For the year ended 31 March, 2024 (contd.)

**(23) OTHER EQUITY**

(₹ In Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Reserves and surplus</b>		
Securities premium		
Balance at the beginning of the year	7,025.56	7,025.56
Add : Addition during the year on allotment of ESOP shares	35.71	-
Add : Transfer from equity-settled share-based payment reserve on allotment of ESOP shares	26.35	-
<b>Balance at the end of the year</b>	<b>7,087.62</b>	<b>7,025.56</b>
<b>Retained earnings</b>		
Balance at the beginning of the year	3,000.54	2,315.62
Add : Profit for the year	2,446.99	1,063.46
Add : Re-measurement loss on post employment benefit obligation (net)	(97.63)	(70.54)
<b>Amount available for appropriation</b>	<b>5,349.90</b>	<b>3,308.54</b>
Less : Dividend paid to equity shareholders	246.40	308.00
<b>Balance at the end of the year</b>	<b>5,103.50</b>	<b>3,000.54</b>
<b>General Reserve</b>	1,804.97	1,761.51
Add : Transfer from equity-settled share-based payment reserve (Reversal of vested lapsed options)	167.96	43.46
<b>Balance at the end of the year</b>	<b>1,972.93</b>	<b>1,804.97</b>
<b>Equity-settled share-based payment reserve</b>		
Balance at the beginning of the year	831.11	883.36
Add : Additions during the year (net)	73.51	(8.79)
Less : Transfer to securities premium account on allotment of ESOP shares	(26.35)	-
Less : Transfer to general reserve (Reversal of vested lapsed options)	(167.96)	(43.46)
<b>Balance at the end of the year</b>	<b>710.31</b>	<b>831.11</b>
<b>Total</b>	<b>14,874.36</b>	<b>12,662.18</b>

**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 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. It also includes remeasurements gains and losses on defined benefit plans recognised in other comprehensive income (net of taxes).

**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

## Notes forming part of the Standalone Financial Statements

For the year ended 31 March, 2024 (contd.)

Act, 2013. This also includes transfer within equity i.e. transfer from Equity-Settled share-based payment reserve towards the amount recognised for services received from an employee, if the vested equity settled share based payments instruments are later forfeited or not exercised.

### 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. Once shares are issued by the Company, the amount in this reserve will be transferred to share capital, securities premium or retained earnings.

### (24) INTEREST INCOME

(₹ In Lacs)		
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>On financial assets measured at amortised cost</b>		
Interest on deposits with banks	619.71	403.63
Interest on margin trading funding	87.00	38.42
<b>Total</b>	<b>706.71</b>	<b>442.05</b>

### (25) FEE AND COMMISSION INCOME\*

(₹ In Lacs)		
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Brokerage income	19,723.53	14,043.52
Research and advisory fees	3,427.71	1,642.46
Depository operations	131.04	79.86
<b>Total</b>	<b>23,282.28</b>	<b>15,765.84</b>

\*Refer note 53

### (26) NET GAIN ON FAIR VALUE CHANGES

(₹ In Lacs)		
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Net gain / (loss) on financial instruments at fair value through profit or loss</b>		
- Investments	1,196.58	2,229.06
- Securities held for trading	(116.52)	(90.27)
- Derivatives	(57.48)	55.81
<b>Total net gain on fair value changes</b>	<b>1,022.58</b>	<b>2,194.60</b>
<b>Fair value changes:</b>		
- Realised gain	867.11	2,148.51
- Unrealised gain	155.47	46.09
<b>Total</b>	<b>1,022.58</b>	<b>2,194.60</b>

**Notes forming part of the Standalone Financial Statements**

For the year ended 31 March, 2024 (contd.)

**(27) OTHER OPERATING INCOME**

(₹ In Lacs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Delayed payment charges from clients	181.10	196.73
Miscellaneous income	16.50	15.30
<b>Total</b>	<b>197.60</b>	<b>212.03</b>

**(28) OTHER INCOME**

(₹ In Lacs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Dividend income		
- From subsidiary companies (refer note 38(B))	-	95.64
- Others	0.04	4.94
Net gain on disposal / discard of property, plant and equipment	-	9.79
Interest on deposits with banks	115.64	54.14
Other interest income	37.55	17.53
Facility fee	2,905.00	1,000.00
Other miscellaneous income	72.93	56.75
<b>Total</b>	<b>3,131.16</b>	<b>1,238.79</b>

**(29) FINANCE COSTS**

(₹ In Lacs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>On Instruments measured at amortised cost</b>		
Interest on deposits	6.46	7.01
Interest on borrowings from banks	89.63	78.75
Interest on borrowings from related parties (refer note 38(B))	303.63	110.75
Interest on lease liabilities (refer note 44)	66.45	52.30
Bank guarantee commission charges	145.57	169.60
Other borrowing costs	-	24.50
<b>Total</b>	<b>611.74</b>	<b>442.91</b>

**Notes forming part of the Standalone Financial Statements**

For the year ended 31 March, 2024 (contd.)

**(30) FEES AND COMMISSION EXPENSES**

(₹ In Lacs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Brokerage sharing with intermediaries	2,515.02	2,174.71
Advisory and other fees	428.15	150.94
<b>Total</b>	<b>2,943.17</b>	<b>2,325.65</b>

**(31) IMPAIRMENT ON FINANCIAL INSTRUMENTS**

(₹ In Lacs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Financial instruments measured at amortised cost :</b>		
Expected credit loss on trade receivables	2.01	1.24
Bad debts written off (net)	3.95	8.44
<b>Other financial assets</b>		
Expected credit loss on deposits	0.02	0.02
Deposit written off	3.00	-
<b>Total</b>	<b>8.98</b>	<b>9.70</b>

**(32) EMPLOYEE BENEFIT EXPENSE**

(₹ In Lacs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Salaries and other benefits	11,993.33	9,963.56
Share based payments to employees (refer note 42)	71.53	32.18
Contributions to provident and other funds (refer note 43)	552.41	462.32
Gratuity (refer note 43)	164.38	140.11
Staff welfare expenses	108.08	72.11
<b>Total</b>	<b>12,889.73</b>	<b>10,670.28</b>

**(33) DEPRECIATION AND AMORTIZATION**

(₹ In Lacs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation on property, plant and equipment	487.47	550.08
Depreciation on right of use assets (refer note 44)	314.14	299.00
Amortization on other intangible assets	89.16	34.47
<b>Total</b>	<b>890.77</b>	<b>883.55</b>



**Notes forming part of the Standalone Financial Statements**

For the year ended 31 March, 2024 (contd.)

**(34) OTHER EXPENSES**

(₹ In Lacs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Electricity	107.60	101.90
Repairs and maintenance		
- Buildings	71.51	66.64
- Others	379.71	358.00
Insurance	21.95	22.54
Rates and taxes	65.10	23.71
Communication, postage and courier	439.53	267.69
Travelling and conveyance	687.74	613.68
Printing and stationery	44.60	36.10
Advertisement and business promotion	187.60	142.66
Donations	0.84	0.86
Legal and professional fees	1,070.57	801.33
Subscription	1,331.14	1,083.33
Software expenses	319.10	142.37
Claims and compensation	12.65	1.14
Fees and stamps	18.67	26.02
Payments to stock exchanges	2,480.66	743.11
Registration fees	12.11	10.16
Depository charges	37.05	23.84
Training & development	3.73	7.93
Auditors' remuneration #	47.47	40.35
Net loss on disposal / discard of property, plant and equipment	2.16	-
Commission to independent directors	18.00	11.00
Foreign exchange rate fluctuations loss (Net)	55.11	50.92
Miscellaneous expenses	125.68	133.47
<b>Total</b>	<b>7,540.28</b>	<b>4,708.75</b>

# Auditors' remuneration (excluding input credit of GST availed, if any)

(₹ In Lacs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Statutory audit fees	25.00	22.50
Tax audit fees	2.50	2.00
Other services (including limited review and certificates)	17.25	14.00
Reimbursement of expenses	2.72	1.85
<b>Total</b>	<b>47.47</b>	<b>40.35</b>

**Notes forming part of the Standalone Financial Statements**

For the year ended 31 March, 2024 (contd.)

**(35) EARNINGS PER SHARE**

(₹ In Lacs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Profit attributable to all equity shareholders	2,446.99	1,063.46
Weighted average number of equity shares used in computing basic earnings per share (A)	24,652,312	24,640,230
Basic earnings per share (₹) (Face value of ₹ 10/- each)	9.93	4.32
Potential number of equity share that could arise on exercise of employee stock options (B)	809,725	131,355
Weighted average number of equity shares used in computing diluted earnings per share (A+B)	25,462,037	24,771,585
Diluted earnings per share (₹) (Face value of ₹ 10/- each)	9.61	4.29

**(36) 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. The 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.

**(37) FOREIGN CURRENCY TRANSACTIONS**

(₹ In Lacs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>(a) Expenditure in foreign currency (accrual basis)</b>		
Fees and commission expenses	668.05	934.86
Subscription	182.93	143.87
Consultancy	626.51	365.92
Travelling expenses	35.59	24.71
Advertisement and business promotion	5.82	4.79
Software expenses	0.48	0.47
Miscellaneous expenses	0.88	1.13
	<b>1,520.26</b>	<b>1,475.75</b>
<b>(b) Earning in foreign currency (accrual basis)</b>		
Research and advisory fees	225.17	96.77
	<b>225.17</b>	<b>96.77</b>

**Notes forming part of the Standalone Financial Statements**

For the year ended 31 March, 2024 (contd.)

**(38) RELATED PARTY DISCLOSURES**

(A) As per Indian Accounting Standard (Ind AS 24)- Related Party Disclosures, specified under section 133 of the Companies Act, 2013, read with The Companies (Indian Accounting Standard) Rules, 2015, the name of related party where control exists / able to exercise significant influence along with the transactions and year end balances with them as identified and certified by the management are as follows:

**I Subsidiary companies**

Emkay Fincap Limited  
 Emkay Commotrade Limited  
 Emkay Wealth Advisory Limited  
 Emkay Investment Managers Limited  
 Emkayglobal Financial Services IFSC Pvt. Limited  
 Emkay Global Financial Services Pte. Ltd.

**II Associate entity**

Azalea Capital Partners LLP

**III Associates of wholly owned subsidiaries**

Finlearn Edutech Private Limited	Associate of Emkay Fincap Limited
AES Trading and Consultants LLP	Associate of Emkay Commotrade Limited

**IV Directors and/or key managerial personnel (KMP)**

S.K.Saboo	Non Independent Non-Executive Director ( Chairman of the Board )
Krishna Kumar Karwa	Managing Director
Prakash Kacholia	Managing Director
Saket Agrawal	Chief Financial Officer
Bhalchandra Raul	Company Secretary
G.C.Vasudeo	Independent Director
R.K.Krishnamurthi	Independent Director
Dr.Satish Ugrankar	Independent Director
Dr.Bharat Kumar Singh	Independent Director
Hutokshi Rohinton Wadia	Independent Woman Director ( w.e.f. 25/05/2022 )

**V Relatives of directors and/or key managerial personnel**

(Where transactions have taken place)

Priti Kacholia	Wife of Prakash Kacholia and Woman Director till 08/08/2022
Priti Karwa	Wife of Krishna Kumar Karwa
Raunak Karwa	Son of Krishna Kumar Karwa
Soumya Karwa	Daughter of Krishna Kumar Karwa
Nidhi Kacholia	Daughter of Prakash Kacholia
Divya Kacholia	Daughter of Prakash Kacholia
Krishna Kacholia	Mother of Prakash Kacholia
Deepak Kacholia	Brother of Prakash Kacholia
Ramgopal Agrawal	Father of Saket Agrawal
Vandana Agrawal	Wife of Saket Agrawal
Laxmi Agrawal	Mother of Saket Agrawal
Saksham Agrawal	Son of Saket Agrawal
Amit Saboo	Son of S.K.Saboo

## Notes forming part of the Standalone Financial Statements

For the year ended 31 March, 2024 (contd.)

### VI Enterprises owned/controlled by key managerial personnel or their relatives

(Where transactions have taken place )

Cambridge Securities	Partnership firm of family members of both managing directors
Synthetic Fibres Trading Company	Partnership firm of family members of Krishna Kumar Karwa
Emkay Corporate Services Pvt. Ltd.	Promoter Company
Seven Hills Capital	Partnership firm of Krishna Kumar Karwa and his family members
Murlidhar Karwa HUF	HUF of Krishna Kumar Karwa
Krishna Kumar Karwa HUF	HUF of Krishna Kumar Karwa
Saket Agrawal HUF	HUF of Saket Agrawal
S.K.Saboo HUF	HUF of S.K.Saboo
Nandita Advisors Pvt. Ltd.	Private Limited Company of S.K.Saboo
Kitaab Design	Proprietor Nidhi Kacholia
Krishna Investments	Proprietor Deepak Kacholia

### VII Directors and/or key managerial personnel (KMP) of Subsidiaries and their relatives

(Where transactions have taken place)

Rajesh Sharma	Director in Subsidiaries
Devang Desai	Director in Subsidiaries
Haresh Mahadik	Director in Subsidiary w.e.f.20/06/2023
Mangesh Parab	Director in Subsidiary w.e.f.20/06/2023
Sonal Desai	Mother of Devang Desai
Devang Desai HUF	HUF of Devang Desai
Harshada H Mahadik	Wife of Haresh Mahadik
Vikaas M Sachdeva	CEO of a Subsidiary till 30/09/2022
Dipti Modi	Company Secretary of a Subsidiary till 30/11/2023

### VII Post employment benefits plan

Emkay Global Financial Services Limited Employees Group Gratuity Assurance Scheme (Trust)



**Notes forming part of the Standalone Financial Statements**

For the year ended 31 March, 2024 (contd.)

**(B) Details of transactoins with related party in the ordinary course of business**

No.	Particulars	Nature of transaction	Transaction amount during		Amount Outstanding as on		(₹)
			2023-24	2022-23	31 March 2024	31 March 2023	
Subsidiary Companies							
1	Emkay Fincap Limited	Brokerage income	1,81,932	77,868	-	-	-
		Depository charges	6,715	8,140	-	-	-
		Rent recovery	3,99,933	3,88,322	-	-	-
		Reimbursement of expenses received	1,19,916	1,16,401	-	-	-
		Payment made on behalf of	20,000	-	-	-	-
		Loan taken	69,00,00,000	-	15,00,00,000	-	-
		Repayment of loan taken	54,00,00,000	-	-	-	-
		Interest paid on loan taken	(1,23,57,923)	-	-	-	-
		Trade payables	-	-	83,03,794	11,02,017	-
		Cash margin received for securities trading	-	-	35,84,725	65,42,060	-
		Proceeds from investment - buyback of shares	-	5,49,78,000	-	-	-
		Investment in equity shares	-	-	16,50,22,000	16,50,22,000	-
		Interest paid on margin deposit received for securities trading	(3,23,779)	(7,77,947)	-	-	-
		Margin deposit received for securities trading	3,80,00,000	9,45,00,000	-	-	-
		Repayment of margin deposit received for securities trading	3,80,00,000	9,45,00,000	-	-	-
2	Emkay Commotrade Limited	Brokerage income	10,72,383	-	-	32	-
		Dividend income	-	95,63,775	-	-	-
		Depository charges	860	1,175	-	-	-
		Rent recovery	1,14,042	70,688	-	-	-
		Reimbursement of expenses received	35,032	21,762	-	-	-
		Loan taken	2,00,00,000	19,00,00,000	-	-	-
		Repayment of loan taken	2,00,00,000	19,00,00,000	-	-	-
		Interest paid on loan taken	(1,47,541)	(28,60,274)	-	-	-
		Investment in equity shares	-	-	6,37,58,500	6,37,58,500	-
		Trade payables	-	-	8,11,168	-	-
		Interest paid on margin deposit received for securities trading	(53,83,404)	-	-	-	-
		Margin deposit received for securities trading	10,00,00,000	-	-	-	-
		Repayment of margin deposit received for securities trading	10,00,00,000	-	-	-	-
		Gain on investment- buyback of shares	-	3,18,62,250	-	-	-
		Proceeds from investment - buyback of shares	-	2,12,41,500	-	-	-

**Notes forming part of the Standalone Financial Statements**

For the year ended 31 March, 2024 (contd.)

No.	Particulars	Nature of transaction	Transaction amount during		Amount Outstanding as on	
			2023-24	2022-23	31 March 2024	31 March 2023
(₹)						
3	Emkay Wealth Advisory Limited	Rent recovery	4,91,684	4,38,228	-	-
		Depository charges	75	875	-	32
		Loan taken	1,75,00,000	-	-	-
		Repayment of loan taken	1,75,00,000	-	-	-
		Interest paid on loan taken	(11,66,668)	-	-	-
		Reimbursement of expenses received	72,074	64,425	-	-
		Reimbursement of expenses paid	11,43,116	11,69,413	-	1,45,572
		Investment in equity shares	-	-	4,10,00,000	4,10,00,000
		ESOP granted to employees	-	1,88,477	-	6,98,335
		Derecognition of ESOP granted to employees	(6,98,335)	-	-	-
4	Emkay Investment Managers Limited	Brokerage income	1,37,49,749	96,27,113	56,75,517	25,73,633
		Depository charges	1,665	14,035	-	-
		Rent recovery	17,96,426	23,27,340	-	-
		Reimbursement of expenses received	5,31,425	6,74,890	-	-
		Interest paid on loan taken	(54,89,071)	(39,68,494)	-	-
		Investment in equity shares	-	-	9,00,00,000	9,00,00,000
		Loan taken	16,00,00,000	19,50,00,000	-	-
		Repayment of loan taken	16,00,00,000	19,50,00,000	-	-
		Derecognition of ESOP granted to employees	-	(46,32,373)	-	-
5	Emkayglobal Financial Services IFSC Pvt. Ltd.	Investment in equity shares	-	3,00,00,000	5,00,00,000	5,00,00,000
		Payment made on behalf of	-	11,379	-	-
6	Emkay Global Financial Services Pte. Ltd.	Advisory fees paid	(6,26,51,010)	(3,45,92,242)	2,45,51,338	34,76,576
		Investment in equity shares	-	-	5,53,175	5,53,175
		ESOP granted to employees	8,95,820	3,46,411	12,42,231	3,46,411
	Associate					
7	Azalea Capital Partners LLP	Depository charges	1,070	1,190	53	142
		Capital contribution	-	-	4,50,000	4,50,000
		Reimbursement of expenses received	87,904	66,621	-	2,276

**Notes forming part of the Standalone Financial Statements**

For the year ended 31 March, 2024 (contd.)

No. Particulars		Nature of transaction	Transaction amount during		Amount Outstanding as on	
			2023-24	2022-23	31 March 2024	31 March 2023
Associate of wholly owned subsidiaries						
8	AES Trading and Consultants LLP	Brokerage income	3,15,864	7,01,773	-	1,99,855
		Depository charges	815	815	-	-
		Interest paid on margin deposit received for securities trading	(45,39,680)	(30,96,297)	-	-
		Facility fees received	1,00,00,000	3,50,00,000	-	1,35,00,000
		Reimbursement of expenses received	67,260	12,282	-	-
		Margin deposit received for securities trading	42,50,00,000	37,91,00,000	-	-
		Repayment of margin deposit received for securities trading	42,50,00,000	37,91,00,000	-	-
		Trade payables	-	-	8,41,68,643	-
		Security deposit received for facility fees	-	10,00,000	10,00,000	10,00,000
9	Finleam Edutech Private Limited	Brokerage and commission payment	(3,321)	(19,402)	-	-
		Depository charges	1,130	1,160	-	35
		Trade payables	-	-	850	1,943
		Reimbursement of expenses received	1,500	-	-	-
Directors and/or Key managerial personnel (KMP)						
10	Krishna Kumar Karwa	Salaries & other benefits	(1,61,28,000)	(1,61,28,000)	-	-
		Depository charges	220	65	-	-
		Dividend paid	(49,22,500)	(61,53,125)	-	-
		Interest paid on loan taken	(1,12,02,186)	(32,60,274)	-	-
		Loan taken	20,00,00,000	10,00,00,000	20,00,00,000	-
		Repayment of loan taken	-	10,00,00,000	-	-
11	Prakash Kacholia	Salaries & other benefits	(1,61,28,000)	(1,61,28,000)	-	-
		Brokerage income	13,150	18,762	35	472
		Depository charges	530	715	-	-
		Reimbursement of expenses received	-	13,837	-	-
		Dividend paid	(47,50,000)	(59,37,500)	-	-
		Interest paid on loan taken	-	(9,86,301)	-	-
		Loan taken	-	3,00,00,000	-	-
Repayment of loan taken	-	3,00,00,000	-	-		

**Notes forming part of the Standalone Financial Statements**

For the year ended 31 March, 2024 (contd.)

No.	Particulars	Nature of transaction	Transaction amount during		Amount Outstanding as on	
			2023-24	2022-23	31 March 2024	31 March 2023
12	Saket Agrawal	Salaries & other benefits	(76,18,484)	(68,18,322)	-	-
		Brokerage income	444	125	-	-
		Depositary charges	120	340	-	-
		Dividend paid	(5,476)	(6,845)	-	-
13	Bhalchandra Raul	Salaries & other benefits	(39,31,674)	(34,57,585)	-	-
		Brokerage income	131	116	-	-
		Depositary charges	75	-	-	-
		Dividend paid	(100)	(125)	-	-
		Trade payables	-	-	799	-
14	S.K.Saboo	Brokerage income	42,844	35,103	-	-
		Depositary charges	390	360	-	-
		Sitting fees	(70,000)	(70,000)	-	-
		Trade payables	-	-	482	-
		Reimbursement of expenses received	-	424	-	-
15	G.C.Vasudeo	Sitting fees	(90,000)	(90,000)	-	-
		Commission	(5,00,000)	-	5,00,000	-
16	R.K.Krishnamurthi	Sitting fees	(90,000)	(1,10,000)	-	-
		Commission	(3,50,000)	(2,00,000)	3,50,000	2,00,000
17	Dr.Satish Ugrankar	Sitting fees	(1,20,000)	(1,10,000)	-	-
		Commission	(3,50,000)	(3,50,000)	3,50,000	3,50,000
18	Dr.Bharat Kumar Singh	Sitting fees	(60,000)	(80,000)	-	-
		Commission	(3,50,000)	(3,50,000)	3,50,000	3,50,000
19	Hutokshi Rohinton Wadia	Sitting fees	(30,000)	(30,000)	-	-
		Commission	(2,50,000)	(2,00,000)	2,50,000	2,00,000



**Notes forming part of the Standalone Financial Statements**

For the year ended 31 March, 2024 (contd.)

No. Particulars		Nature of transaction	Transaction amount during		Amount Outstanding as on	
			2023-24	2022-23	31 March 2024	31 March 2023
Relatives of directors and/or key managerial personnel						
20	Priti Kacholia	Brokerage income	7,72,388	6,34,984	-	-
		Depository charges	13,200	13,215	-	-
		Trade payables	-	-	79,26,903	79,50,906
		Reimbursement of expenses received	2,730	2,576	-	-
		Dividend paid	(18,80,000)	(23,50,000)	-	-
21	Priti Karwa	Depository charges	-	315	-	-
22	Krishna Kacholia	Depository charges	30	-	-	1,292
23	Raunak Karwa	Brokerage Income	7,350	12,250	-	372
		Depository charges	45	390	-	-
		Dividend paid	(17,50,000)	(21,87,500)	-	-
24	Soumya K Karwa	Depository charges	15	420	-	18
25	Nidhi Kacholia	Brokerage income	192	19	-	-
		Depository charges	375	375	-	-
26	Divya Kacholia	Brokerage income	58	19	-	-
		Depository charges	10	5	-	-
		Trade payables	-	-	941	953
27	Deepak Kacholia	Depository charges	265	-	-	-
28	Amit S Saboo	Brokerage income	45,221	-	354	-
		Depository charges	735	-	-	-
29	Agrawal Ramgopal	Brokerage income	112	8	53	-
		Depository charges	855	570	-	-
30	Laxmi Agrawal	Brokerage income	307	-	35	77
		Depository charges	750	645	-	-

**Notes forming part of the Standalone Financial Statements**

For the year ended 31 March, 2024 (contd.)

No. Particulars	Nature of transaction	Transaction amount during		Amount Outstanding as on	
		2023-24	2022-23	31 March 2024	31 March 2023
31 Vandana Agrawal	Brokerage income	74	93	-	-
	Depository charges	65	80	-	-
32 Saksham Saket Agrawal	Brokerage income	68	44	-	18
	Depository charges	25	55	-	-
<b>Enterprises owned/controlled by KMP or their relatives</b>					
33 Synthetic Fibres Trading Co	Brokerage income	1,59,006	2,25,035	-	35
	Depository charges	14,390	1,635	-	-
34 Emkay Corporate Services Private Limited	Depository charges	1,780	15	18	-
	Dividend paid	(48,51,484)	(60,64,355)	-	-
35 Krishna Investments	Trade payables	-	-	1,36,394	1,36,235
36 Seven Hills Capital	Brokerage income	18,25,003	11,49,152	478	17,614
	Depository charges	3,755	3,065	-	-
37 Cambrige Securities	Depository charges	465	-	-	-
38 Kitaab Design (Prop. Nidhi Kacholia)	Purchase of gifts and stationary items	(17,18,460)	(5,83,750)	-	-
39 Murlidhar Karwa HUF	Brokerage income	-	9,740	-	71
	Depository charges	315	390	-	-
	Dividend paid	(1,00,000)	(1,25,000)	-	-
40 Krishna Kumar Karwa HUF	Brokerage income	11,862	10,340	-	-
	Depository charges	-	60	-	-
	Dividend paid	(1,00,000)	(1,25,000)	-	-
	Trade payables	-	-	929	929
	Reimbursement of expenses received	7,823	19,320	-	-

**Notes forming part of the Standalone Financial Statements**

For the year ended 31 March, 2024 (contd.)

No. Particulars	Nature of transaction	Transaction amount during		Amount Outstanding as on	
		2023-24	2022-23	31 March 2024	31 March 2023
41 S.K.Saboo HUF	Brokerage income	756	-	-	-
	Depository charges	1,084	-	-	-
42 Nandita Advisors Pvt. Ltd.	Brokerage income	43,343	-	-	-
	Delayed payment charges recovery	1,606	-	-	-
	Depository charges	1,490	-	-	-
	Trade payables	-	-	34,98,696	-
43 Saket Agrawal Huf	Brokerage income	417	37	372	-
	Depository charges	810	270	-	-
	Dividend paid	(3,600)	(4,500)	-	-
<b>Key managerial personnel (KMP) of subsidiaries and their relatives</b>					
44 Rajesh Sharma	Salaries & other benefits	(96,29,520)	(86,14,880)	-	-
	Depository charges	-	124	-	-
45 Devang Desai	Salaries & other benefits	(78,68,484)	(71,06,491)	-	-
	Brokerage income	2,243	529	-	-
	Depository charges	690	160	-	-
	Dividend paid	(7,500)	(9,375)	-	-
	Trade payables	-	-	-	30
46 Mangesh Parab	Salaries & other benefits	(8,98,752)	-	-	-
	Dividend paid	(100)	-	-	-
47 Haresh Ganpat Mahadik	Dividend paid	(1,666)	-	-	-
	Trade receivables	-	-	35	-
48 Devang Desai Huf	Brokerage income	2,885	1,890	186	537
	Depository charges	1,605	960	-	-
	Delayed payment charges recovery	456	1,588	-	-
	Reimbursement of expenses received	-	45	-	-



**Notes forming part of the Standalone Financial Statements**  
For the year ended 31 March, 2024 (contd.)

No. Particulars	Nature of transaction	Transaction amount during		Amount Outstanding as on	
		2023-24	2022-23	31 March 2024	31 March 2023
49	Vikaas Mohan Sachdeva				
	Brokerage income	-	42,190	-	-
	Depository charges	-	1,520	-	-
	Dividend paid	-	(6,250)	-	-
	Delayed payment charges recovery	-	229	-	-
50	Dipti Modi				
	Brokerage income	-	8	-	-
	Depository charges	-	15	-	-
	Dividend paid	(1)	(1)	-	-
51	Sonal Desai				
	Brokerage income	7,228	5,675	-	-
	Depository charges	2,085	1,665	-	-
	Interest on margin trading funding	-	7,547	-	-
	Delayed payment charges recovery	12,439	4,767	-	-
	Reimbursement of expenses received	-	331	-	-
	Loan granted on margin trading funding	-	5,11,913	-	-
	Repayment of loan granted on margin trading funding	-	6,41,554	-	-
	Trade payables	-	-	1,180	2,124
52	Harshada H Mahadik				
	Dividend paid	(2,250)	-	-	-
<b>Post employment benefits plan</b>					
EGFSL Employees Group					
53	Gratuity Assurance Scheme	(1,64,37,738)	(1,40,11,020)	1,07,67,832	2,10,65,337
(Trust)	Gratuity contribution				



**Notes forming part of the Standalone Financial Statements**

For the year ended 31 March, 2024 (contd.)

**(39) 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 three financial years on Corporate Social Responsibility (CSR) activities. A CSR committee has been formed by the Company as per Act.

The provisions of Section 135(5) to the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company.

**(40) CONTINGENT LIABILITIES**

(₹ In Lacs)

Sr. No.	Particulars	As at 31 March 2024	As at 31 March 2023
	<b>Guarantee</b>		
1	Guarantees issued by Banks	17,650.00	18,650.00
	<b>Others</b>		
1	Claims against the Company not acknowledged as debt	17.74	17.74
2	Service tax matters in appeal: net of amount of deposited	847.81	847.81
3	GST matter before commissioner appeals: net of amount of deposited	11.41	11.41

- Claims against the Company relate to claims filed against the Company by our customers in the ordinary course of business.
- Service tax matters in appeal:- The company has received service tax demand order for the period 1-07-2012 to 30-09-2014 on the income earned from foreign clients located outside India. The company has filed an appeal which is pending before CESTAT.
- Input credit mismatch in GSTR-3B with GSTR-2A/Table 8A of GSTR-9 for year ending 31 March 2018. The Company is contesting the same before Commissioner Appeals.

Company has provided bank guarantees for meeting margin requirements of stock exchanges and clearing corporations as under: -

(₹ In Lacs)

Sr. No.	Particulars	As at 31 March 2024	As at 31 March 2023
1	NSE Clearing Limited	10,800.00	14,100.00
2	National Stock Exchange of India Limited	50.00	50.00
3	BSE Limited	50.00	50.00
4	Indian Clearing Corporation Limited	50.00	50.00
5	Multi Commodity Exchange of India Limited	6,475.00	4,075.00
6	National Commodity and Derivatives Exchange Limited	225.00	325.00
	<b>Total</b>	<b>17,650.00</b>	<b>18,650.00</b>

**Notes forming part of the Standalone Financial Statements**

For the year ended 31 March, 2024 (contd.)

**(41) CAPITAL COMMITMENTS**

(₹ In Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Estimated amounts of contracts remaining to be executed on capital account and not provided for ( net of advances )	32.85	105.71

**(42) 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 January, 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 January 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 August 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 March 2018 for grant of 24,53,403 equity shares of ₹10/- each.

The activity in ESOP-2007 and ESOP-2018 during the year ended 31 March 2024 and 31 March 2023 is set out below:

	Year ended 31 March 2024		Year ended 31 March 2023	
	In Numbers	Weighted Average Exercise Price (in ₹)	In Numbers	Weighted Average Exercise Price (in ₹)
<b>ESOP-2007 : (Face value of ₹ 10 each)</b>				
Options outstanding at the beginning of the year	1,185,624	76.56	1,751,158	76.28
Add: Granted	340,000	123.13	291,125	76.04
Less:- Exercised	44,600	75.60	-	-
Less:- Forfeited	-	-	-	-
Less:- Lapsed	553,496	77.76	856,659	75.80
<b>Options outstanding at the end of the year</b>	<b>927,528</b>	<b>92.97</b>	<b>1,185,624</b>	<b>76.56</b>

	Year ended 31 March 2024		Year ended 31 March 2023	
	In Numbers	Weighted Average Exercise Price (in ₹)	In Numbers	Weighted Average Exercise Price (in ₹)
<b>ESOP-2018 : (Face value of ₹ 10 each)</b>				
Options outstanding at the beginning of the year	1,847,865	68.98	2,340,245	69.50
Add:- Granted	380,299	125.30	153,917	72.95
Less:- Exercised	9,846	75.60	-	-
Less:- Forfeited	-	-	-	-
Less:- Lapsed	573,503	63.94	646,297	71.79
<b>Options outstanding at the end of the year</b>	<b>1,644,815</b>	<b>83.72</b>	<b>1,847,865</b>	<b>68.98</b>

**Notes forming part of the Standalone Financial Statements**

For the year ended 31 March, 2024 (contd.)

**The Company has done following modifications in Options during current year**

Nature of Modification / Scheme / Year	Number of Options	Original Weighted Average Fair Value of Options	Revised Weighted Average Fair Value of Options
<b>Change in vesting dates of Options</b>			
<b>ESOP-2007</b>			
Current Year	15,000	39.51	34.40
Previous Year	115,310	37.02	37.08
<b>ESOP-2018</b>			
Current Year	110,847	38.16	32.67
Previous Year	153,916	37.74	40.83

During the current year, there is no change in the estimate of the number of Options, which are expected to vest in future in respect of ESOP Schemes – ESOP-2007 & ESOP-2018.

**Employees' Stock Options Scheme (ESOP):**

Particulars	ESOP-2007	ESOP-2010-Trust Route	ESOP-2018
Date of Grant	Various dates starting from 17.01.2008 till 26.12.2023	Various dates starting from 21.10.2010 till 21.01.2012	Various dates starting from 14.08.2018 till 26.12.2023
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	60,50,461	6,47,000	39,82,842
- Employees of the Subsidiary Companies	5,70,000	-	86,167
Total Options Granted	66,20,461	6,47,000	40,69,009
Method of Settlement	Equity Shares	Equity Shares	Equity Shares
Vesting Period	Ranging from 1 year to 7 years and 10 months. Both time based and performance based	Graded vesting over a period of 5 years	Ranging from 1 year to 6 years and 3 months. Both time based and performance based

**Notes forming part of the Standalone Financial Statements**

For the year ended 31 March, 2024 (contd.)

**Weighted Average Remaining Contractual life:**

Particulars	ESOP-2007	ESOP-2018
Current year		
- Granted but not vested	5.57 years	3.84 years
Current year		
- Vested but not exercised	0.91 years	0.99 years
Current year		
- Weighted Average Share Price at the date of exercise for Stock Options exercised during the year	123.06	127.74
Previous year		
- Granted but not vested	5.30 years	4.89 years
Previous year		
- Vested but not exercised	1.04 years	1.13 years
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 those performance parameters.	
Weighted Average Fair Value of Options as on grant date - Current Year	₹ 56.41	₹ 41.82
Weighted Average Fair Value of Options as on grant date - Previous Year	₹ 37.68	₹ 34.78
Risk free interest rate	7.00% - 7.20%	7.19% - 7.20%
Dividend Yield	0.70% - 1.64%	0.70% - 1.22%
Expected Volatility	44% - 49%	40% - 44%

**Notes forming part of the Standalone Financial Statements**

For the year ended 31 March, 2024 (contd.)

**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**

Particulars	(₹ in Lacs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Expenses arising from employee share based payment plans	71.53	32.18
Total carrying amount at the end of the year	304.62	287.28

**(43) 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:

**Other information regarding Employee Share based payment plan is as below**

Particulars	(₹ in Lacs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Provident fund	459.38	390.21
ESIC	0.69	1.24
National pension scheme	92.29	70.86
Other welfare fund	0.05	0.01
<b>Total</b>	<b>552.41</b>	<b>462.32</b>

- 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 completed year of service or part thereof in excess of six months.



## Notes forming part of the Standalone Financial Statements

For the year ended 31 March, 2024 (contd.)

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.

### Discount rate

The discount rate for this valuation is based on government bonds having similar term to duration of liabilities. Due to lack of deep and secondary bond market in India, government bond yields are used to arrive at the discount rate.

### Mortality rate

If the actual mortality rate in the future turns out to be more or less than expected, then it may result in an increase / decrease in the liability.

### Employee turnover/withdrawal rate

If the actual withdrawal rate in the future turns out to be more or less than expected, then it may result in an increase / decrease in the liability.

### Salary escalation rate

More or less than expected increase in the future salary levels may result in an increase / decrease in the liability.

		(₹ in Lacs)	
Sr. No.	Particulars	As at 31 March 2024	As at 31 March 2023
i)	<b>Movement in defined benefit obligation</b>		
	<b>Present value of obligation as at the beginning</b>	<b>1,057.21</b>	<b>895.27</b>
	Current service cost	149.07	129.60
	Interest expense or cost	76.81	54.57
	Remeasurement ( or actuarial) (gain) / loss arising from :		
	- change in financial assumptions	40.53	6.06
	- change in demographic assumptions	-	-
	- experience variance ( i.e. actual experience vs assumptions )	113.93	37.88
	Benefits paid	(100.65)	(66.17)
	Acquisition adjustment	(3.43)	-
	<b>Present value of obligation as at the end of the year</b>	<b>1,333.47</b>	<b>1,057.21</b>
ii)	<b>Movement in plan assets</b>		
	<b>Fair value of plan assets as at the beginning</b>	<b>846.56</b>	<b>722.86</b>
	Employer's contributions	385.65	172.41
	Investment income	61.51	44.06
	Return on plan assets, excluding amount recognized in net interest expense	36.16	(26.60)
	Benefits paid	(100.65)	(66.17)
	Acquisition adjustment	(3.43)	-
	<b>Fair value of plan assets as at the end of the year</b>	<b>1,225.80</b>	<b>846.56</b>
iii)	<b>Reconciliation of net liability / asset</b>		
	<b>Net defined benefit liability / (asset) as at the beginning of the year</b>	<b>(210.65)</b>	<b>(172.41)</b>
	Expenses charged to statement of profit and loss	(164.38)	(140.11)
	Amount recognized in other comprehensive income	(118.30)	(70.54)
	Employer contribution	385.65	172.41
	<b>Net defined benefit liability / (asset) as at the end of the year</b>	<b>(107.68)</b>	<b>(210.65)</b>

**Notes forming part of the Standalone Financial Statements**

For the year ended 31 March, 2024 (contd.)

		(₹ in Lacs)	
Sr. No.	Particulars	As at 31 March 2024	As at 31 March 2023
iv)	<b>Expenses charged to the statement of profit &amp; loss</b>		
	Current service cost	149.08	129.60
	Net Interest cost / (income) on the net defined benefit liability / (asset)	15.30	10.51
	<b>Expenses recognized in the income statement</b>	<b>164.38</b>	<b>140.11</b>
v)	<b>Movement in asset ceiling</b>		
	Effect of asset ceiling at the beginning	-	-
	Interest on opening balance of asset ceiling	-	-
	Remeasurements due to change in surplus/deficit	-	-
	<b>Value of asset ceiling as at the end of the year</b>	<b>-</b>	<b>-</b>
vi)	<b>Remeasurement (gains) / losses in other comprehensive income</b>		
	<b>Actuarial (gains) / losses</b>		
	Change in financial assumptions	40.53	6.06
	Change in demographic assumptions	-	-
	Experience adjustments	113.93	37.88
	Return on plan assets, excluding amount recognized in net interest expense	(36.16)	26.60
	<b>Components of defined benefit costs recognized in other comprehensive income</b>	<b>118.30</b>	<b>70.54</b>
vii)	<b>Amount recognized in balance sheet</b>		
	Present value of obligation	1,333.49	1,057.22
	Fair value of plan assets	1,225.81	846.57
	Surplus / (deficit)	(107.68)	(210.65)
	Effects of asset ceiling if any	-	-
	<b>Net Asset / (Liability)</b>	<b>(107.68)</b>	<b>(210.65)</b>
viii)	<b>Key actuarial assumptions</b>		
	Discount rate (p.a.)	7.15%	7.25%
	Salary growth rate (p.a.)	15.00%	14.00%
ix)	<b>Category of plan assets</b>		
	Funds managed by insurer	99.98%	99.97%
	Bank balance	0.02%	0.03%
x)	<b>Quantitative sensitivity analysis</b>		
	<b>Impact on defined benefit obligation</b>		
	<b>Rate of discounting</b>		
	1% increase	-4.50%	-4.70%
	1% decrease	5.00%	5.10%

## Notes forming part of the Standalone Financial Statements

For the year ended 31 March, 2024 (contd.)

		(₹ in Lacs)	
Sr. No.	Particulars	As at 31 March 2024	As at 31 March 2023
	<b>Rate of increase in salary</b>		
	1% increase	2.60%	3.00%
	1% decrease	-2.60%	-3.00%
<b>xi)</b>	<b>Maturity profile of defined benefit obligation</b>		
	Weighted average duration (based on discounted cashflows)	5 years	5 years
	<b>Expected cash flows over the next (valued on undiscounted basis):</b>		
	Within next 12 months	245.74	188.57
	Between 2 and 5 years	800.19	610.36
	Between 6 and 10 years	539.73	452.58
	Beyond 10 years	393.56	349.19
<b>xii)</b>	<b>Expected contribution during the next annual reporting period</b>		
	The Company's best estimate of contribution during the next year	255.91	338.98

### c) Compensated Absences

The liability towards compensated absences for the year ended 31 March 2024 is based on actuarial valuation carried out using the projected unit credit method by an Actuary appointed for the purpose and relied upon by the Auditors. During the previous year ended 31 March 2023, the same was calculated on an actual basis.

Assumptions for the year ended 31 March 2024: -

Discount rate (p.a.) : 7.15%

Salary growth rate (p.a.) : 15.00%

### (44) 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	Year ended 31 March 2024	Year ended 31 March 2023	
Carrying amount at the beginning of the year	722.43	382.90	
Additions	171.26	653.12	
Adjustments / Closure	(21.56)	(14.59)	
Depreciation for the year	(314.14)	(299.00)	
<b>Carrying amount at the end of the year</b>	<b>557.99</b>	<b>722.43</b>	

**Notes forming part of the Standalone Financial Statements**

For the year ended 31 March, 2024 (contd.)

**b) Lease liabilities**

Particulars	(₹ in Lacs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Balance at the beginning of the year	731.16	400.91
Additions	163.83	624.49
Interest expense on lease liabilities	66.45	52.30
Adjustments / Closure	(27.13)	(15.43)
Benefit on lease payment waiver	-	-
Lease payments	(359.76)	(331.11)
<b>Balance at the end of the year</b>	<b>574.55</b>	<b>731.16</b>
Current	245.44	278.01
Non-Current	329.11	453.15

**c) The below table provides the details regarding the undiscounted contractual maturities of lease liabilities on an undiscounted basis:**

	(₹ in Lacs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Less than one year	293.57	339.26
One to five years	368.53	522.43
Five years and above	-	-
<b>Total</b>	<b>662.10</b>	<b>861.69</b>

The Company does not face a significant risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

**d) Amount recognized in statement of profit and loss**

Particulars	(₹ in Lacs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation on Right-Of-Use (ROU) assets	314.14	299.00
Interest expense on lease liabilities	66.45	52.30
Expense relating to short term leases (included in other expenses)	3.36	0.82
<b>Total</b>	<b>383.95</b>	<b>352.12</b>

The total cash outflows for leases are ₹ 359.76 Lacs for the year ended 31 March 2024 (31 March 2023: ₹ 331.11 Lacs).

The effective interest rate of lease liabilities is 10.22% with maturities between one to five years.

**(45) 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 ₹ 25,000 lacs (Previous year: ₹ 27,000 lacs).

## Notes forming part of the Standalone Financial Statements

For the year ended 31 March, 2024 (contd.)

### (46) ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for borrowings are:

Particulars	(₹ in Lacs)	
	As at 31 March 2024	As at 31 March 2023
<b>Financial Assets</b>		
Fixed deposit under lien with stock exchanges and clearing corporations	36,789.00	18,225.05
Fixed deposit against bank guarantees	8,825.00	9,368.17
Fixed deposit against credit facilities of the Company	3,720.00	1,019.00
Investments pledged with bank for credit facilities	-	-
- AIF Units : Emkay Emerging Stars Fund-V	1,082.86	-
<b>Total</b>	<b>50,416.86</b>	<b>28,612.22</b>
<b>Non-Financial Assets</b>		
Office premises mortgaged with bank for credit facilities	2,029.24	2,132.89

(47) Trade payables includes ₹ 41.77 Lacs (P.Y. ₹ 55.10 Lacs) and other liabilities under other financial liabilities includes ₹ 0.50 Lacs (P.Y. ₹ 0.17 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 a regular basis on receipt of required information as and when received.

(48) Income includes ₹ 0.74 Lacs (P.Y. ₹ 2.43 Lacs) and expenses includes ₹ 45.01 Lacs (P.Y. ₹ 76.52 Lacs) pertaining to earlier year.

### (49) 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:

- Credit risk
- Liquidity risk
- Market risk

The risk management system features three lines of defence approach.

- 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.
- The second line of defence comprises specialized departments 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.
- The third line of defence comprises 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 forming part of the Standalone Financial Statements**

For the year ended 31 March, 2024 (contd.)

**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 comprise cash and bank balances, trade receivables, loans, investments, and other financial assets which comprise mainly of income, 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:

Particulars	(₹ in Lacs)	
	As at 31 March 2024	As at 31 March 2023
Trade and other receivables (net of impairment)	12,120.65	10,316.83
Loan (net of impairment)	946.24	448.13

**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 is 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 not due or upto 30 days past due (DPD) are considered as Stage 1 assets for computation of expected credit loss.

Stage 2 : Exposure under stage 2 includes 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 Probability of Default (PD) to stage 1 and stage 2 and applies it to the Exposure at Default (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

Bucketing (Stage )	(₹ in Lacs)			
	As at 31 March 2024		As at 31 March 2023	
	Carrying Value	ECL	Carrying Value	ECL
Stage 1	946.23	-	448.13	-
Stage 2	-	-	-	-
Stage 3	-	-	-	-
<b>Total</b>	<b>946.23</b>	<b>-</b>	<b>448.13</b>	<b>-</b>

Movement in the allowances for impairment in respect of trade receivables and loans is as follows:

## Notes forming part of the Standalone Financial Statements

For the year ended 31 March, 2024 (contd.)

Particulars	(₹ in Lacs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Opening Balance	22.59	21.35
Net remeasurement of loss allowance	2.01	1.24
<b>Closing Balance</b>	<b>24.60</b>	<b>22.59</b>

### 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.

### 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.

The table below summarises the maturity profile of the Company's undiscounted financial liabilities as at 31 March 2024.

(₹ in Lacs)						
	Lease Liabilities	Borrowings (other than debt securities)	Trade Payable	Deposits	Other financial liabilities	Total
0 - 1 year	293.57	3,500.00	20,895.87	-	51,028.65	75,718.09
1 - 2 year	181.90	-	-	-	-	181.90
2 - 3 year	146.02	-	-	-	-	146.02
3 - 4 year	40.61	-	-	-	-	40.61
Beyond 4 years	-	-	-	1,031.93	-	1,031.93
<b>Total</b>	<b>662.10</b>	<b>3,500.00</b>	<b>20,895.87</b>	<b>1,031.93</b>	<b>51,028.65</b>	<b>77,118.55</b>

The table below summarises the maturity profile of the Company's undiscounted financial liabilities as at 31 March 2023

(₹ in Lacs)						
	Lease Liabilities	Borrowings (other than debt securities)	Trade Payable	Deposits	Other financial liabilities	Total
0 - 1 year	339.26	-	11,726.86	-	33,166.27	45,232.39
1 - 2 year	238.80	-	-	-	-	238.80
2 - 3 year	132.10	-	-	-	-	132.10
3 - 4 year	110.93	-	-	-	-	110.93
Beyond 4 years	40.60	-	-	1,036.47	-	1,077.07
<b>Total</b>	<b>861.69</b>	<b>-</b>	<b>11,726.86</b>	<b>1,036.47</b>	<b>33,166.27</b>	<b>46,791.29</b>

**Notes forming part of the Standalone Financial Statements**

For the year ended 31 March, 2024 (contd.)

**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:-

<b>Receivables</b>		<b>(₹ In Lacs)</b>	
<b>Particulars</b>	<b>Currency</b>	<b>As At 31 March 2024</b>	<b>As At 31 March 2023</b>
Foreign Currency exposure outstanding	USD	0.27	0.24
	INR	22.46	19.99
	SGD	0.10	0.10
	INR	5.53	5.53
Foreign Currency receivable in next 5 years including interest	USD	0.27	0.24
	INR	22.46	19.99
Unhedged Foreign currency exposure	USD	0.27	0.24
	INR	22.46	19.99
	SGD	0.10	0.10
	INR	5.53	5.53

## Notes forming part of the Standalone Financial Statements

For the year ended 31 March, 2024 (contd.)

Payables		(₹ In Lacs)	
	Currency	As At 31 March 2024	As At 31 March 2023
Foreign Currency exposure outstanding	USD	29.09	30.76
	INR	2,443.53	2,527.37
	SGD	4.00	0.61
	INR	246.89	37.39
Foreign Currency payable in next 5 years including interest	USD	1.59	3.26
	INR	149.90	267.69
	SGD	4.00	0.61
	INR	246.89	37.39
Unhedged Foreign currency exposure	USD	29.09	30.76
	INR	2,443.53	2,527.37
	SGD	4.00	0.61
	INR	246.89	37.39

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 variables being constant) on the statement of profit and loss.

		(₹ In Lacs)	
Currency	Change in currency rate in %	Impact on statement of profit and loss	
		Year ended 31 March 2024	Year ended 31 March 2024
USD	Depreciation of 5%	121.05	125.37
	Appreciation of 5%	(121.05)	(125.37)
SGD	Depreciation of 5%	12.07	1.59
	Appreciation of 5%	(12.07)	(1.59)

### (50) TAX RECONCILIATION DISCLOSURE

A) Income tax expenses consists of the following:

(₹ In Lacs)		
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Current income tax	422.67	-
Deferred tax	531.00	(362.90)
<b>Total tax for the year</b>	<b>953.67</b>	<b>(362.90)</b>
Taxes for earlier years	-	(3.09)
<b>Tax expenses for the year</b>	<b>953.67</b>	<b>(365.99)</b>

**Notes forming part of the Standalone Financial Statements**

For the year ended 31 March, 2024 (contd.)

## B) Amount recognized in the other comprehensive income:

(₹ In Lacs)		
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Items that will not be reclassified to profit or loss</b>		
Re-measurement (losses) on defined benefit plans	(118.30)	(70.54)
Income tax relating to items that will not be reclassified to profit or loss	20.67	-
<b>Other comprehensive (loss)</b>	<b>(97.63)</b>	<b>(70.54)</b>

## C) 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	Year ended 31 March 2024	Year ended 31 March 2023
<b>Profit before tax</b>	3,400.66	697.47
Enacted tax rate in India (%)	27.82%	29.12%
Expected income tax expenses	946.00	203.10
<b>Tax effect of adjustments to reconcile expected income tax expenses to reported income tax expenses</b>		
Income exempt from tax laws	(289.64)	(582.20)
Deductible expenses for tax purpose	(313.65)	(331.88)
Nondeductible expenses for tax purpose	259.21	222.68
Fair value changes of investments	(43.25)	(13.42)
Unabsorbed losses brought forward from earlier years adjusted	(498.10)	-
Current year losses carry forwarded to subsequent year	-	377.72
Ind As adjustments	116.01	123.99
<b>Total</b>	<b>(769.42)</b>	<b>(203.10)</b>
Tax payable at normal rates (A)	176.59	-
Tax payable under section 115JB (MAT) (B)	422.67	-
<b>Tax payable (higher of A and B)</b>	<b>422.67</b>	-
Deferred Tax impact	531.00	(362.90)
<b>Total Tax Expense</b>	<b>953.67</b>	<b>(362.90)</b>
Current Tax Expense	422.67	-
Deferred Tax Expense / (Credit)	531.00	(362.90)
Effective tax rate	28.04%	

## D) Deferred tax disclosure

Movement of deferred tax assets and (liabilities)

(₹ In Lacs)			
Particulars	Assets as at 01 April 2023	Credit/(Charge) in the statement of profit and loss	Assets as at 31 March 2024
Financial assets at fair value through profit and loss	9.26	(2.21)	7.05
Lease liabilities	212.91	(45.59)	167.32
Provisions	7.07	0.59	7.66
Disallowances	27.83	(10.47)	17.36
Unabsorbed tax losses	502.51	(502.51)	-
Property, plant and equipment and other intangible assets	(123.70)	(18.69)	(142.39)
Right of use assets	(210.37)	47.88	(162.49)
<b>Net deferred tax assets</b>	<b>425.51</b>	<b>(531.00)</b>	<b>(105.49)</b>



**Notes forming part of the Standalone Financial Statements**

For the year ended 31 March, 2024 (contd.)

**Previous year**

(₹ In Lacs)

Particulars	Assets as at 01 April 2022	Credit/(Charge) in the statement of profit and loss	Assets as at 31 March 2023
Financial assets at fair value through profit and loss	4.96	4.30	9.26
Lease liabilities	116.74	96.17	212.91
Provisions	6.71	0.36	7.07
Disallowances	25.46	2.37	27.83
Unabsorbed tax losses	126.76	375.75	502.51
Property, plant and equipment and other intangible assets	(106.52)	(17.18)	(123.70)
Right of use assets	(111.50)	(98.87)	(210.37)
<b>Net deferred tax assets</b>	<b>62.61</b>	<b>362.90</b>	<b>425.51</b>

**(51) 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 2024		
	Total	Within 12 months	After 12 Months
<b>Assets</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	2,337.59	2,337.59	-
Bank balance other than above	50,484.42	50,208.42	276.00
Trade receivables	12,120.65	12,120.65	-
Loans	946.24	946.24	-
Investments	5,663.41	-	5,663.41
Other financial assets	23,011.12	22,472.34	538.78
	<b>94,563.43</b>	<b>88,085.24</b>	<b>6,478.19</b>
<b>Non Financial Assets</b>			
Current tax assets (net)	261.60	-	261.60
Deferred tax assets (net)	-	-	-
Property, plant and equipment	3,000.91	-	3,000.91
Right of use assets	557.99	-	557.99
Other Intangible assets	140.11	-	140.11
Other non-financial assets	446.23	436.76	9.47
	<b>4,406.84</b>	<b>436.76</b>	<b>3,970.08</b>
<b>Total Assets</b>	<b>98,970.27</b>	<b>88,522.00</b>	<b>10,448.27</b>
<b>Liabilities</b>			
<b>Financial Liabilities</b>			
Trade payable	20,895.87	20,895.87	-
Borrowings (other than debt securities)	3,500.00	3,500.00	-
Deposits	1,031.93	-	1,031.93
Lease liabilities	574.55	245.44	329.11
Other financial liabilities	51,028.65	51,028.65	-
	<b>77,031.00</b>	<b>75,669.96</b>	<b>1,361.04</b>
<b>Non-financial Liabilities</b>			
Provisions	3,232.31	3,232.31	-
Deferred tax liabilities (net)	105.49	-	105.49
Other non-financial liabilities	1,257.64	1,257.64	-
	<b>4,595.44</b>	<b>4,489.95</b>	<b>105.49</b>
<b>Total Liabilities</b>	<b>81,626.44</b>	<b>80,159.91</b>	<b>1,466.53</b>
<b>Net Assets</b>	<b>17,343.83</b>	<b>8,362.09</b>	<b>8,981.74</b>

**Notes forming part of the Standalone Financial Statements**

For the year ended 31 March, 2024 (contd.)

Previous year:	(₹ In Lacs)		
Particulars	As at 31 March 2023		
	Total	Within 12 months	After 12 Months
<b>Assets</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	1,264.02	1,264.02	-
Bank balance other than above	28,928.56	24,819.56	4,109.00
Trade receivables	10,316.83	10,316.83	-
Loans	448.13	448.13	-
Investments	5,401.99	-	5,401.99
Other financial assets	13,790.08	13,274.64	515.44
	<b>60,149.61</b>	<b>50,123.18</b>	<b>10,026.43</b>
<b>Non Financial Assets</b>			
Current tax assets (net)	407.16	-	407.16
Deferred tax assets (net)	425.51	-	425.51
Property, plant and equipment	2,962.04	-	2,962.04
Right of use assets	722.43	-	722.43
Other Intangible assets	52.65	-	52.65
Other non-financial assets	409.22	301.42	107.80
	<b>4,979.01</b>	<b>301.42</b>	<b>4,677.59</b>
<b>Total Assets</b>	<b>65,128.62</b>	<b>50,424.60</b>	<b>14,704.02</b>
<b>Liabilities</b>			
<b>Financial Liabilities</b>			
Trade payable	11,726.86	11,726.86	-
Borrowings (other than debt securities)	-	-	-
Deposits	1,036.47	-	1,036.47
Lease liabilities	731.16	278.01	453.15
Other financial liabilities	33,166.27	33,166.27	-
	<b>46,660.76</b>	<b>45,171.14</b>	<b>1,489.62</b>
<b>Non-financial Liabilities</b>			
Provisions	1,988.22	1,988.22	-
Deferred tax liabilities (net)	-	-	-
Other non-financial liabilities	1,353.44	1,353.44	-
	<b>3,341.66</b>	<b>3,341.66</b>	<b>-</b>
<b>Total Liabilities</b>	<b>50,002.42</b>	<b>48,512.80</b>	<b>1,489.62</b>
<b>Net Assets</b>	<b>15,126.20</b>	<b>1,911.80</b>	<b>13,214.40</b>

**Notes forming part of the Standalone Financial Statements**

For the year ended 31 March, 2024 (contd.)

**(52) FINANCIAL INSTRUMENTS**

I. Financial instruments by categories and their carrying value as at 31 March 2024 is as follows:

(₹ In Lacs)

Particulars	Measured at			Total Carrying Value
	Amortised Cost	Fair value through P&L	Fair value through OCI	
<b>Assets</b>				
<b>Financial assets</b>				
Cash and cash equivalents	2,337.59	-	-	2,337.59
Bank balance other than above	50,484.42	-	-	50,484.42
Trade receivables	12,120.65	-	-	12,120.65
Loans	946.24	-	-	946.24
Investments *	-	1,923.15	-	1,923.15
Other financial assets	23,011.11	-	-	23,011.11
<b>Total</b>	<b>88,900.01</b>	<b>1,923.15</b>	<b>-</b>	<b>90,823.16</b>
<b>Liabilities</b>				
<b>Financial liabilities</b>				
Trade payables	20,895.87	-	-	20,895.87
Borrowings (other than debt securities)	3,500.00	-	-	3,500.00
Deposits	1,031.93	-	-	1,031.93
Lease liabilities	574.55	-	-	574.55
Other financial liabilities	51,028.65	-	-	51,028.65
<b>Total</b>	<b>77,031.00</b>	<b>-</b>	<b>-</b>	<b>77,031.00</b>

\* Excluding investments in subsidiaries and associate.

II. Financial instruments by categories and their carrying value as at 31 March 2023 is as follows:

(₹ In Lacs)

Particulars	Measured at			Total Carrying Value
	Amortised Cost	Fair value through P&L	Fair value through OCI	
<b>Assets</b>				
<b>Financial assets</b>				
Cash and cash equivalents	1,264.02	-	-	1,264.02
Bank balance other than above	28,928.56	-	-	28,928.56
Trade receivables	10,316.83	-	-	10,316.83
Loans	448.13	-	-	448.13
Investments *	-	1,608.70	-	1,608.70
Other financial assets	13,790.08	-	-	13,790.08
<b>Total</b>	<b>54,747.62</b>	<b>1,608.70</b>	<b>-</b>	<b>56,356.32</b>
<b>Liabilities</b>				
<b>Financial liabilities</b>				
Trade payables	11,726.86	-	-	11,726.86
Borrowings (other than debt securities)	-	-	-	-
Deposits	1,036.47	-	-	1,036.47
Lease liabilities	731.16	-	-	731.16
Other financial liabilities	33,166.27	-	-	33,166.27
<b>Total</b>	<b>46,660.76</b>	<b>-</b>	<b>-</b>	<b>46,660.76</b>

\* Excluding investments in subsidiaries and associate.

**Notes forming part of the Standalone Financial Statements**

For the year ended 31 March, 2024 (contd.)

**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.

(₹ In Lacs)				
<b>As at 31 March 2024</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial instruments</b>				
Derivative financial instruments	-	-	-	-
Securities held for trading	-	-	-	-
Units of AIF	-	1,923.15	-	1,923.15
<b>Total</b>	-	<b>1,923.15</b>	-	<b>1,923.15</b>

(₹ In Lacs)				
<b>As at 31 March 2023</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial instruments</b>				
Derivative financial instruments	-	-	-	-
Securities held for trading	-	-	-	-
Units of AIF	-	1,608.70	-	1,608.70
<b>Total</b>	-	<b>1,608.70</b>	-	<b>1,608.70</b>

**IV. Valuation techniques used to determine fair value:-**

- Quoted equity instruments – Quoted closing price on stock exchange.
- Alternative investment funds – Net asset value of the respective schemes.

**V. Financial instruments not measured at fair value**

Financial assets not measured at fair value include cash and cash equivalents, bank balance other than 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 2024 and 31 March 2023 the Company did not held any financial assets or financial liabilities which could have been categorized as level 3.

**Notes forming part of the Standalone Financial Statements**

For the year ended 31 March, 2024 (contd.)

**(53) 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	Year ended 31 March 2024	Year ended 31 March 2023
Brokerage fees	19,723.53	14,043.52
Research and advisory fees	3,427.71	1,642.46
Depository operations	131.04	79.86
<b>Total</b>	<b>23,282.28</b>	<b>15,765.84</b>
India	23,057.10	15,669.07
Outside India	225.18	96.77
<b>Total</b>	<b>23,282.28</b>	<b>15,765.84</b>
<b>Timing of revenue recognition</b>		
Services transferred at a point in time	19,854.63	14,805.94
Services transferred over time	3,427.65	959.90
<b>Total</b>	<b>23,282.28</b>	<b>15,765.84</b>

**Contract Balances**

(₹ In Lacs)		
Particulars	As at 31 March 2024	As at 31 March 2023
<b>Trade and other receivables</b>	12,120.65	10,316.83
Income received in advance (Contract Liability)	60.13	38.56

(₹ In Lacs)		
Particulars	As at 31 March 2024	As at 31 March 2023
Revenue recognised from amounts included in contract liability at the beginning of the year	19.54	10.57



**Notes forming part of the Standalone Financial Statements**

For the year ended 31 March, 2024 (contd.)

**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.

**(54) EXCEPTIONAL ITEMS**

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	Year ended 31 March 2024	Year ended 31 March 2023
Provision for diminution in value of investment *	55.00	115.00

\* As at 31 March, 2024, the company has an aggregate investment of ₹ 410.00 Lacs (Previous year ₹ 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 31 March 2024, it has accumulated losses of ₹ 214.38 Lacs (Previous year ₹ 218.99 Lacs) and hence no impairment provision (Previous year ₹ 10.00 Lacs) is made. Provision as at 31 March 2024 towards this investment stands at ₹ 220.00 Lacs (Previous year ₹ 220.00 Lacs)

\* As at 31 March, 2024, the company has an aggregate investment of ₹ 500.00 Lacs (Previous year ₹ 500.00 Lacs) in equity shares of Emkayglobal Financial Services IFSC Pvt. Ltd., a wholly owned subsidiary.

The Company has set up a unit in the 'Gift Multi-Services Special Economic Zone for providing financial services as capital market intermediary in International Financial Service Centre (IFSC). As at 31 March 2024, it has accumulated losses of ₹ 159.82 Lacs (Previous year ₹ 104.46 Lacs) and hence an impairment provision of ₹ 55.00 Lacs (Previous year ₹ 105.00 Lacs) is made. Provision as at 31 March 2024 towards this investment stands at ₹ 160.00 Lacs (Previous year ₹ 105.00 Lacs)

**(55)** The Board of Directors at their meeting held on May 16, 2024, have recommended a dividend of ₹ 1.50 per share (on face value of ₹ 10/- per equity share) for the year ended March 31, 2024, 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 dividend as a liability at the end of the reporting period

**(56)** The Company has used three accounting software(s) for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled at the database level when using certain access rights insofar as it relates to Sun system, Acer cross and Tradeplus. Further no instance of audit trail feature being tampered with was noted in respect of these softwares.

**(57)** The Company's financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lac, except when otherwise indicated.

**(58)** Disclosure of Capital to risk-weighted assets (CRAR), Tier I CRAR, Tier II CRAR and Liquidity coverage ratios required under para (WB)(xvi) of Division III of Schedule III to the Act are not applicable to the Company as it is in broking business and not an NBFC registered under section 45-IA of Reserve bank of India Act, 1934.

## Notes forming part of the Standalone Financial Statements

For the year ended 31 March, 2024 (contd.)

### (55) Other Statutory Information

- a) The Company is holding immovable property as disclosed in note no.12. Title deeds of the property are held in the name of the Company.
- b) The Company has complied with the requirements of the number of layers prescribed under Section 2(87) of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- c) No proceeding has been initiated during the year or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- d) The Company has taken borrowings from Banks on the basis of security of current financial assets and all the quarterly returns filed by the Company with the Banks are in agreement with the financial statements.
- e) The Company is not a declared willful defaulter by any bank or financial institution or any other lender.
- f) There are no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- g) The Company does not have any charges or satisfaction which are yet to be registered with ROC beyond the statutory period.
- h) The Company has not entered into any scheme or arrangement which has an accounting impact on the current or previous financial year.
- i) The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - I. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - II. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- j) The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - I. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - II. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- k) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- l) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- m) Daily back up of books of accounts and accounting records is taken on servers physically located in India.

### (60) Events after reporting date

There have been no events after the reporting date that require disclosure in these financial statements.

### (61) Approval of Financial Statements

The financial statements of the Company for the year ended 31 March 2024 were approved for issue by the Board of Directors at their meeting held on 16 May 2024.

As per our report of even date  
**For S.R.Batliboi & Co. LLP**  
 ICAI Firm registration number : 301003E/E300005  
 Chartered Accountants

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

**Place : Mumbai**  
**Date : 16 May 2024**

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

**Krishna Kumar Karwa**  
 Managing Director  
 DIN : 00181055

**Saket Agrawal**  
 Chief Financial Officer

**Place : Mumbai**  
**Date : 16 May 2024**

**Prakash Kacholia**  
 Managing Director  
 DIN : 00002626

**Bhalchandra Raul**  
 Company Secretary  
 Membership No.FCS1800

## 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, 2024, 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, 2024, 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, 2024. 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 the matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matter described below to be the key audit matter 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 this matter. 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 matter	How our audit addressed the key audit matter
<b>1. IT systems and controls</b> <p>The financial accounting and reporting systems of the Holding Company are fundamentally reliant on IT systems and IT controls to process significant transaction volumes.</p> <p>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.</p> <p>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.</p>	<p>We performed the following procedures assisted by specialized IT auditors on the IT infrastructure and applications relevant to financial reporting:</p> <ul style="list-style-type: none"> <li>Tested the design and operating effectiveness of IT access controls, including audit trail, over the information systems that are important to financial reporting and various interfaces, configuration and other identified application controls.</li> <li>Tested IT general controls (logical access, change management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.</li> <li>Tested the Holding Company's periodic review of access rights. We also inspected requests of changes to systems for appropriate approval and authorization.</li> <li>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.</li> <li>Tested the design and operating effectiveness compensating controls in case deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures.</li> </ul>

## INDEPENDENT AUDITOR'S REPORT (Contd.)

### 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 their respective companies 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 their respective companies 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 charged with governance of the companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of their respective companies.

### 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

## INDEPENDENT AUDITOR'S REPORT (Contd.)

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, 2024 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**

We did not audit the financial statements and other financial information, in respect of six subsidiaries, whose financial statements include total assets of ₹ 13,128.55 lakhs as at March 31, 2024, and total revenues of ₹ 4,190.36 lakhs and net cash inflow of ₹ 760.36 lakhs 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 profit of ₹ 25.78 lakhs for the year ended March 31, 2024, as considered in the consolidated financial statements, in respect of three 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



## INDEPENDENT AUDITOR'S REPORT (Contd.)

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.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 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 the subsidiary companies and associate companies, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.
2. 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, except for the matters stated in paragraph (f) below on reporting under Rule 11 (g);
  - (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 as on March 31, 2024 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, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above on reporting under Section 143(3)(b) and paragraph (i)(vi) below on reporting under Rule 11(g);
- (g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Group and associate companies, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (h) 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, 2024 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;
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of

## INDEPENDENT AUDITOR'S REPORT (Contd.)

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 in its consolidated financial statements – Refer note 42 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, 2024;
- iii. There were no amounts which 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, 2024;
- iv. a) The respective managements of the Holding Company and its subsidiaries and associates which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associates respectively that, to the best of its knowledge and belief, other than as disclosed in the note 64(ix) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries and associates to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any

of such subsidiaries and associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiaries and associates which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associates respectively that, to the best of its knowledge and belief, other than as disclosed in the note 64(x) to the consolidated financial statements, no funds have been received by the respective Holding Company or any of such subsidiaries and associates from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries and associates shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and associates which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement;

- v) The final dividend paid by the Holding Company, its subsidiaries and associate companies incorporated in India during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 60 to the consolidated financial

## INDEPENDENT AUDITOR'S REPORT (Contd.)

statements, the respective Board of Directors of the Holding Company, its subsidiaries and associate companies, incorporated in India have proposed final dividend for the year which is subject to the approval of the members of the respective companies at the respective ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend; and

- vi) Based on our examination which included test checks, the Company has used three accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature is not enabled for direct changes to data

when using certain access rights, as described in note 61 to the financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software where audit trail has been enabled.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Viren H. Mehta**

Partner

Membership Number : 048749

UDIN : 24048749BKFGYQ6498

Place of Signature : Mumbai

Date : May 16, 2024

**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**

Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements is:

S. No	Name	CIN	Holding company/ subsidiary	Clause number of the CARO report which is qualified or is adverse
1	Emkay Global Financial Services Limited	L67120MH1995PLC084899	Holding company	3(vii)(a)

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Viren H. Mehta**

Partner

Membership Number : 048749

UDIN : 24048749BKFGYQ6498

Place of Signature : Mumbai

Date : May 16, 2024

## Annexure 2 to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Emkay Global Financial Services Limited

### 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, 2024, 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



**Annexure 2 to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Emkay Global Financial Services Limited (contd.)**

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 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, 2024, 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 six subsidiaries and three associates, is based on the corresponding reports of the auditors of such subsidiaries and its associates.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Viren H. Mehta**

Partner

Membership Number : 048749

UDIN : 24048749BKFGYQ6498

Place of Signature : Mumbai

Date : May 16, 2024



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# CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH, 2024

(₹ in Lacs)

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023
<b>ASSETS</b>			
<b>1 Financial assets</b>			
(a) Cash and cash equivalents	4	4,782.44	2,948.57
(b) Bank balance other than cash and cash equivalents	5	53,498.01	31,910.91
(c) Securities held for trading	6	129.68	71.50
(d) Trade receivables	7	12,515.22	10,529.29
(e) Loans	8	3,958.02	5,136.35
(f) Investments	9	2,616.13	2,368.32
(g) Other financial assets	10	23,322.98	13,965.36
<b>Total financial assets</b>		<b>1,00,822.48</b>	<b>66,930.30</b>
<b>2 Non-financial assets</b>			
(a) Current tax assets (net)	11	384.00	509.71
(b) Deferred tax assets (net)	21	-	501.45
(c) Property, plant and equipments	12	3,243.47	2,999.35
(d) Right-of-use-assets	46(A)	889.81	747.07
(e) Other intangible assets	13	145.55	54.65
(f) Other non financial assets	14	1,041.31	1,352.54
<b>Total non-financial assets</b>		<b>5,704.14</b>	<b>6,164.77</b>
<b>TOTAL ASSETS ( 1 + 2 )</b>		<b>1,06,526.62</b>	<b>73,095.07</b>
<b>LIABILITIES</b>			
<b>1 Financial Liabilities</b>			
(a) Trade payables	15		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		20,889.46	12,025.89
Borrowings (other than debt security)	16	3,255.40	1,496.91
Deposits	17	1,031.93	1,036.47
Lease Liabilities	46(B)	916.41	763.22
Other financial liabilities	18	50,835.54	33,129.08
<b>Total financial liabilities</b>		<b>76,928.74</b>	<b>48,451.57</b>
<b>2 Non-financial Liabilities</b>			
(a) Current tax liabilities (net)	19	16.67	3.56
(b) Provisions	20	3,710.23	2,192.35
(c) Deferred tax liabilities (net)	21	18.86	-
(d) Other non-financial liabilities	22	1,763.77	1,408.63
<b>Total non-financial liabilities</b>		<b>5,509.53</b>	<b>3,604.54</b>
<b>3 EQUITY</b>			
(a) Equity share capital	23	2,469.47	2,464.02
(b) Other equity	24	21,618.88	18,574.94
<b>Total equity</b>		<b>24,088.35</b>	<b>21,038.96</b>
<b>TOTAL LIABILITIES AND EQUITY ( 1 + 2 + 3 )</b>		<b>1,06,526.62</b>	<b>73,095.07</b>

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

As per our report of even date  
**For S.R.Batliloi & Co. LLP**  
 ICAI Firm registration number : 301003E/E300005  
 Chartered Accountants

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

**Place : Mumbai**  
**Date : 16 May 2024**

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

**Krishna Kumar Karwa**  
 Managing Director  
 DIN : 00181055

**Saket Agrawal**  
 Chief Financial Officer

**Place : Mumbai**  
**Date : 16 May 2024**

**Prakash Kacholia**  
 Managing Director  
 DIN : 00002626

**Bhalchandra Raul**  
 Company Secretary  
 Membership No.FCS1800



# CONSOLIDATED STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED 31 MARCH, 2024

(₹ in Lacs)			
Particulars	Note No.	Year ended 31 March 2024	Year ended 31 March 2023
<b>REVENUE FROM OPERATIONS</b>			
(a) Interest income	25	1,140.33	1,028.05
(b) Dividend income	26	0.91	1.84
(c) Fees and commission income	27	24,674.59	16,931.35
(d) Net gain on fair value changes	28	2,234.07	2,127.31
(e) Other operating income	29	197.60	212.03
<b>Total revenue from operations ( I )</b>		<b>28,247.50</b>	<b>20,300.58</b>
<b>Other income ( II )</b>	30	3,253.65	1,247.02
<b>Total income ( I + II = III )</b>		<b>31,501.15</b>	<b>21,547.60</b>
<b>Expenses</b>			
(a) Finance costs	31	490.81	428.02
(b) Fees and commission expenses	32	3,375.03	2,682.29
(c) Impairment on financial instruments	33	4.87	11.16
(d) Employee benefits expenses	34	15,083.64	11,508.78
(e) Depreciation and amortization expenses	35	980.14	918.04
(f) Other expenses	36	7,325.13	4,744.76
<b>Total expenses ( IV )</b>		<b>27,259.62</b>	<b>20,293.05</b>
<b>Profit before tax ( III - IV = V )</b>		<b>4,241.53</b>	<b>1,254.55</b>
<b>Tax expense:</b>			
(a) Current tax		635.50	219.29
(b) MAT credit entitlement		(0.66)	-
(c) Deferred tax		520.30	(362.90)
(d) Taxes of earlier years		23.53	(2.33)
<b>Total income tax expenses ( VI )</b>	52(A)	<b>1,178.67</b>	<b>(145.94)</b>
<b>Profit after tax ( V - VI = VII )</b>		<b>3,062.86</b>	<b>1,400.49</b>
<b>Add: Share of profit from associates ( VIII )</b>		25.78	12.76
<b>Profit after tax from continuing operations ( VII + VIII = IX )</b>		<b>3,088.64</b>	<b>1,413.25</b>
<b>Add: Profit before tax from discontinued operations</b>		207.43	(8.80)
Tax expense on discontinued operations	52(A)	52.20	(3.16)
<b>Profit from discontinued operations (after tax) ( X )</b>	56	<b>155.23</b>	<b>(5.64)</b>
<b>Profit for the year ( IX + X ) = ( XI )</b>		<b>3,243.87</b>	<b>1,407.61</b>
<b>Other comprehensive income</b>			
<b>(A) Items that will not be reclassified to profit or loss</b>			
(a) Re-measurement losses on defined benefit plans		(122.91)	(66.90)
(b) Share of re-measurement gain on defined benefit plans of associate		0.36	0.40
(c) Tax impact on above		21.84	(1.28)
<b>Subtotal ( A )</b>	52(B)	<b>(100.71)</b>	<b>(67.78)</b>
<b>(B) Items that will be reclassified to profit or loss</b>			
(a) Foreign exchange translation reserve		4.54	21.92
(b) Tax impact on above		-	-
<b>Subtotal ( B )</b>	52(B)	<b>4.54</b>	<b>21.92</b>
<b>Net other comprehensive loss for the year ( A + B ) ( XII )</b>	52(B)	<b>(96.17)</b>	<b>(45.86)</b>
<b>Total comprehensive income for the year ( XI + XII ) = ( XIII )</b>		<b>3,147.70</b>	<b>1,361.75</b>
<b>Earning per share (for continuing operations)</b>	37		
(face value of ₹10 per Equity Share)			
Basic (in ₹)		12.53	5.74
Diluted (in ₹)		12.13	5.71
<b>Earning per share (for discontinued operations)</b>	37		
(face value ₹10 per Equity Share)			
Basic (in ₹)		0.630	(0.023)
Diluted (in ₹)		0.610	(0.023)
<b>Earning per share (for continuing and discontinued operations)</b>	37		
(face value ₹10 per Equity Share)			
Basic (in ₹)		13.16	5.71
Diluted (in ₹)		12.74	5.68

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

As per our report of even date

For S.R.Batlloi &amp; Co. LLP

ICAI Firm registration number : 301003E/E300005

Chartered Accountants

per Viren H. Mehta

Partner

Membership No.048749

Place : Mumbai

Date : 16 May 2024

For and on behalf of the Board of Directors of

Emkay Global Financial Services Limited

Krishna Kumar Karwa

Managing Director

DIN : 00181055

Saket Agrawal

Chief Financial Officer

Place : Mumbai

Date : 16 May 2024

Prakash Kacholia

Managing Director

DIN : 00002626

Bhalchandra Raul

Company Secretary

Membership No.FCS1800

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AS AT 31 MARCH, 2024

## (A) EQUITY SHARE CAPITAL

Particulars	No of Shares	(₹ In Lacs) Amount
Equity shares of ₹10/- each issued, subscribed and fully paid up		
Balance as at 1 April 2023	2,46,40,230	2,464.02
Changes in equity share capital due to prior year errors	-	-
Restated balance at the beginning of the current reporting year	2,46,40,230	2,464.02
Changes in equity share capital during the current year (Refer note 23)	54,466	5.45
Balance as at 31 March 2024	2,46,94,696	2,469.47
Balance as at 1 April 2022	2,46,40,230	2,464.02
Changes in equity share capital due to prior year errors	-	-
Restated balance at the beginning of the previous reporting year	2,46,40,230	2,464.02
Changes in equity share capital during the current year (Refer note 23)	-	-
Balance as at 31 March 2023	2,46,40,230	2,464.02

## (B) OTHER EQUITY (Refer note 24)

Particulars	Reserve and surplus						Other comprehensive income	
	Securities premiums	Retained earnings	General reserve	Capital redemption reserve	Capital reserve on consolidation	Special reserve u/s 45-IC of the RBI Act 1934	Equity settled share based payment reserve	Foreign exchange translation reserve
Balance at the beginning of the current reporting period as at 01 April 2023	7,025.56	6,664.16	1,847.11	1,262.20	1.03	913.33	830.94	30.61
Changes in accounting policy prior year errors	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting year	7,025.56	6,664.16	1,847.11	1,262.20	1.03	913.33	830.94	30.61
Profit for the year	-	3,243.87	(100.71)	-	-	-	-	-
Other comprehensive loss (net) on remeasurement of defined benefit plans	-	(246.40)	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-
Addition during the year on allotment of ESOP shares	35.72	-	-	-	-	-	-	-
Transfer from / to equity settled share based premium reserve on allotment of ESOP shares	26.35	-	-	-	-	-	-	-
Transfer from equity settled share based premium reserve (reversal of vested lapsed options)	-	-	167.96	-	-	-	(26.35)	-
Fair value of stock options - charge for the year	-	-	-	-	-	-	(167.96)	-
Transfer to reserve fund in terms of section 45-IC(1) of the RBI Act, 1934	-	(48.30)	-	-	-	48.30	-	-
Tax on distributed profits on buyback of shares by subsidiary	-	(3.31)	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Balance as at 31 March 2024	7,087.63	9,509.31	2,015.06	1,262.20	1.03	961.63	746.75	35.27
Balance at the beginning of the previous reporting period as at 01 April 2022	7,025.56	6,489.41	1,803.65	500.00	1.03	889.36	883.37	6.45
Changes in accounting policy prior year errors	-	-	-	-	-	-	-	-
Restated balance at the beginning of the previous reporting year	7,025.56	6,489.41	1,803.65	500.00	1.03	889.36	883.37	6.45
Profit for the year	-	1,407.61	(67.78)	-	-	-	-	-
Other comprehensive loss (net) on remeasurement of defined benefit plans	-	(308.00)	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-
Transfer from equity settled share based premium reserve (reversal of vested lapsed options)	-	-	43.46	-	-	-	(43.46)	-
Fair value of stock options - charge Year	-	-	-	-	-	-	(8.97)	-
Transfer to reserve fund in terms of section 45-IC(1) of the RBI Act, 1934	-	(23.97)	-	-	-	23.97	-	-
Tax on distributed profits on buyback of shares by subsidiary	-	(70.91)	-	-	-	-	-	-
Transfer to capital redemption reserve on buyback of shares by subsidiaries	-	(762.20)	-	762.20	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Balance as at 31 March 2023	7,025.56	6,664.16	1,847.11	1,262.20	1.03	913.33	830.94	24.16
Balance as at 31 March 2024	7,087.63	9,509.31	2,015.06	1,262.20	1.03	961.63	746.75	35.27

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

As per our report of even date  
For S.R.Batlibol & Co. LLP  
ICAI Firm registration number : 301003E/300005  
Chartered Accountants

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

Krishna Kumar Karwa  
Managing Director  
DIN : 00181055

Saket Agrawal  
Chief Financial Officer

Place : Mumbai  
Date : 16 May 2024

Prakash Kacholia  
Managing Director  
DIN : 00002626

Bhaichandra Raul  
Company Secretary  
Membership No FCS1800

per Viren H. Mehta  
Partner  
Membership No.048749  
Place : Mumbai  
Date : 16 May 2024





# CONSOLIDATED CASHFLOW STATEMENT

## FOR THE YEAR ENDED 31 MARCH 2024

(₹ In Lacs)

Particulars	Year ended 31 March 2024		Year ended 31 March 2023	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before tax and exceptional items				
Continuing operations	4,241.53		1,254.55	
Discontinuing operations	207.43	4,448.96	(8.80)	1,245.75
<b>Add / (less) : adjustment for non cash and non operating activities:</b>				
Interest Income	(247.60)		(153.84)	
Fair value gain / (loss) on investments, stock held for trading and derivative trades	(211.33)		(47.43)	
Net loss / (gain) on disposal of property, plant and equipment	2.16		(9.42)	
Unrealised foreign exchange loss (Net)	38.95		59.48	
Fair valuation of security deposit	(16.62)		(14.09)	
Gain / (loss) on lease closure and rent waiver	(5.56)		(0.83)	
Dividend income	(1.84)		(8.31)	
Finance costs	403.64		372.33	
Finance cost pertaining to lease liability	87.17		55.69	
Impairment on financial instruments (Gross)	(2.08)		2.71	
Share based payment to employees	110.12		(8.97)	
Depreciation and amortisation expenses	980.14	1,137.15	918.04	1,165.36
<b>Operating profit before working capital changes</b>		<b>5,586.11</b>		<b>2,411.11</b>
<b>Add / (less) : adjustment for changes in working capital:</b>				
(Increase) / decrease in deposits with banks and other items	(21,587.10)		(98.45)	
(Increase) / decrease in derivative financial instruments (asset)	-		3.51	
(Increase) / decrease in securities held for trading	(58.18)		75.10	
(Increase) / decrease in trade receivables	(1,988.63)		(1,644.28)	
(Increase) / decrease in loans	1,683.78		(1,120.22)	
(Increase) / decrease in other financial assets	(9,363.54)		354.01	
(Increase) / decrease in other non financial assets	214.46		(662.49)	
Increase / (decrease) in trade payables	8,863.57		(1,639.78)	
Increase / (decrease) in deposits	(4.54)		(1,841.63)	
Increase / (decrease) in other financial liabilities	17,672.75		(1,095.27)	
Increase / (decrease) in provisions	1,393.62		(151.19)	
Increase / (decrease) in other non financial liabilities	355.14	(2,818.67)	(331.99)	(8,152.69)
<b>Cash generated from operations</b>		<b>2,767.44</b>		<b>(5,741.57)</b>
Income tax paid (net)		(550.55)		(599.39)
<b>Cash flow before exceptional items</b>		<b>2,216.89</b>		<b>(6,340.96)</b>
Exceptional items		-		-
<b>Net cash flow generated / (used in) from operating activities (A)</b>		<b>2,216.89</b>		<b>(6,340.96)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment and other intangible assets	(864.68)		(783.77)	
Proceeds from sale of property, plant and equipment	1.22		18.79	
(Purchase) / proceeds of investments measured at FVTPL	(35.34)		1,097.40	
Interest received	247.60		153.84	
Dividend received	1.84		8.31	
Share of profit from associate	25.78	(623.58)	12.76	507.33
<b>Net cash (used in) / generated from investing activities (B)</b>		<b>(623.58)</b>		<b>507.33</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Issue of equity share capital (including securities premium)	41.16		-	
Loan given to associate	(500.00)		-	
Payment of lease liabilities : Principle	(317.90)		(280.86)	
Payment of lease liabilities : Interest	(87.17)		(55.69)	
Addition of short-term borrowings	1,758.49		397.84	
Finance costs paid	(403.64)		(372.33)	
Dividends paid	(246.40)		(308.00)	
Tax on distributed profits on buyback of equity shares by subsidiary	(3.31)		(70.91)	
(Decrease) / Increase in unclaimed dividend	(0.26)	240.97	(0.05)	(690.00)
<b>Net cash flow generated / (used in) from financing activities (C)</b>		<b>240.97</b>		<b>(690.00)</b>
<b>D. Net change due to foreign exchange translation differences (D)</b>		<b>(0.41)</b>		<b>(1.09)</b>
<b>Net Increase / (decrease) in cash and cash equivalents (A+B+C+D)</b>		<b>1,833.87</b>		<b>(6,524.72)</b>

## CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

(₹ In Lacs)		
Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2024
<b>Net increase in cash and cash equivalents</b>	1,833.87	(6,524.72)
Cash and cash equivalents at the beginning of the year	2,948.57	9,473.29
Cash and cash equivalents at the end of the year	4,782.44	2,948.57
<b>Notes :</b>		
<b>1. Components of cash and cash equivalents</b>		
Balances with scheduled banks in India		
- In Current Accounts	4,770.39	2,921.20
- In Deposit Account	-	20.56
Cash on hand	7.83	2.17
Balances in prepaid cards	4.22	4.64
<b>Total cash and cash equivalents</b>	<b>4,782.44</b>	<b>2,948.57</b>

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. Cash and cash equivalent excludes deposit with banks towards margin/security for Bank Guarantees, borrowings and other commitments and balance in unclaimed dividend accounts.

4. Changes in liabilities arising from financing activities :

(₹ In Lacs)					
	01 April 2023	Cash flows	New leases	Other	31 March 2024
Borrowings (other than debt securities)	1,496.91	1,758.49	-	-	3,255.40
Lease liabilities	763.22	(405.07)	498.23	60.03	916.41
<b>Total liabilities from financing activities</b>	<b>2,260.13</b>	<b>1,353.42</b>	<b>498.23</b>	<b>60.03</b>	<b>4,171.81</b>
(₹ In Lacs)					
	01 April 2022	Cash flows	New leases	Other	31 March 2023
Borrowings (other than debt securities)	1,099.07	397.84	-	-	1,496.91
Lease liabilities	435.02	(336.55)	624.49	40.26	763.22
<b>Total liabilities from financing activities</b>	<b>1,534.09</b>	<b>61.29</b>	<b>624.49</b>	<b>40.26</b>	<b>2,260.13</b>

As per our report of even date  
**For S.R.Batliboi & Co. LLP**  
 ICAI Firm registration number : 301003E/E300005  
 Chartered Accountants

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

**Place : Mumbai**  
**Date : 16 May 2024**

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

**Krishna Kumar Karwa**  
 Managing Director  
 DIN : 00181055

**Saket Agrawal**  
 Chief Financial Officer

**Place : Mumbai**  
**Date : 16 May 2024**

**Prakash Kacholia**  
 Managing Director  
 DIN : 00002626

**Bhalchandra Raul**  
 Company Secretary  
 Membership No.FCS1800

# CONSOLIDATED ACCOUNTING POLICIES

## FOR THE YEAR ENDED 31 MARCH 2024

### 1. Corporate Information

Emkay Global Financial Services Limited ('the Company') is a public limited company domiciled in India and was incorporated in 1995 provisions of the Companies Act, 1956 vide Certificate of Incorporation (CIN): L67120MH1995PLC084899 dated 24 January 1995 and got listed in 2006. The Company together with its subsidiaries, associate and associates of its subsidiaries (collectively, "the Group") is a diversified financial services Group and is primarily engaged in the business of providing stock broking, financing, investment banking, depository participant services, asset management services, wealth management services, distribution of financial products, investment advisory services, proprietary investments and trading in securities and exempt financial advisors as per Singapore laws.

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, India International Bullion Exchange IFSC Ltd. 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. Basis of preparation and presentation of Material accounting policies

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.

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 six subsidiaries of Emkay Global Financial Services Limited, i.e Emkay Fincap Limited, Emkay Commotrade Limited, Emkay Wealth Advisory Limited, Emkay Investment Managers Limited, Emkayglobal Financial Services IFSC Pvt. Ltd. and Emkay Global Financial Services Pte. Ltd., reference to an Associate means Azalea Capital Partners LLP and reference to Associates of wholly owned subsidiaries means Finlearn Edutech Pvt. Ltd. and AES Trading & Consultants LLP and reference to the Group means the Parent Company, Subsidiary Companies, Associate of the Parent Company and Associate of a Subsidiary Companies.

### Principles of consolidation:

- I. The Consolidated Financial Statements of the Group 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 associates of its subsidiary companies.
- III. The Consolidated Financial Statements of the Group are presented, to the extent possible in the same format as that adopted by the Parent Company for its separate financial statement.

### Historical cost convention

The consolidated financial statements have been prepared on a historical cost convention on accrual basis of

## Consolidated Accounting Policies

For the year ended 31 March, 2024 (contd.)

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 3 - 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.

Daily backup of books of accounts and accounting records is taken on servers physically located in India.

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 53.

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

## 2.1 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

## Consolidated Accounting Policies

For the year ended 31 March, 2024 (contd.)

brokerage fees, which are charged per transaction executed on behalf of the customers.

### (ii) Fee & 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 fees 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 approve 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



## Consolidated Accounting Policies

For the year ended 31 March, 2024 (contd.)

“Revenue from operations” or “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 “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.

## 2.2 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 3.1. Financial instruments are initially measured at their fair value (as defined in Note 3.3), 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).

## Consolidated Accounting Policies

For the year ended 31 March, 2024 (contd.)

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:

- 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
- 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;
- Debt instruments with contractual terms that do not represent solely payments of principal and interest; and
- 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.

## Consolidated Accounting Policies

For the year ended 31 March, 2024 (contd.)

### *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.

The profit / (loss) earned on sale of investments and securities held for trading are recognised on trade date basis. Profit or loss on sale of investments is determined on the basis of the weighted average cost method and securities held for trading on FIFO method. On disposal of an investment, the difference between carrying amount and net disposal proceeds is charged to or credited to statement of profit and loss.

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 8.

### **(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

## Consolidated Accounting Policies

For the year ended 31 March, 2024 (contd.)

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

## Consolidated Accounting Policies

For the year ended 31 March, 2024 (contd.)

- 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. Margin trading facilities are secured by collaterals. As per policy of the Group, margin trading facilities to the extent covered by collateral and servicing interest on a regular basis is not considered as due/default.

### *Financial guarantee contracts*

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

### *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



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For the year ended 31 March, 2024 (contd.)

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 54 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 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 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

## Consolidated Accounting Policies

For the year ended 31 March, 2024 (contd.)

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.

### 2.3 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

- 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.
- By considering all the contractual terms of the financial instrument in estimating the cash flows; and
- 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 financial liability.

#### (ii) Retirement and other employee benefits

##### *Short term employee benefit*

All employee benefits including non-vesting compensated absences and 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.

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### *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*

#### Compensated absences

The employees can carry forward a portion of the unutilized accrued compensated absences and utilize it in future service periods. The Group records an obligation for such compensated absences in the period in which the employee

renders the services that increase the entitlement. In case of Parent and one of the subsidiary companies the obligation is measured based on independent actuarial valuation using the projected unit credit method. For others the obligation is measured basis of last drawn salary and balance unutilized accrued compensated absences at the end of the year.

#### (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 expenses 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

## Consolidated Accounting Policies

For the year ended 31 March, 2024 (contd.)

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

## Consolidated Accounting Policies

For the year ended 31 March, 2024 (contd.)

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 reassessed 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)*

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.

## 2.4 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 and Emkay Global Financial Services Pte. Ltd. whose functional currency is Singapore 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.



## Consolidated Accounting Policies

For the year ended 31 March, 2024 (contd.)

### 2.5 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.

### 2.6 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.

### 2.7 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.

## Consolidated Accounting Policies

For the year ended 31 March, 2024 (contd.)

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.

## 2.8 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 (ROU)

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.

## Consolidated Accounting Policies

For the year ended 31 March, 2024 (contd.)

### (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 ROU asset, or is recorded in profit or loss if the carrying amount of the ROU 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.

## 2.9 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.

## 2.10 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.

## 2.11 Dividend 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.

## 2.12 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

## Consolidated Accounting Policies

For the year ended 31 March, 2024 (contd.)

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.

### 2.13 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.

### 2.14 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective from 01 April 2023. However, these amendments do not have an impact on Financial Statements and material accounting policy information.

**Ind AS 1 : Presentation of financial Statements** – This amendment required the entities to disclose their material accounting policies rather than their significant accounting policies. The effective dates for adoption of this amendment is annual periods beginning on or after 01 April 2023. The Company has evaluated the amendment, and the impact of the amendment is insignificant in the Company's financial statements.

**Ind AS 8 : Accounting policies, changes in accounting estimates and errors** – This amendment has introduced a definition of accounting estimates and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 01 April 2023. The Company has evaluated the amendment, and the impact of the amendment is insignificant in the Company's financial statements.

**Ind AS 12 : Income Taxes** – This amendment has narrowed the scope of the initial recognition exemption so that it does

not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 01 April 2023. The Company has evaluated the amendment, and the impact of the amendment is insignificant in the Company's financial statements.

### Standards notified but not yet effective.

There are no standards that are notified and not yet effective as on the date.

### 3. 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:

#### 3.1 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

## Consolidated Accounting Policies

For the year ended 31 March, 2024 (contd.)

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.

### 3.2 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.

### 3.3 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.

### 3.4 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 2.2(iii)(h) overview of ECL principles.

### 3.5 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.

### 3.6 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.



## Consolidated Accounting Policies

For the year ended 31 March, 2024 (contd.)

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.

### 3.7 Share based payments

Estimating fair value for share based payment requires determination of the most appropriate valuation model. The estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the option, volatility and dividend yield and making assumptions about them. The assumption and models used for estimating fair value for share based payments transactions are disclosed in Note 44 Employee stock option plan ( ESOP ).

### 3.8 Expected credit loss

When determining whether the risk of default on a financial instruments has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and credit assessment and including forward looking information.

### 3.9 Deferred tax

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their

carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences become deductible. The Group considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of the future taxable income during the carry-forward period are reduced.

### 3.10 Leases

Ind AS 116 defines a lease term as the non-cancellable period for which the lessee has the right to use an underlying asset including optional period, when an entity is reasonable certain to exercise an option to extend (or not to terminate) a lease. The Group consider all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term. The option to extend the lease term are included in the lease term, if it is reasonably certain that the lessee will exercise the option. The Group reassess the option when significant events or changes in circumstances occur that are within the control of the lessee.

### 3.11 Other estimate

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

**Notes forming part of the Consolidated Financial Statements**

For the year ended 31 March, 2024

**(4) CASH AND CASH EQUIVALENTS**

(₹ In Lacs))

Particulars	As at 31 March 2024	As at 31 March 2023
Cash on hand	7.83	2.17
Balances with banks		
- in current accounts	4,770.39	2,921.20
- in deposit accounts with original maturity of less than 3 months	-	20.56
Others		
- balance in prepaid cards	4.22	4.64
<b>Total</b>	<b>4,782.44</b>	<b>2,948.57</b>

**(5) BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS**

(₹ In Lacs))

Particulars	As at 31 March 2024	As at 31 March 2023
Earmarked balances with banks towards unclaimed dividend	5.49	5.75
Fixed deposits with banks with original maturity of upto 12 months*	45,138.61	14,412.75
Fixed deposits with banks with original maturity of more than 12 months*	7,098.04	17,140.09
Accrued interest on fixed deposits with banks	1,255.87	352.32
<b>Total</b>	<b>53,498.01</b>	<b>31,910.91</b>

**\* Breakup of deposits**

(₹ In Lacs))

Particulars	As at 31 March 2024	As at 31 March 2023
Fixed deposits under lien with stock exchanges and clearing corporations**	36,789.00	18,225.05
Fixed deposits for bank guarantees	8,825.00	9,368.17
Fixed deposits for credit facilities of the Group	6,435.06	3,733.52
Fixed deposits - free from charges	187.59	226.10
<b>Total</b>	<b>52,236.65</b>	<b>31,552.84</b>

\*\*The above fixed deposits are towards security deposits, minimum base capital and margin requirements.

**(6) SECURITIES HELD FOR TRADING**

(₹ In Lacs))

Particulars	As at 31 March 2024	As at 31 March 2023
<b>At fair value through profit or loss</b>		
Equity shares (unquoted, fully paid)	129.68	71.50
<b>Total</b>	<b>129.68</b>	<b>71.50</b>

## Notes forming part of the Consolidated Financial Statements

For the year ended 31 March, 2024 (contd.)

### (7) TRADE RECEIVABLES

(₹ In Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Receivables considered good - secured *	4,687.00	2,783.96
Receivables considered good - unsecured **	7,828.22	7,745.33
Receivables - credit impaired	24.60	22.59
	<b>12,539.82</b>	<b>10,551.88</b>
Less: Provision for expected credit loss / impairment loss allowance	(24.60)	(22.59)
<b>Total</b>	<b>12,515.22</b>	<b>10,529.29</b>
* Secured against securities given as collateral by the clients		
* Above includes receivable from stock exchanges on account of trades executed by clients	1,868.01	1,446.08
** Above includes due from a managing director (Refer note 39(B))	0.35815	0.48192
** Above includes due from associates and other related parties (Refer note 39(B))	0.83394	2.87954
** 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.

(₹ In Lacs)

#### Trade receivables ageing schedule as at 31 March 2024

Particulars	Outstanding for following period from due date of payment							Total
	Not due	Unbilled	Less than 6 months	6 months - 1 year	1-2 years	2 - 3 years	More than 3 years	
Undisputed trade receivables								
- considered good	7,871.50	50.11	4,614.15	2.15	1.57	0.26	0.08	12,539.82

(₹ In Lacs)

#### Trade receivables ageing schedule as at 31 March 2023

Particulars	Outstanding for following period from due date of payment							Total
	Not due	Unbilled	Less than 6 months	6 months - 1 year	1-2 years	2 - 3 years	More than 3 years	
Undisputed trade receivables								
- considered good	8,930.05	165.18	1,453.46	1.96	1.09	0.14	-	10,551.88

**Notes forming part of the Consolidated Financial Statements**

For the year ended 31 March, 2024 (contd.)

**(8) LOANS**

(₹ In Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>(A) At amortized cost</b>		
Loan against securities and others	2,518.08	4,699.97
Margin trading facility	946.24	448.13
Loan to a related party (Refer note 39(B))	500.00	-
	<b>3,964.32</b>	<b>5,148.10</b>
Less : Provision for expected credit loss / impairment loss allowance	(6.30)	(11.75)
<b>Total</b>	<b>3,958.02</b>	<b>5,136.35</b>
<b>(B) Secured / Unsecured</b>		
Secured by shares / securities	3,464.32	5,148.10
Unsecured	500.00	-
	<b>3,964.32</b>	<b>5,148.10</b>
Less : Provision for expected credit loss / impairment loss allowance	(6.30)	(11.75)
<b>Total</b>	<b>3,958.02</b>	<b>5,136.35</b>
<b>(C) Loans in India</b>		
Public sector	-	-
Others (Includes body corporates, firms, HUFs, individuals)	3,964.32	5,148.10
Less : Provision for expected credit loss / impairment loss allowance	(6.30)	(11.75)
<b>Total</b>	<b>3,958.02</b>	<b>5,136.35</b>
<b>(D) Stage wise break up of loans</b>		
(i) Low credit risk ( Stage 1 )	3,958.02	5,136.35
(ii) Significant increase in credit risk ( Stage 2 )	-	-
(ii) Credit impaired ( Stage 3 )	-	-
<b>Total</b>	<b>3,958.02</b>	<b>5,136.35</b>

**Notes forming part of the Consolidated Financial Statements**

For the year ended 31 March, 2024 (contd.)

**(9) INVESTMENTS**

		(₹ In Lacs)	
Particulars		As at 31 March 2024	As at 31 March 2023
<b>I</b>	<b>Measured at cost (unquoted)</b>		
<b>a</b>	<b>Capital contribution in associates*</b>		
	- Azalea Capital Partners LLP	4.50	4.50
	- AES Trading and Consultants LLP	0.13	0.13
	- Share in accumulated profit	181.63	113.14
	<b>Total (a)</b>	<b>186.26</b>	<b>117.77</b>
<b>b</b>	<b>Share capital in associate*</b>		
	- Finlearn Edutech Pvt Ltd : Equity shares	359.73	359.73
	- Finlearn Edutech Pvt Ltd : Preference shares	192.00	96.00
	- Finlearn Edutech Pvt Ltd : Preference shares : Partly paid up	100.00	-
	- Share in accumulated loss	(359.73)	(317.39)
	<b>Total (b)</b>	<b>292.00</b>	<b>138.34</b>
	<b>Total (a+b)</b>	<b>478.26</b>	<b>256.11</b>
<b>II</b>	<b>Measured at fair value through profit or loss</b>		
<b>a</b>	<b>In Alternate investment funds ( Category III ) (unquoted)</b>		
	- Emkay Emerging Stars Fund-IV	-	765.26
	- Emkay Emerging Stars Fund-V	1,082.86	843.44
	- Emkay Emerging Stars Fund-VI	840.29	-
	<b>Total</b>	<b>1,923.15</b>	<b>1,608.70</b>
<b>b</b>	<b>Equity instruments</b>		
	- Quoted, fully paid up	214.68	503.39
	<b>Total</b>	<b>214.68</b>	<b>503.39</b>
<b>c</b>	<b>Mutual Funds</b>		
	- Quoted, fully paid up	0.04	0.12
	<b>Total</b>	<b>0.04</b>	<b>0.12</b>
	<b>Total (a+b+c)</b>	<b>2,137.87</b>	<b>2,112.21</b>
	<b>Total ( I + II )</b>	<b>2,616.13</b>	<b>2,368.32</b>
	Investment in India	2,616.13	2,368.32
	Investment outside India	-	-

\*The Group has elected to measure investment in associates at deemed cost as per Ind AS 27.



**Notes forming part of the Consolidated Financial Statements**

For the year ended 31 March, 2024 (contd.)

**(10) OTHER FINANCIAL ASSETS ( UNSECURED, CONSIDERED GOOD )**

(₹ In Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>At amortised cost</b>		
Deposits with stock exchanges / clearing corporations*	22,815.68	13,544.45
Deposit Lease Premises	204.28	173.31
Less: Impairment loss allowance	(1.72)	(1.70)
	202.56	171.61
Deposits Others	83.57	79.63
Recoverable from related parties (Refer note 39(B))	-	135.02
Other receivable	221.17	34.65
<b>Total</b>	<b>23,322.98</b>	<b>13,965.36</b>

\*The above deposits are towards security deposits, minimum base capital and margin requirements.

**(11) CURRENT TAX ASSETS (NET)**

(₹ In Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Income tax paid (net of provision for taxation: 31 March 2024 : ₹1,747.58 Lacs, 31 March 2023 ₹2,601.92 Lacs)	384.00	509.71
<b>Total</b>	<b>384.00</b>	<b>509.71</b>

**(12) PROPERTY PLANT AND EQUIPMENTS**

Current year

(₹ In Lacs)

Particulars	Gross block				Accumulated depreciation/amortization				Net Block	
	Balance as at 01 April 2023	Additions	Disposals	Balance as at 31 March 2024	Balance as at 01 April 2023	Additions	Disposals	Balance as at 31 March 2024	Balance as at 01 April 2023	Balance as at 31 March 2024
<b>Property, plant and equipments</b>										
Office Premises	2,736.19	-	-	2,736.19	603.30	103.65	-	706.95	2,132.89	2,029.24
Furniture & Fixtures	104.61	18.04	2.74	119.91	66.23	6.74	1.91	71.06	38.38	48.85
Vehicles	183.31	-	-	183.31	77.22	33.13	-	110.35	106.09	72.96
Office equipments	120.42	46.77	4.47	162.72	77.67	22.74	3.64	96.77	42.75	65.95
Computers	1,640.97	549.09	4.25	2,185.81	980.65	342.36	2.61	1,320.40	660.32	865.41
Air Conditioners	34.84	13.41	0.20	48.05	18.77	3.64	0.12	22.29	16.07	25.76
Leasehold Improvement	259.31	150.01	-	409.32	256.46	17.56	-	274.02	2.85	135.30
<b>Total</b>	<b>5,079.65</b>	<b>777.32</b>	<b>11.66</b>	<b>5,845.31</b>	<b>2,080.30</b>	<b>529.82</b>	<b>8.28</b>	<b>2,601.84</b>	<b>2,999.35</b>	<b>3,243.47</b>

## Notes forming part of the Consolidated Financial Statements

For the year ended 31 March, 2024 (contd.)

### Previous year

(₹ In Lacs)

Particulars	Gross block				Accumulated depreciation/amortization				Net Block	
	Balance as at 01 April 2022	Additions	Disposals	Balance as at 31 March 2023	Balance as at 01 April 2022	Additions	Disposals	Balance as at 31 March 2023	Balance as at 01 April 2022	Balance as at 31 March 2023
<b>Property, plant and equipments</b>										
Office Premises	2,736.19	-	-	2,736.19	494.35	108.95	-	603.30	2,241.84	2,132.89
Furniture & Fixtures	97.18	9.68	2.25	104.61	61.06	6.60	1.43	66.23	36.12	38.38
Vehicles	105.39	103.70	25.78	183.31	56.28	41.33	20.39	77.22	49.11	106.09
Office equipments	95.48	28.17	3.23	120.42	62.97	17.36	2.66	77.67	32.51	42.75
Computers	1,010.11	633.57	2.71	1,640.97	631.20	349.88	0.43	980.65	378.91	660.32
Air Conditioners	32.68	2.91	0.75	34.84	16.09	3.11	0.43	18.77	16.59	16.07
Leasehold Improvement	223.78	35.53	-	259.31	206.97	49.49	-	256.46	16.81	2.85
<b>Total</b>	<b>4,300.81</b>	<b>813.56</b>	<b>34.72</b>	<b>5,079.65</b>	<b>1,528.92</b>	<b>576.72</b>	<b>25.34</b>	<b>2,080.30</b>	<b>2,771.89</b>	<b>2,999.35</b>

There is no (i) acquisition through business combinations (ii) revaluation of property, plant and equipment (iii) no adjustments to property, differences and (iv) impairment losses and its reversal during the current year / previous year.

### (13) OTHER INTANGIBLE ASSETS

#### Current year

(₹ In Lacs)

Particulars	Gross block				Accumulated depreciation/amortization				Net Block	
	Balance as at 01 April 2023	Additions	Disposals	Balance as at 31 March 2024	Balance as at 01 April 2023	Additions	Disposals	Balance as at 31 March 2024	Balance as at 01 April 2023	Balance as at 31 March 2024
Computer software	335.81	184.78	-	520.59	281.16	93.88	-	375.04	54.65	145.55
<b>Total</b>	<b>335.81</b>	<b>184.78</b>	<b>-</b>	<b>520.59</b>	<b>281.16</b>	<b>93.88</b>	<b>-</b>	<b>375.04</b>	<b>54.65</b>	<b>145.55</b>

#### Previous year

(₹ In Lacs)

Particulars	Gross block				Accumulated depreciation/amortization				Net Block	
	Balance as at 01 April 2022	Additions	Disposals	Balance as at 31 March 2023	Balance as at 01 April 2022	Additions	Disposals	Balance as at 31 March 2023	Balance as at 01 April 2022	Balance as at 31 March 2023
Computer software	268.73	67.08	-	335.81	243.28	37.89	-	281.16	25.45	54.65
<b>Total</b>	<b>268.73</b>	<b>67.08</b>	<b>-</b>	<b>335.81</b>	<b>243.28</b>	<b>37.89</b>	<b>-</b>	<b>281.16</b>	<b>25.45</b>	<b>54.65</b>

There is no revaluation of any intangible assets during the current year / previous year.

**Notes forming part of the Consolidated Financial Statements**

For the year ended 31 March, 2024 (contd.)

**(14) OTHER NON FINANCIAL ASSETS**

(₹ In Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Capital advances	1.60	99.03
Prepaid expenses	869.90	1,080.42
MAT credit entitlement	0.66	-
Income tax refund receivable	0.88	0.88
Advances to vendors	37.36	18.86
Goods and service tax input credit available / receivable	130.91	153.35
<b>Total</b>	<b>1,041.31</b>	<b>1,352.54</b>

**(15) TRADE PAYABLES**

(₹ In Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Trade payables</b>		
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	20,889.46	12,025.89
<b>Total</b>	<b>20,889.46</b>	<b>12,025.89</b>
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 year of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

**Trade payable due for payment - ageing schedule as at 31 March 2024**

(₹ In Lacs)

	Not due	Unbilled	Outstanding for following period from due date of payment				
			Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) MSME - undisputed	-	-	-	-	-	-	-
(ii) Others - undisputed	-	2,242.78	18,482.94	23.96	22.38	117.40	20,889.46

**Trade payable due for payment - ageing schedule as at 31 March 2023**

(₹ In Lacs)

	Not due	Unbilled	Outstanding for following period from due date of payment				
			Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) MSME - undisputed	-	-	-	-	-	-	-
(ii) Others - undisputed	-	4,178.32	7,690.78	33.97	79.82	43.00	12,025.89

**Notes forming part of the Consolidated Financial Statements**

For the year ended 31 March, 2024 (contd.)

**(16) BORROWINGS (OTHER THAN DEBT SECURITIES)**

(₹ In Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>At amortized cost</b>		
Loan repayable on demand		
- From banks : Secured by lien on fixed deposits with bank	1,255.40	1,496.91
- From director : unsecured (Refer note 39(B))	2,000.00	-
<b>Total</b>	<b>3,255.40</b>	<b>1,496.91</b>
Borrowings in India	3,255.40	1,496.91
Borrowings outside India	-	-
<b>Total</b>	<b>3,255.40</b>	<b>1,496.91</b>

Rate of interest ranges from 8% to 10% for above borrowings

**(17) DEPOSITS**

(₹ In Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>At amortized cost (unsecured)</b>		
Security deposits		
- intermediaries	117.33	121.87
- from others	914.60	914.60
<b>Total</b>	<b>1,031.93</b>	<b>1,036.47</b>

**(18) OTHER FINANCIAL LIABILITIES**

(₹ In Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Interest accrued but not due on borrowings	5.70	10.00
Unclaimed dividends	5.49	5.75
Margin from clients	50,186.57	32,588.28
Payable for expenses	457.95	378.85
Accrued salaries and benefits	57.58	104.26
Other liabilities	122.25	41.94
<b>Total</b>	<b>50,835.54</b>	<b>33,129.08</b>

**(19) CURRENT TAX LIABILITIES (NET)**

(₹ In Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
For taxation (net of advance payment of taxes and tax deducted at source 31 March 2024 : ₹231.49 Lacs, 31 March 2023 : ₹23.60 Lacs)	16.67	3.56
<b>Total</b>	<b>16.67</b>	<b>3.56</b>

**Notes forming part of the Consolidated Financial Statements**

For the year ended 31 March, 2024 (contd.)

**(20) PROVISIONS**

(₹ In Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits		
- Gratuity (Refer note 45)	126.48	218.54
- Bonus	2,941.99	1,561.17
- Compensated absences (Refer note 45)	68.13	100.35
- Incentive	565.00	305.00
Provision for non fund based exposure	8.63	7.29
<b>Total</b>	<b>3,710.23</b>	<b>2,192.35</b>

**(21) DEFERRED TAX LIABILITIES / (ASSETS) (NET)\***

(₹ In Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Deferred tax liabilities</b>		
Financial assets at fair value through profit and loss	-	4.27
Property, plant and equipments and other intangible assets	139.25	121.75
Right-of-use-assets	246.17	216.78
<b>Total</b>	<b>385.42</b>	<b>342.80</b>
<b>Deferred tax assets:</b>		
Financial assets at fair value through profit and loss	1.17	-
Lease liabilities	253.59	221.25
Provisions	13.39	13.00
Disallowances	17.58	28.03
Unabsorbed tax losses	80.83	581.97
<b>Total</b>	<b>366.56</b>	<b>844.25</b>
<b>Net deferred tax liabilities / (assets) (net)</b>	<b>18.86</b>	<b>(501.45)</b>

\* Refer note 52

**(22) OTHER NON FINANCIAL LIABILITIES**

(₹ In Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Statutory dues payable	1,558.98	1,367.67
Income received in advance	60.15	38.58
Advances received from clients	144.64	2.38
<b>Total</b>	<b>1,763.77</b>	<b>1,408.63</b>



**Notes forming part of the Consolidated Financial Statements**

For the year ended 31 March, 2024 (contd.)

**(23) EQUITY SHARE CAPITAL**

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of Shares	₹ In Lacs	Number of Shares	₹ In Lacs
<b>Authorized:</b>				
Equity Shares of ₹10/- each	5,00,00,000	5,000.00	5,00,00,000	5,000.00
	<b>5,00,00,000</b>	<b>5,000.00</b>	<b>5,00,00,000</b>	<b>5,000.00</b>
<b>Issued, subscribed and fully paid up</b>				
Equity Shares of ₹10/- each	2,46,94,676	2,469.47	2,46,40,230	2,464.02
<b>Total Equity Share Capital</b>	<b>2,46,94,676</b>	<b>2,469.47</b>	<b>2,46,40,230</b>	<b>2,464.02</b>

**( A ) Reconciliation of the shares outstanding at the beginning and at the end of the year**

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of Shares	₹ In Lacs	Number of Shares	₹ In Lacs
<b>At the beginning of the year</b>	2,46,40,230	2,464.02	2,46,40,230	2,464.02
Shares issued during the year	54,446	5.45	-	-
<b>At the end of the year</b>	<b>2,46,94,676</b>	<b>2,469.47</b>	<b>2,46,40,230</b>	<b>2,464.02</b>

**( B ) 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, 2024, dividend recognized as distribution to equity shareholders was ₹1.00 Per share being final dividend for the year ended 31 March 2023. The total dividend appropriated amounts to ₹ 246.40 Lacs (Previous Year ₹ 308.00 Lacs)

**( C ) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Name of Shareholders	As at 31 March 2024		As at 31 March 2023	
	No of Shares	% Held	No of Shares	% Held
Krishna Kumar Karwa	49,22,500	19.93%	49,22,500	19.98%
Prakash Kacholia	47,50,000	19.23%	47,50,000	19.28%
Emkay Corporate Services Private Limited	48,51,484	19.65%	48,51,484	19.69%
Priti Kacholia	18,80,000	7.61%	18,80,000	7.63%
Raunak Karwa	17,50,000	7.09%	17,50,000	7.10%
<b>Total</b>	<b>1,81,53,984</b>	<b>73.51%</b>	<b>1,81,53,984</b>	<b>73.68%</b>

**Notes forming part of the Consolidated Financial Statements**

For the year ended 31 March, 2024 (contd.)

**( D ) Details of shares held by promoters/promoter group****As at 31 March 2024**

Promoter name	No of shares	% of total shares	% Change during the year
Krishna Kumar Karwa	49,22,500	19.93%	-0.05%
Prakash Kacholia	47,50,000	19.23%	-0.05%
Emkay Corporate Services Private Limited	48,51,484	19.65%	-0.04%
Priti Kacholia	18,80,000	7.61%	-0.02%
Raunak Karwa	17,50,000	7.09%	-0.01%
Murlidhar Karwa (HUF)	1,00,000	0.40%	-0.01%
Krishna Kumar Karwa (HUF)	1,00,000	0.40%	-0.01%
<b>Total</b>	<b>1,83,53,984</b>	<b>74.31%</b>	<b>-0.19%</b>

**As at 31 March 2023**

Promoter name	No of shares	% of total shares	% Change during the year
Krishna Kumar Karwa	49,22,500	19.98%	0.00%
Prakash Kacholia	47,50,000	19.28%	0.00%
Emkay Corporate Services Private Limited	48,51,484	19.69%	0.00%
Priti Kacholia	18,80,000	7.63%	0.00%
Raunak Karwa	17,50,000	7.10%	0.00%
Murlidhar Karwa (HUF)	1,00,000	0.41%	0.00%
Krishna Kumar Karwa (HUF)	1,00,000	0.41%	0.00%
<b>Total</b>	<b>1,83,53,984</b>	<b>74.50%</b>	<b>0.00%</b>

**( E ) Shares reserved for issue under employee stock option plans****(i) ESOP plans of Parent Company**

	As at 31 March 2024	As at 31 March 2023
	No of Shares	
<b>ESOP's reserved for offering to eligible employees of the Group under ESOP scheme</b>		
- ESOP's granted and pending for vesting / exercise	25,72,343	30,33,489
- ESOP's not yet granted	19,90,459	15,83,759
<b>Total</b>	<b>45,62,802</b>	<b>46,17,248</b>

**(ii) ESOP plans of Emkay Investment Managers Limited**

	As at 31 March 2024	As at 31 March 2023
	No of Shares	
<b>ESOP's reserved for offering to eligible employees of the Group under ESOP scheme</b>		
- ESOP's granted and pending for vesting / exercise	10,89,000	-
- ESOP's not yet granted	2,61,000	-
<b>Total</b>	<b>13,50,000</b>	<b>-</b>

**( F ) 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

**( G ) 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 forming part of the Consolidated Financial Statements**

For the year ended 31 March, 2024 (contd.)

**(24) OTHER EQUITY**

(₹ In Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Reserves and surplus</b>		
<b>Security premium</b>		
Balance at the beginning of the year	7,025.56	7,025.56
Add : Addition during the year on allotment of ESOP shares	35.72	-
Add : Transfer from equity-settled share-based payment reserve on allotment of ESOP shares	26.35	-
<b>Balance at the end of the year</b>	<b>7,087.63</b>	<b>7,025.56</b>
<b>Retained earnings</b>		
Balance at the beginning of the year	6,664.16	6,489.41
Add : Profit for the year	3,243.87	1,407.61
Add : Re-measurement loss on post employment benefit obligation (net)	(100.71)	(67.78)
<b>Amount available for appropriation</b>	<b>9,807.32</b>	<b>7,829.24</b>
Dividend paid to equity shareholders	(246.40)	(308.00)
Tax on Distributed Profits during the year	(3.31)	(70.91)
Transfer to special reserve u/s 45-IC of the RBI Act, 1934	(48.30)	(23.97)
Transfer to capital redemption reserve	-	(762.20)
<b>Balance at the end of the year</b>	<b>9,509.31</b>	<b>6,664.16</b>
<b>General reserve</b>	1,847.11	1,803.65
Add : Transfer from equity-settled share-based payment reserve (Reversal of vested lapsed options)	167.96	43.46
<b>Balance at the end of the year</b>	<b>2,015.06</b>	<b>1,847.11</b>
<b>Capital reserve on consolidation</b>	<b>1.03</b>	<b>1.03</b>
<b>Capital redemption reserve</b>	1,262.20	500.00
Add: Transferred from Retained earnings during the year pursuant to buyback of Equity Shares (in subsidiary)	-	762.20
<b>Balance at the end of the year</b>	<b>1,262.20</b>	<b>1,262.20</b>
<b>Special reserve u/s 45-IC of the RBI Act 1934</b>		
Balance at the beginning of the year	913.33	889.36
Add : Transfer from retained earnings	48.30	23.97
<b>Balance at the end of the year</b>	<b>961.63</b>	<b>913.33</b>
<b>Equity-settled share-based payment reserve</b>		
Balance at the beginning of the year	830.94	883.37
Add : Addition during the year	110.12	(8.97)
Less : Transfer to securities premium account on allotment of ESOP shares	(26.35)	-
Less : Transfer to general reserve (Reversal of vested lapsed options)	(167.96)	(43.46)
<b>Balance at the end of the year</b>	<b>746.75</b>	<b>830.94</b>
<b>Foreign exchange translation reserve</b>		
Balance at the beginning of the year	30.61	6.45
Add : Additions during the year	4.66	24.16
<b>Balance at the end of the year</b>	<b>35.27</b>	<b>30.61</b>
<b>Total</b>	<b>21,618.88</b>	<b>18,574.94</b>

**Notes forming part of the Consolidated Financial Statements**

For the year ended 31 March, 2024 (contd.)

**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. This also includes transfer within equity i.e. transfer from Equity-Settled share-based payment reserve towards the amount recognised for services received from an employee, if the vested equity settled share based payment instruments are later forfeited or not exercised.

**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**

In case 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.

**Notes forming part of the Consolidated Financial Statements**

For the year ended 31 March, 2024 (contd.)

**(25) INTEREST INCOME**

(₹ In Lacs)		
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>On financial assets measured at amortized cost</b>		
Interest on loan to customers	244.50	474.36
Interest on deposits with banks	808.45	514.38
Other interest income	0.38	0.89
Interest on margin trading funding	87.00	38.42
<b>Total</b>	<b>1,140.33</b>	<b>1,028.05</b>

**(26) DIVIDEND INCOME**

(₹ In Lacs)		
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Dividend on investments	0.91	1.84
<b>Total</b>	<b>0.91</b>	<b>1.84</b>

**(27) FEE AND COMMISSION INCOME\***

(₹ In Lacs)		
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Brokerage and fee income</b>		
Brokerage income	19,573.49	13,946.47
Portfolio management fee	829.88	596.75
Alternate investment fund management fee	658.55	618.26
Research and advisory fee	3,427.71	1,642.46
Depository operations	130.95	79.63
Other fee	54.01	47.78
<b>Total</b>	<b>24,674.59</b>	<b>16,931.35</b>

\* Refer note 55

**(28) NET GAIN ON FAIR VALUE CHANGES**

(₹ In Lacs)		
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Net gain/ (loss) on financial instruments at fair value through profit or loss</b>		
- Investments	1,296.14	1,938.83
- Securities held for trading	(58.16)	73.40
- Derivatives	996.09	115.08
<b>Total net gain on fair value changes</b>	<b>2,234.07</b>	<b>2,127.31</b>
<b>Fair value changes:</b>		
- Realized gain	2,022.74	2,079.88
- Unrealized gain	211.33	47.43
<b>Total</b>	<b>2,234.07</b>	<b>2,127.31</b>



**Notes forming part of the Consolidated Financial Statements**

For the year ended 31 March, 2024 (contd.)

**(29) OTHER OPERATING INCOME**

(₹ In Lacs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Delayed payment charges from clients	181.10	196.73
Miscellaneous income	16.50	15.30
<b>Total</b>	<b>197.60</b>	<b>212.03</b>

**(30) OTHER INCOME**

(₹ In Lacs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Dividend income	1.84	8.64
Net gain on disposal / discard of property, plant and equipment	-	9.42
Interest on deposits with banks	185.84	108.33
Interest on Loans to related party (Refer note 39(B))	36.89	39.49
Other interest income	41.50	20.11
Facility fee	2,905.00	1,000.00
Miscellaneous income	82.58	61.03
<b>Total</b>	<b>3,253.65</b>	<b>1,247.02</b>

**(31) FINANCE COSTS**

(₹ In Lacs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>On Instruments measured at amortized cost</b>		
Interest on deposits	6.45	7.01
Interest on borrowings from related parties (Refer note 39(B))	112.02	42.47
Interest on borrowings from banks	139.60	128.76
Interest on lease liabilities (Refer note 46)	87.17	55.69
Bank guarantee commission charges	145.57	169.59
Other borrowing costs	-	24.50
<b>Total</b>	<b>490.81</b>	<b>428.02</b>

**Notes forming part of the Consolidated Financial Statements**

For the year ended 31 March, 2024 (contd.)

**(32) FEES AND COMMISSION EXPENSES**

(₹ In Lacs)		
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Brokerage sharing with intermediaries	2,515.02	2,174.71
Advisory and other fee	860.01	507.58
<b>Total</b>	<b>3,375.03</b>	<b>2,682.29</b>

**(33) IMPAIRMENT ON FINANCIAL INSTRUMENTS**

(₹ In Lacs)		
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Financial instruments measured at amortized cost :</b>		
Expected credit loss on trade receivables	2.01	1.24
Bad debts written off (net)	3.95	8.45
<b>Other financial assets</b>		
Expected credit loss on deposits	0.02	0.01
Deposit written off (net)	3.00	-
Loans	(4.11)	1.46
<b>Total</b>	<b>4.87</b>	<b>11.16</b>

**(34) EMPLOYEE BENEFIT EXPENSE**

(₹ In Lacs)		
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Salaries and other benefits	14,103.10	10,809.62
Share based payments to employees (Refer note 44)	110.12	(8.97)
Contribution to provident and other funds (Refer note 45)	581.81	485.94
Gratuity (Refer note 45)	178.91	147.73
Staff welfare expenses	109.70	74.46
<b>Total</b>	<b>15,083.64</b>	<b>11,508.78</b>

**(35) DEPRECIATION AND AMORTIZATION**

(₹ In Lacs)		
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation on property, plant and equipments	529.82	576.72
Depreciation on right of use assets (Refer note 46)	356.44	303.43
Amortization on other intangible assets	93.88	37.89
<b>Total</b>	<b>980.14</b>	<b>918.04</b>

**Notes forming part of the Consolidated Financial Statements**

For the year ended 31 March, 2024 (contd.)

**(36) OTHER EXPENSES**

(₹ In Lacs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Electricity	116.16	108.37
Repairs and maintenance		
- Building	71.51	66.64
- Others	414.89	380.71
Insurance	22.14	22.71
Rates and taxes	65.98	23.91
Communication, postage and courier	449.41	272.02
Travelling and conveyance	756.76	666.78
Printing and stationery	48.18	39.41
Advertisement and business promotion	215.51	265.85
Donations	0.84	0.86
Corporate social responsibility (Refer note 41)	31.00	27.54
Legal and professional fees	518.34	489.28
Subscription	1,372.40	1,115.39
Software expenses	335.09	150.96
Claims and compensation	12.65	1.14
Fees and stamps	26.76	33.88
Payments to stock exchanges	2,492.21	743.28
Registration fees	14.78	12.82
Depository and custodial charges	37.20	24.05
Training & development	3.76	8.48
Auditor's remuneration #	80.98	67.45
Net loss on disposal / discard of property, plant and equipment	2.16	-
Independent directors commission (Refer note 39(B))	19.77	13.36
Foreign exchange rate fluctuation loss (net)	55.67	52.38
Share issue expenses	0.95	-
Miscellaneous expenses	160.03	157.49
<b>Total</b>	<b>7,325.13</b>	<b>4,744.76</b>

**# Auditor's remuneration**

(₹ In Lacs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Audit fees	45.35	41.98
Tax audit fees	3.59	2.50
Taxation matters	5.03	2.15
Other services including limited review and certificates	24.28	18.97
Reimbursement of expenses	2.73	1.85
<b>Total</b>	<b>80.98</b>	<b>67.45</b>

**Notes forming part of the Consolidated Financial Statements**

For the year ended 31 March, 2024 (contd.)

**(37) EARNINGS PER SHARE**

(₹ In Lacs)		
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Profit after tax from continuing operations attributable to all shareholders	3,088.64	1,413.25
Profit after tax from discontinued operations attributable to all shareholders	155.23	(5.64)
Profit after tax from continuing and discontinued operations attributable to all shareholders	3,243.87	1,407.61
Weighted average number of equity shares used in computing basic earnings per share	24,652,312	24,640,230
Add : Impact of diluted ESOPS	809,725	131,355
Weighted average number of equity shares used in computing diluted earnings per share	25,462,037	24,771,585
<b>Earnings per share for continuing operations</b>		
Basic earnings per share (₹) (Face value of ₹10/- each)	12.53	5.74
Diluted earnings per share (₹) (Face value of ₹10/- each)	12.13	5.71
<b>Earnings per share for discontinued operations</b>		
Basic earnings per share (₹) (Face value of ₹10/- each)	0.630	(0.023)
Diluted earnings per share (₹) (Face value of ₹10/- each)	0.610	(0.023)
<b>Earnings per share for continuing and discontinued operations</b>		
Basic earnings per share (₹) (Face value of ₹10/- each)	13.16	5.71
Diluted earnings per share (₹) (Face value of ₹10/- each)	12.74	5.68

**(38) SEGMENT INFORMATION****(A) Primary Segment**

The Chief Operating Decision Maker monitors the operating results of the business segment separately for the purpose of making decisions 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. The business segment has been considered as the primary segment for disclosure.

The primary business of the Group relates 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").

**(B) Geographical Segment**

Business operations of the Group are primarily concentrated in India and hence there is no reportable geographical segment.

**Notes forming part of the Consolidated Financial Statements**

For the year ended 31 March, 2024 (contd.)

(C) Information about business segments

	Particulars	Financing & Investment Activities			Eliminations		Consolidated	
		Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023
A.	REVENUE							
1a	Segment revenue	31,060.79	20,728.18	440.36	819.42	-	31,501.15	21,547.60
1b	Intersegment revenue	43.80	93.51	121.58	(0.60)	(165.38)	-	-
	Total revenue	31,104.59	20,821.69	561.94	818.82	(165.38)	31,501.15	21,547.60
B.	RESULTS							
	Segment results(PBT)	3,846.96	663.50	394.57	591.05	-	4,241.53	1,254.55
	Segment results(PBT) - intersegment	-	-	-	-	-	-	-
	Total segment results (PBT)	3,846.96	663.50	394.57	591.05	-	4,241.53	1,254.55
2	Profit from ordinary activities	-	-	-	-	-	4,241.53	1,254.55
3	Exceptional items	-	-	-	-	-	-	-
4	Profit from ordinary activities after exceptional item but before tax	-	-	-	-	-	4,241.53	1,254.55
5	Provision for current tax	-	-	-	-	-	634.84	219.29
6	Deferred tax	-	-	-	-	-	520.30	(362.90)
7	Tax provision of earlier years	-	-	-	-	-	23.53	(2.33)
8	Profit after tax	-	-	-	-	-	3,062.86	1,400.49
9	Less:- Minority interest	-	-	-	-	-	-	-
10	Add:- Share of profit from associates (net)	-	-	-	-	-	25.78	12.76

(C) Information about business segments



**Notes forming part of the Consolidated Financial Statements**

For the year ended 31 March, 2024 (contd.)

(₹ In Lacs)									
Particulars	Financing & Investment Activities		Eliminations		Consolidated		Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024
	Year ended 31 March 2024	Year ended 31 March 2024	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023			
11 Add :- Profit / (loss) from discontinued operations	-	-	-	-	155.23	(5.64)			
12 Profit for the year	-	-	-	-	3,243.87	1,407.61			
C. OTHER INFORMATION:									
1 Segment assets	93,966.27	62,283.59	4,945.22	6,948.14	-	-	98,911.49	69,231.73	
2 Unallocated corporate assets	-	-	-	-	-	-	7,615.13	3,863.34	
3 Total assets	-	-	-	-	-	-	1,06,526.62	73,095.07	
4 Segment liabilities	78,976.01	50,527.12	1,415.54	1,519.68	-	-	80,391.55	52,046.80	
5 Unallocated corporate liabilities	-	-	-	-	-	-	2,046.72	9.31	
6 Total liabilities	-	-	-	-	-	-	82,438.27	52,056.11	
7 Capital expenditure (Including capital work in progress)	864.68	783.77	-	-	-	-	864.68	783.77	
8 Depreciation and amortisation	973.19	906.44	6.95	11.60	-	-	980.14	918.04	

**Notes forming part of the Consolidated Financial Statements**

For the year ended 31 March, 2024 (contd.)

**(39) 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:

<b>1 Associate entity of holding company</b>	
Azalea Capital Partners LLP	
<b>2 Associates of a wholly owned subsidiaries</b>	
Finlearn Edutech Private Limited	Associate of Emkay Fincap Limited
AES Trading and Consultants LLP	Associate of Emkay Commotrade Limited
<b>3 Directors and /or key managerial personnel of holding company</b>	
S.K.Saboo	Non-Independent Non-Executive Director (Chairman of the Board)
Krishna Kumar Karwa	Managing Director
Prakash Kacholia	Managing Director
Saket Agrawal	Chief Financial Officer and director in subsidiaries
Bhalchandra Raul	Company Secretary
G.C.Vasudeo	Independent Director and independent director in subsidiary
R.K.Krishnamurthi	Independent Director and independent director in subsidiary
Dr.Satish Ugrankar	Independent Director
Dr.Bharat Kumar Singh	Independent Director and independent director in subsidiary
Hutokshi Rohinton Wadia	Independent Woman Director ( w.e.f. 25/05/2022 )
<b>4 Relatives of directors and /or key managerial personnel of holding company</b>	
(Where transactions have taken place)	
Priti Kacholia	Wife of Prakash Kacholia and Woman Director till 08/08/2022
Priti Karwa	Wife of Krishna Kumar Karwa
Raunak Karwa	Son of Krishna Kumar Karwa and Director in a subsidiary
Soumya Karwa	Daughter of Krishna Kumar Karwa
Nidhi Kacholia	Daughter of Prakash Kacholia
Divya Kacholia	Daughter of Prakash Kacholia
Krishna Kacholia	Mother of Prakash Kacholia
Deepak Kacholia	Brother of Prakash Kacholia
Ramgopal Agrawal	Father of Saket Agrawal
Vandana Agrawal	Wife of Saket Agrawal
Laxmi Agrawal	Mother of Saket Agrawal
Saksham Agrawal	Son of Saket Agrawal
Amit Saboo	Son of S.K.Saboo

## Notes forming part of the Consolidated Financial Statements

For the year ended 31 March, 2024 (contd.)

### 5 Enterprises owned / controlled by key managerial personnel or their relatives of holding company

(Where transactions have taken place)

Cambridge Securities	Partnership firm of family members of both managing directors
Synthetic Fibres Trading Company	Partnership firm of family members of Krishna Kumar Karwa
Emkay Corporate Services Pvt. Ltd.	Promoter Company
Seven Hills Capital	Partnership firm of Krishna Kumar Karwa and his family members
Murlidhar Karwa HUF	HUF of Krishna Kumar Karwa
Krishna Kumar Karwa HUF	HUF of Krishna Kumar Karwa
Saket Agrawal HUF	HUF of Saket Agrawal
S.K.Saboo HUF	HUF of S.K.Saboo
Nandita Advisors Pvt. Ltd.	Private Limited Company of S.K.Saboo
Kitaab Design	Prop. Nidhi Kacholia
Krishna Investments	Prop. Deepak Kacholia

### 6 Directors and / or key managerial personnel of subsidiary companies and their relatives and the enterprise owned / controlled by them

(Where transactions have taken place)

Rajesh Sharma	Director in Subsidiaries
Devang Desai	Director in Subsidiaries
Anubhav Kanodia	Director in Subsidiary
Haresh Mahadik	Director in Subsidiary w.e.f. 20/06/2023
Mangesh Parab	Director in Subsidiary w.e.f. 20/06/2023
Sonal Desai	Mother of Devang Desai
Devang Desai HUF	HUF of Devang Desai
Harshada H Mahadik	Wife of Haresh Mahadik
Himanshu Katore	Company Secretary of a Subsidiary w.e.f. 05/12/2022
Aditi Brahmabhatt	Company Secretary of a Subsidiary w.e.f. 02/02/2024
Vikaas M Sachdeva	CEO of a Subsidiary till 30/09/2022
Dipti Modi	Company Secretary of a Subsidiary till 30/11/2023
Abhishree Vijapurkar	Company Secretary of a Subsidiary till 30/06/2022

### 7 Post employment benefits plan

Emkay Global Financial Services Limited Employees Group Gratuity Assurance Scheme
Emkay Fincap Limited Employees Group Gratuity Assurance Fund
Emkay Investment Managers Limited Employees Group Gratuity Assurance Fund
Emkay Commotrade Limited Employees Group Gratuity Assurance Fund
Emkay Wealth Advisory Limited Employees Group Gratuity Assurance Fund

**Notes forming part of the Consolidated Financial Statements**

For the year ended 31 March, 2024 (contd.)

**(B) Details of transactions with related party in the ordinary course of business**

No.	Particulars	Nature of transaction	Transaction amount during		Amount Outstanding as on		(Amount in ₹)
			2023-24	2022-23	31 March 2024	31 March 2023	
Associate of a holding company							
1	Azalea Capital Partners LLP	Depository charges	1,070	1,190	53	142	
		Capital contribution	-	-	4,50,000	4,50,000	
		Reimbursement of expenses received	87,904	66,621	-	2,276	
Associate of wholly owned subsidiaries							
2	AES Trading and Consultants LLP	Brokerage income	3,15,864	7,01,773	-	1,99,855	
		Depository charges	815	815	-	-	
		Interest received on loan given	36,88,730	39,48,972	-	-	
		Interest paid on margin deposit received for securities trading	(45,39,680)	(30,96,297)	-	-	
		Facility fees received	1,00,00,000	3,50,00,000	-	1,35,00,000	
		Loan given	10,30,00,000	10,00,00,000	5,00,00,000	-	
		Repayment received of loan given	5,30,00,000	10,00,00,000	-	-	
		Reimbursement of expenses received	67,260	12,282	-	-	
		Margin deposit received for securities trading	42,50,00,000	37,91,00,000	-	-	
		Repayment of margin deposit received for securities trading	42,50,00,000	37,91,00,000	-	-	
		Trade payables	-	-	84,168,643	-	
		Contribution towards fixed and current capital	-	-	1,07,61,896	84,32,003	
		Share of profit	23,29,893	84,19,503	-	-	
		Security deposit received for facility fees	-	10,00,000	10,00,000	10,00,000	
3	Finlearn Edutech Private Limited	Brokerage and commission payment	(3,321)	(19,402)	-	-	
		Depository charges	1,130	1,160	-	35	
		Interest received on loan given	3,278	-	-	-	
		Loan given	15,00,000	-	-	-	
		Repayment received of loan given	15,00,000	-	-	-	
		Trade payables	-	-	850	1,943	
		Reimbursement of expenses received	1,500	-	-	-	
		Investment in equity shares	-	50,00,000	3,59,72,500	3,59,72,500	
		Investment in preference shares	1,96,00,000	96,00,000	2,92,00,000	96,00,000	

**Notes forming part of the Consolidated Financial Statements**

For the year ended 31 March, 2024 (contd.)

No. Particulars	Nature of transaction	Transaction amount during		Amount Outstanding as on	
		2023-24	2022-23	31 March 2024	31 March 2023
	<b>Directors and/or Key managerial personnel of holding company</b>				
4	Krishna Kumar Karwa				
	Salaries & other benefits	(1,61,28,000)	(1,61,28,000)	-	-
	Depository charges	220	65	-	-
	Dividend paid	(49,22,500)	(61,53,125)	-	-
	Interest paid on loan taken	(1,12,02,186)	(32,60,274)	-	-
	Loan taken	20,00,00,000	10,00,00,000	20,00,00,000	-
	Repayment of loan taken	-	10,00,00,000	-	-
5	Prakash Kacholia				
	Salaries & other benefits	(1,61,28,000)	(1,61,28,000)	-	-
	Brokerage income	13,150	18,762	35	472
	Depository charges	530	715	-	-
	Portfolio management fee	1,36,957	1,37,193	35,780	47,720
	Reimbursement of expenses received	-	13,837	-	-
	Dividend paid	(47,50,000)	(59,37,500)	-	-
	Interest paid on loan taken	-	(9,86,301)	-	-
	Loan taken	-	3,00,00,000	-	-
	Repayment of loan taken	-	3,00,00,000	-	-
6	Saket Agrawal				
	Salaries & other benefits	(76,18,484)	(68,18,322)	-	-
	Brokerage income	444	125	-	-
	Depository charges	120	340	-	-
	Dividend paid	(5,476)	(6,845)	-	-
7	Bhalchandra Raul				
	Salaries & other benefits	(39,31,674)	(34,57,585)	-	-
	Brokerage income	131	116	-	-
	Depository charges	75	-	-	-
	Dividend paid	(100)	(125)	-	-
	Trade payables	-	-	799	-
8	S.K.Saboo				
	Brokerage income	42,844	35,103	-	-
	Depository charges	390	360	-	-
	Sitting fees	(70,000)	(70,000)	-	-
	Trade payables	-	-	482	-
	Reimbursement of expenses received	-	424	-	-



**Notes forming part of the Consolidated Financial Statements**

For the year ended 31 March, 2024 (contd.)

No. Particulars	Nature of transaction	Transaction amount during		Amount Outstanding as on		(Amount in ₹)
		2023-24	2022-23	31 March 2024	31 March 2023	
9	G.C.Vasudeo Sitting fees Commission	(90,000) (5,00,000)	(90,000) (2,36,000)	- 5,00,000	- 2,36,000	-
10	R.K.Krishnamurthi Sitting fees Commission	(90,000) (5,27,000)	(1,10,000) (2,00,000)	- 5,27,000	- 2,00,000	-
11	Dr.Satish Ugrankar Sitting fees Commission	(1,20,000) (3,50,000)	(1,10,000) (3,50,000)	- 3,50,000	- 3,50,000	-
12	Dr.Bharat Kumar Singh Sitting fees Commission	(60,000) (3,50,000)	(80,000) (3,50,000)	- 3,50,000	- 3,50,000	-
13	Hutokshi Rohinton Wadia Sitting fees Commission	(30,000) (2,50,000)	(30,000) (2,00,000)	- 2,50,000	- 2,00,000	-
<b>Relatives of directors and / or key managerial personnel of holding company</b>						
14	Priti Kacholia Brokerage income Depository charges <b>Portfolio management fee</b> Trade payables	7,72,388 13,200 10,421 -	6,34,984 13,215 16,048 -	- - - 79,26,903	- - - 79,50,906	-
	Reimbursement of expenses received	2,730	2,576	-	-	-
	Dividend paid	(18,80,000)	(23,50,000)	-	-	-
15	Priti Karwa Depository charges	-	315	-	-	-
16	Krishna Kacholia Depository charges	30	-	-	-	1,292
17	Raunak Karwa Brokerage Income Depository charges Dividend paid	7,350 45 (17,50,000)	12,250 390 (21,87,500)	- - -	- - -	372 - -
18	Soumya K Karwa Depository charges	15	420	-	-	18

**Notes forming part of the Consolidated Financial Statements**

For the year ended 31 March, 2024 (contd.)

No.	Particulars	Nature of transaction	Transaction amount during		Amount Outstanding as on		(Amount in ₹)
			2023-24	2022-23	31 March 2024	31 March 2023	
19	Nidhi Kacholia	Brokerage income	192	19	-	-	-
		Depository charges	375	375	-	-	-
20	Divya Kacholia	Brokerage income	58	19	-	-	-
		Depository charges	10	5	-	-	-
		Trade payables	-	-	941	953	953
21	Deepak Kacholia	Depository charges	265	-	-	-	-
22	Amit S Saboo	Brokerage income	45,221	-	354	-	-
		Depository charges	735	-	-	-	-
23	Rangopal Agrawal	Brokerage income	112	8	53	-	-
		Depository charges	855	570	-	-	-
24	Laxmi Agrawal	Brokerage income	307	-	35	77	77
		Depository charges	750	645	-	-	-
25	Vandana Agrawal	Brokerage income	74	93	-	-	-
		Depository charges	65	80	-	-	-
26	Saksham Saket Agrawal	Brokerage income	68	44	-	18	18
		Depository charges	25	55	-	-	-
<b>Enterprises owned/controlled by key managerial personnel or their relatives of holding company</b>							
27	Synthetic Fibres Trading Co	Brokerage income	1,59,006	2,25,035	-	35	35
		Depository charges	14,390	1,635	-	-	-
28	Emkay Corporate Services Private Limited	Depository charges	1,780	15	18	-	-
		Portfolio management fee	2,48,159	2,01,002	82,252	63,173	63,173
		Dividend paid	(48,51,484)	(60,64,355)	-	-	-

**Notes forming part of the Consolidated Financial Statements**

For the year ended 31 March, 2024 (contd.)

No.	Particulars	Nature of transaction	Transaction amount during		Amount Outstanding as on		(Amount in ₹)
			2023-24	2022-23	31 March 2024	31 March 2023	
29	Krishna Investments	Trade payables	-	-	1,36,394	1,36,235	
30	Seven Hills Capital	Brokerage income	18,25,003	11,49,152	478	17,614	
		Depository charges	3,755	3,065	-	-	
31	Cambridge Securities	Depository charges	465	-	-	-	
32	Kitaab Design	Purchase of gifts and stationary items	(17,18,460)	(5,83,750)	-	-	
33	Muridhar Karwa HUF	Brokerage income	-	9,740	-	71	
		Depository charges	315	390	-	-	
		Dividend paid	(1,00,000)	(1,25,000)	-	-	
34	Krishna Kumar Karwa HUF	Brokerage income	11,862	10,340	-	-	
		Depository charges	-	60	-	-	
		Dividend paid	(1,00,000)	(1,25,000)	-	-	
		Trade payables	-	-	929	929	
		Reimbursement of expenses received	7,823	19,320	-	-	
35	S.K.Saboo HUF	Brokerage income	756	-	-	-	
		Depository charges	1,084	-	-	-	
36	Nandita Advisors Pvt. Ltd.	Brokerage income	43,343	-	-	-	
		Delayed payment charges recovery	1,606	-	-	-	
		Depository charges	1,490	-	-	-	
		Trade payables	-	-	34,98,696	-	
37	Saket Agrawal HUF	Brokerage income	417	37	372	-	
		Depository charges	810	270	-	-	
		Dividend paid	(3,600)	(4,500)	-	-	
	<b>Key managerial personnel of subsidiaries and their relatives and the enterprises owned / controlled by them</b>						
38	Rajesh Sharma	Salaries & other benefits	(96,29,520)	(86,14,880)	-	-	
		Depository charges	-	124	-	-	



**Notes forming part of the Consolidated Financial Statements**  
For the year ended 31 March, 2024 (contd.)

No.	Particulars	Nature of transaction	Transaction amount during		Amount Outstanding as on	
			2023-24	2022-23	31 March 2024	31 March 2023
39	Devang Desai	Salaries & other benefits	(78,68,484)	(71,06,491)	-	-
		Brokerage income	2,243	529	-	-
		Depository charges	690	160	-	-
		Dividend paid	(7,500)	(9,375)	-	-
		Trade payables	-	-	-	30
40	Mangesh Parab	Salaries & other benefits	(8,98,752)	-	-	-
		<b>Dividend paid</b>	(100)	-	-	-
41	Haresh Ganpat Mahadik	Dividend paid	(1,666)	-	-	-
		Salaries & other benefits	(94,354)	-	-	-
		Other recoverable	-	-	9,91,709	-
		Trade receivables	-	-	35	-
42	Anubhav Kanodia	Salaries & other benefits	(4,95,42,692)	(2,18,42,833)	-	-
43	Devang Desai HUF	Brokerage income	2,885	1,890	186	537
		Depository charges	1,605	960	-	-
		Delayed payment charges recovery	456	1,588	-	-
		Reimbursement of expenses received	-	45	-	-
44	Vikaas Mohan Sachdeva	Brokerage income	-	42,190	-	-
		Depository charges	-	1,520	-	-
		Dividend paid	-	(6,250)	-	-
		Salaries & other benefits	-	(83,49,320)	-	-
		Delayed payment charges recovery	-	229	-	-
45	Dipti Modi	Brokerage income	-	8	-	-
		Depository charges	-	15	-	-
		Salaries & other benefits	(8,64,092)	(12,84,411)	-	-
		Dividend paid	(1)	(1)	-	-

## Notes forming part of the Consolidated Financial Statements

For the year ended 31 March, 2024 (contd.)

No.	Particulars	Nature of transaction	Transaction amount during		Amount Outstanding as on	
			2023-24	2022-23	31 March 2024	31 March 2023
						(Amount in ₹)
46	Sonal Desai	Brokerage income	7,228	5,675	-	-
		Depository charges	2,085	1,665	-	-
		Interest on margin trading funding	-	7,547	-	-
		Delayed payment charges recovery	12,439	4,767	-	-
		Reimbursement of expenses received	-	331	-	-
		Loan granted on margin trading funding	-	5,11,913	-	-
		Repayment of loan granted on margin trading funding	-	6,41,554	-	-
		Trade payables	-	-	1,180	2,124
47	Harshada H Mahadik	Dividend paid	(2,250)	-	-	-
48	Abhishree Vajjapurkar	Salaries & other benefits	-	(2,01,529)	-	-
49	Himanshu Katare	Salaries & other benefits	(11,76,380)	(4,22,899)	-	-
50	Sufiyan Shaikh	Salaries & other benefits	(2,09,368)	(1,23,460)	-	-
51	Aditi Brahmabhatt	Salaries & other benefits	(1,71,159)	-	-	-
	<b>Post employment benefits plan</b>					
52	Emkay Global Financial Services Limited Employees Group Gratuity Assurance Scheme	Gratuity contribution	(1,64,37,738)	(1,40,11,020)	1,07,67,832	2,10,65,337
53	Emkay Fincap Limited Employees Group Gratuity Assurance Fund	Gratuity contribution	(25,662)	(34,787)	(3,55,139)	(3,89,884)
54	Emkay Investment Managers Limited Employees Group Gratuity Assurance Fund	Gratuity contribution	(11,17,072)	(5,71,478)	13,47,375	4,34,354
55	Emkay Commotrade Limited Employees Group Gratuity Assurance Fund	Gratuity contribution	(2,02,158)	(29,338)	3,37,182	83,760
56	Emkay Wealth Advisory Limited Employees Group Gratuity Assurance Fund	Gratuity contribution	(1,08,325)	(1,26,644)	1,95,738	2,70,166



**Notes forming part of the Consolidated Financial Statements**

For the year ended 31 March, 2024 (contd.)

**(40) FOREIGN CURRENCY TRANSACTIONS**

(₹ In Lacs)		
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>(a) Expenditure in foreign currency (accrual basis)</b>		
Fees and commission expenses	668.05	934.86
Subscription	182.93	143.87
Consultancy	-	20.00
Travelling expenses	39.91	24.71
Advertisement and business promotion	5.84	4.79
Software expenses	0.48	0.47
Miscellaneous expenses	1.00	1.13
	<b>898.21</b>	<b>1,129.83</b>
<b>(b) Earning in foreign currency (accrual basis)</b>		
Research and advisory fee	225.17	96.77
	<b>225.17</b>	<b>96.77</b>

**(41) 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 three 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 ₹ 30.17 Lacs (P.Y. ₹ 25.81 Lacs)  
b) Amount approved to be spent during the year ₹ 31.00 Lacs (P.Y. ₹ 26.25 Lacs)  
c) Details of amount spent:

(₹ In Lacs)			
Particulars	In Cash	Yet to be paid	Total
<b>Amount spent during the year ending 31 March 2024</b>			
(i) Construction / acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	31.00	-	31.00
<b>Amount spent during the year ending 31 March 2023</b>			
(i) Construction / acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	26.25	-	26.25

- d) Details of amount unspent amount: -

(₹ In Lacs)					
Opening balance	Amount deposited in specified fund of schedule VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Excess spent*	Closing balance
-	-	30.17	31.00	(0.83)	Nil

\*Excess spent not to be carried forward to succeeding financial year/s.

- e) Details of related party transactions, e.g. contribution to a trust / society / section 8 Company controlled by the Group in relation to CSR expenditure as per Accounting Standard AS 18.  
Related party disclosures: Nil (P.Y.Nil)

**Notes forming part of the Consolidated Financial Statements**

For the year ended 31 March, 2024 (contd.)

**(42) CONTINGENT LIABILITIES**

(₹ In Lacs)

Sr. No.	Particulars	As at 31 March 2024	As at 31 March 2023
<b>Guarantee</b>			
1	Guarantees issued by banks	17,650.00	18,650.00
<b>Others</b>			
1	Claims against the Group not acknowledged as debt*	21.49	21.49
2	Service Tax matters in appeal : net of amount of deposited	847.81	847.81
3	Bond cum legal undertakings executed	11.99	11.99
4	GST matter before commissioner appeals : net of amount of deposited	20.61	11.41
5	Income tax and fringe benefits tax matters : net of amount of deposited	67.52	67.52

- Claims against the Group relate to claims filed by customers in the ordinary course of business and also Includes ₹ 3.75 Lacs (P.Y. ₹ 3.75 Lacs) pertaining to discontinued operations of one of the subsidiaries.
- Service tax matters in appeal: -The Parent Company has received service tax demand order for the period 01 July 2012 to 30 September 2014 on the income earned from foreign clients located outside India. The Parent Company has filed an appeal which is pending before CESTAT.
- Bond cum legal undertaking provided under Rule 22 of SEZ Rules, 2006 to President of India acting through Development Commissioner of Kandla Special Economic Zone for availing exemptions, draw backs and concessions.

**GST matters: -**

- Input credit mismatch in GSTR-3B with GSTR-2A/Table 8A of GSTR-9 for year ended 31 March 2018. The Parent Company is contesting the same before Commissioner Appeals.
- Show Cause Notice dated 01 August 2023 issued by Deputy Commissioner of State Tax for financial year 2019-2020 towards ineligible Input Tax Credit claimed along with interest and penalty thereon in Emkay Investment Managers Limited.

**Income tax and fringe benefits tax matters: -**

- Fringe benefit tax, Income tax and interest thereon for assessment years 2008-2009 and 2011-2012 respectively with concerned assessing officers for rectification.
- Commissioner of Income Tax (Appeals) for assessment year 2021-22 against order u/s.143(3) dated 28 December 2022 disallowing certain expenses claimed by one of the subsidiaries.
- The Group has provided bank guarantees for meeting margin requirements as under:

(₹ In Lacs)

Sr.No.	Particulars	As at 31 March 2024	As at 31 March 2023
1	NSE Clearing Limited	10,800.00	14,100.00
2	National Stock Exchange of India Limited	50.00	50.00
3	BSE Limited	50.00	50.00
4	Indian Clearing Corporation Limited	50.00	50.00
5	Multi Commodity Exchange of India Limited	6,475.00	4,075.00
6	National Commodity and Derivatives Exchange Limited	225.00	325.00
<b>Total</b>		<b>17,650.00</b>	<b>18,650.00</b>

**Notes forming part of the Consolidated Financial Statements**

For the year ended 31 March, 2024 (contd.)

**(43) CAPITAL COMMITMENTS**

		₹ In Lacs	
Sr. No.	Particulars	As at 31 March 2024	As at 31 March 2023
1	Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)	32.85	105.71
2	Uncalled liability on investment in partly paid-up preference shares	100.00	96.00

**(44) SHARE BASED PAYMENTS****DISCLOSURE RELATING TO EMPLOYEE STOCK OPTION SCHEMES OF THE PARENT COMPANY****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 January 2006 for grant of 3,81,250 equity shares of ₹ 10/- each.

**ESOP-2007**

This scheme was approved by the shareholders of the Parent Company at the Extra Ordinary General Meeting held on 11 January 2008 for grant of 24,26,575 equity shares of ₹ 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 August 2010 for grant of 24,41,995 equity shares of ₹ 10/- each.

**ESOP-2018**

This scheme was approved by shareholders of the Parent Company through postal ballot process on 21 March 2018 for grant of 24,53,403 equity shares of ₹ 10/- each.

The activity in ESOP-2007 and ESOP-2018 during the year ended 31 March 2024 and 31 March 2023 is set out below: -

Particulars	Year ended 31 March 2024		Year ended 31 March 2023	
	In Numbers	Weighted Average Exercise Price (in ₹)	In Numbers	Weighted Average Exercise Price (in ₹)
<b>ESOP-2007 : (Face value of ₹10 each)</b>				
Options outstanding at the beginning of the year	1,185,624	76.56	1,751,158	76.28
Add:- Granted	340,000	123.13	291,125	76.04
Less:- Exercised	44,600	75.60	-	-
Less:- Forfeited	-	-	-	-
Less:- Lapsed	553,496	77.76	856,659	75.80
<b>Options outstanding at the end of the year</b>	<b>927,528</b>	<b>92.97</b>	<b>1,185,624</b>	<b>76.56</b>

Particulars	Year ended 31 March 2024		Year ended 31 March 2023	
	In Numbers	Weighted Average Exercise Price (in ₹)	In Numbers	Weighted Average Exercise Price (in ₹)
<b>ESOP-2018 : (Face value of ₹10 each)</b>				
Options outstanding at the beginning of the year	1,847,865	68.98	2,340,245	69.50
Add:- Granted	380,299	125.30	153,917	72.95
Less:- Exercised	9,846	75.60	-	-
Less:- Forfeited	-	-	-	-
Less:- Lapsed	573,503	63.94	646,297	71.79
<b>Options outstanding at the end of the year</b>	<b>1,644,815</b>	<b>83.72</b>	<b>1,847,865</b>	<b>68.98</b>

**Notes forming part of the Consolidated Financial Statements**

For the year ended 31 March, 2024 (contd.)

Parent Company has done following modifications in Options during current year

Nature of Modification / Scheme / Year	Number of Options	Original Weighted Average Fair Value of Options	Revised Weighted Average Fair Value of Options
<b>Change in vesting dates of Options</b>			
<b>ESOP-2007</b>			
Current Year	15,000	39.51	34.40
Previous Year	115,310	37.02	37.08
<b>ESOP-2018</b>			
Current Year	110,847	38.16	32.67
Previous Year	153,916	37.74	40.83

During the current year, there is no change in the estimate of the number of Options, which are expected to vest in future in respect of ESOP Schemes – ESOP-2007 & ESOP-2018.

**Employees' Stock Options Scheme (ESOP):**

Particulars	ESOP-2007	ESOP-2010-Trust Route	ESOP-2018
<b>Date of Grant</b>	Various dates starting from 17.01.2008 till 26.12.2023	Various dates starting from 21.10.2010 till 21.01.2012	Various dates starting from 14.08.2018 till 26.12.2023
<b>Date of Board Approval</b>	01.12.2007	27.07.2010	29.01.2018
<b>Date of Shareholder's Approval</b>	11.01.2008	30.08.2010	21.03.2018
<b>Number of Options granted to</b>			
- Employees of the Parent Company	60,50,461	6,47,000	39,82,842
- Employees of the Subsidiary Companies	5,70,000	---	86,167
<b>Total Options Granted</b>	66,20,461	6,47,000	40,69,009
<b>Method of Settlement</b>	Equity Shares	Equity Shares	Equity Shares
<b>Vesting Period</b>	Ranging from 1 year to 7 years and 10 months. Both time based and performance based	Graded vesting over a period of 5 years	Ranging from 1 year to 6 years and 3 months. Both time based and performance based

## Notes forming part of the Consolidated Financial Statements

For the year ended 31 March, 2024 (contd.)

### Weighted Average Remaining Contractual life:

Particulars	ESOP-2007	ESOP-2018
Current year		
- Granted but not vested	5.57 years	3.84 years
Current year		
- Vested but not exercised	0.91 years	0.99 years
Current year		
- Weighted Average Share Price at the date of exercise for Stock Options exercised during the year	123.06	127.74
Previous year		
- Granted but not vested	5.30 years	4.89 years
Previous year		
- Vested but not exercised	1.04 years	1.13 years
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 Parent 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 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 those performance parameters.	
Weighted Average Fair Value of Options as on grant date - Current Year	₹56.41	₹41.82
Weighted Average Fair Value of Options as on grant date - Previous Year	₹37.68	₹34.78
Risk free interest rate	7.00% - 7.20%	7.19% - 7.20%
Dividend Yield	0.70% - 1.64%	0.70% - 1.22%
Expected Volatility	44% - 49%	40% - 44%

### 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 of the Parent Company's share 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.

#### ESOP-2010

The exercise price shall be calculated on the basis of latest closing price of the 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.

#### ESOP-2018

The exercise price shall be the closing price of the 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. 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.



**Notes forming part of the Consolidated Financial Statements**

For the year ended 31 March, 2024 (contd.)

Other information regarding Employee Share based payment plan is as below:-

Particulars	(₹ in Lacs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Expenses arising from employee share-based payment plans	77.93	(8.97)
Total carrying amount at the end of the year	318.54	311.87

**DISCLOSURE RELATING TO EMPLOYEE STOCK OPTION SCHEME OF ONE OF THE SUBSIDIARY COMPANY****Employee Stock Option Plan 2023 (ESOP-2023)**

ESOP-2023 scheme was approved by the shareholders of the one of the subsidiary Company at the Extra Ordinary General meeting held on 14 September 2023 for grant of 13,50,000 options.

The activity in ESOP-2023 during the year ended 31st March 2024 is set out below:

Particulars	Year ended 31 March 2024	
	In Numbers	Weighted Average Exercise Price (in ₹)
<b>ESOP-2023: (Face value of ₹10 each)</b>		
Options outstanding at the beginning of the year	-	-
Add:- Granted	1,089,000	30.68
Less: - Exercised	-	-
Less: - Forfeited	-	-
Less: - Lapsed	-	-
<b>Options outstanding at the end of the year</b>	<b>1,089,000</b>	<b>30.68</b>

**Employees' Stock Options Scheme (ESOP):**

Particulars	ESOP-2023
Date of Board Approval	07 September 2023
Date of Shareholder's Approval	14 September 2023
Date of Grant	(i) 03 October 2023 (ii) 25 January 2024
Number of Options granted to Employees of the subsidiary Company	1,089,000
Total Options Granted	1,089,000
Method of Settlement	Equity Shares
Vesting Period	As per ESOP-2023 scheme, the NRC has the authority to fix the vesting period in relation to Options and shall communicate to the Eligible Employee, at the time of grant, the time and the manner of vesting of options, subject to a minimum vesting period of one year.

## Notes forming part of the Consolidated Financial Statements

For the year ended 31 March, 2024 (contd.)

### Weighted Average Remaining Contractual life:

Particulars	ESOP-2023
Current year	
- Granted but not vested	4.16 years
Current year	
- Vested but not exercised	N.A.
Current year	
- Weighted Average Share Price at the date of exercise for Stock Options exercised during the year	N.A.
Previous year	
- Granted but not vested	N.A.
Previous year	
- Vested but not exercised	N.A.
Previous year	
- Weighted Average Share Price at the date of exercise for Stock Options exercised during the year	N.A.
Exercise Period	As per ESOP-2023 scheme, the Maximum Exercise Period for exercise of the Option would be 3 (three) years from the date of vesting of each tranche of the Option and the Option granted to an Eligible Employee would lapse if it is not exercised by him / her within the maximum period of 3 (three) years from the date of its vesting in him / her.
Vesting Conditions	As per ESOP-2023 scheme, the NRC is authorized to determine the conditions under which options may vest in employees and may lapse in case of termination of employment for misconduct.
Weighted Average Fair Value of Options as on grant date – Current Year	₹10.41
Weighted Average Fair Value of Options as on grant date – Previous Year	N.A.
Risk free interest rate	7.21% - 7.22%
Dividend Yield	3.13% - 3.33%
Expected Volatility	50%

The exercise pricing formula for ESOP Schemes are as under:

### ESOP-2023

The exercise price shall be equal to the price determined by the valuer on the date prior to the date on which the Nomination, Remuneration and Compensation Committee of the one of the subsidiary companies finalizes the specific number of Options to be granted to the employees.

Other information regarding Employee Share based payment plan is as below: -

Particulars	(₹ in Lacs)
	Year ended 31 March 2024
Expense arising from employee share-based payment plans	32.19
Total carrying amount at the end of the year	81.12

**Notes forming part of the Consolidated Financial Statements**

For the year ended 31 March, 2024 (contd.)

**(45) 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:

Particulars	(₹ in Lacs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Provident fund	487.75	413.68
ESIC	0.74	1.31
National pension scheme	93.19	70.86
Other welfare fund	0.13	0.09
<b>Total</b>	<b>581.81</b>	<b>485.94</b>

**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 completed 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.

**Discount rate**

The discount rate for this valuation is based on government bonds having similar term to duration of liabilities. Due to lack of deep and secondary bond market in India, government bond yields are used to arrive at the discount rate.

**Mortality rate**

If the actual mortality rate in the future turns out to be more or less than expected, then it may result in an increase / decrease in the liability.

**Employee turnover/withdrawal rate**

If the actual withdrawal rate in the future turns out to be more or less than expected, then it may result in an increase / decrease in the liability.

**Salary escalation rate**

More or less than expected increase in the future salary levels may result in an increase / decrease in the liability.

Sr. No.	Particulars	(₹ in Lacs)	
		As at 31 March 2024	As at 31 March 2023
<b>i)</b>	<b>Movement in defined benefit obligation</b>		
	<b>Present value of obligation as at the beginning of the year</b>	<b>1,108.60</b>	<b>941.09</b>
	Current service cost	163.32	136.53
	Interest expense or cost	80.54	57.43
	Remeasurements due to :		
	- Actuarial loss / (gain) arising from change in financial assumptions	43.03	6.53
	- Actuarial loss / (gain) arising from change in demographic assumptions	-	-
	- Actuarial loss / (gain) arising on account of experience changes	116.50	33.19

**Notes forming part of the Consolidated Financial Statements**

For the year ended 31 March, 2024 (contd.)

		(₹ in Lacs)	
Sr. No.	Particulars	As at 31 March 2024	As at 31 March 2023
	Benefits paid	(105.62)	(66.17)
	Acquisition adjustment	-	-
	<b>Present value of obligation as at the end of the year</b>	<b>1,406.37</b>	<b>1,108.60</b>
ii)	<b>Movement in plant assets</b>		
	<b>Fair value of plan asset as at the beginning of the year</b>	<b>893.96</b>	<b>757.62</b>
	Employer contributions	393.54	183.46
	Investment income	64.95	46.23
	Return on plan assets, excluding amount recognised in net interest expense	36.62	(27.18)
	Benefits paid	(105.62)	(66.17)
	Acquisition adjustment	-	-
	<b>Fair value of plan asset as at the end of the year</b>	<b>1,283.45</b>	<b>893.96</b>
iii)	<b>Reconciliation of net liability</b>		
	<b>Net defined benefit (liability) as at the beginning of the year</b>	<b>(214.63)</b>	<b>(183.46)</b>
	Expenses charged to statement of profit and loss	(178.91)	(147.73)
	Amount recognized in other comprehensive income	(122.91)	(66.90)
	Employer contribution	393.54	183.46
	<b>Net defined benefit (liability) / asset as at the end of the year</b>	<b>(122.91)</b>	<b>(214.63)</b>
iv)	<b>Expenses charged to the Statement of Profit &amp; Loss</b>		
	Current service cost	163.32	136.53
	Net interest cost / (Income) on the net defined benefit liability / (asset)	15.59	11.20
	<b>Expenses recognised in the income statement</b>	<b>178.91</b>	<b>147.73</b>
v)	<b>Movement in asset ceiling</b>		
	<b>Effect of asset ceiling at the beginning of the year</b>	-	-
	Interest on opening balance of asset ceiling	-	-
	Remeasurements due to change in surplus / deficit	-	-
	<b>Value of asset ceiling as at the end of the year</b>	-	-
vi)	<b>Remeasurement (gains)/losses in other comprehensive income</b>		
	<b>Actuarial (gains) / losses</b>		
	Change in financial assumptions	43.03	6.53
	Change in demographic assumptions	-	-
	Experience adjustments	116.50	33.19
	Return on plan assets, excluding amount recognised in net interest expense	(36.62)	27.18
	<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>122.91</b>	<b>66.90</b>

**Notes forming part of the Consolidated Financial Statements**

For the year ended 31 March, 2024 (contd.)

		(₹ in Lacs)	
Sr. No.	Particulars	As at 31 March 2024	As at 31 March 2023
<b>vii)</b>	<b>Amount recognised in Balance Sheet</b>		
	<b>Present value of obligation</b>	<b>1,406.37</b>	<b>1,108.60</b>
	Fair value of plan assets	1,283.45	893.96
	Surplus/(deficit)	(122.92)	(214.64)
	Effects of asset ceiling, if any	-	-
	<b>Surplus / (deficit)</b>	<b>(122.92)</b>	<b>(214.64)</b>
<b>viii)</b>	<b>Key actuarial assumptions</b>		
	Discount Rate (p.a.)	7.15%	7.25%
	Salary growth rate (p.a.)	15.00%	14.00%
<b>ix)</b>	<b>Category of plan assets</b>		
	Insurer managed funds	94.43% to 99.98%	94.25% to 99.97%
	Bank balance	0.02% to 5.57%	0.03% to 5.75%
<b>x)</b>	<b>Quantitative sensitivity analysis</b>		
	<b>Rate of discounting</b>		
	1% increase	-4.50% to -5.30%	-4.60% to -5.20%
	1% decrease	5.00% to 5.80%	5.10% to 5.70%
	<b>Rate of increase in salary</b>		
	1% increase	2.30% to 5.20%	3.00% to 5.20%
	1% decrease	-2.50% to -4.90%	-2.60% to -4.90%
<b>xi)</b>	<b>Maturity profile of defined benefit obligation</b>		
	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	258.11	198.21
	Expected benefit for 2 to 5 years	839.04	639.11
	Expected benefit for 6 to 10 years	579.65	473.50
	Expected benefit for more than 10 years	414.10	368.74
<b>xii)</b>	<b>Expected contribution to fund in next year</b>		
	The Company's best estimate of contribution during the next year	288.56	352.56



## Notes forming part of the Consolidated Financial Statements

For the year ended 31 March, 2024 (contd.)

### c) Compensated Absences

The liability towards compensated absences of Parent Company and one of the subsidiaries for the year ended 31 March 2024 is based on actuarial valuation carried out using the projected unit credit method by an Actuary appointed for the purpose and relied upon by the Auditors. For other subsidiaries the liability towards compensated absences is calculated on an actual basis. During the previous year ended 31 March 2023, the same was calculated on an actual basis for Parent Company and all subsidiaries.

Assumptions for the year ended 31 March 2024: -

Discount rate (p.a.) : 7.15%

Salary growth rate (p.a.) : 15.00%

### (46) 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

Particulars	(₹ in Lacs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Carrying amount at the beginning of the year	747.07	411.97
Additions	520.74	653.13
Closure / other adjustments	(21.56)	(14.60)
Depreciation for the year	(356.44)	(303.43)
<b>Carrying amount at the end of the year</b>	<b>889.81</b>	<b>747.07</b>

#### B) Lease liabilities

Particulars	(₹ in Lacs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Balance at the beginning of the year	763.22	435.02
Additions	498.23	624.49
Interest expense on lease liabilities	87.17	55.69
Other adjustments	(27.14)	(15.43)
Lease payments	(405.07)	(336.55)
<b>Balance at the end of the year</b>	<b>916.41</b>	<b>763.22</b>
Current	304.05	280.85
Non Current	612.36	482.37

#### C) Contractual maturities of lease liabilities on an undiscounted basis

Particulars	(₹ in Lacs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Less than one year	385.95	345.24
One to five years	711.32	554.69
Five years and above	-	5.87
<b>Total</b>	<b>1,097.27</b>	<b>905.80</b>

**Notes forming part of the Consolidated Financial Statements**

For the year ended 31 March, 2024 (contd.)

**D) Amount recognized in statement of profit and loss**

Particulars	(₹ in Lacs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation on right-of-use assets	356.44	303.43
Interest expense on lease liabilities	87.17	55.69
Expense relating to short term leases (included in other expenses)	3.36	0.82
<b>Total</b>	<b>446.97</b>	<b>359.94</b>

The total cash outflows for leases are ₹ 405.07 Lacs for the year ended 31 March 2024 (31 March 2023 : ₹ 336.55 Lacs) .

The effective interest rate of lease liabilities is 10.22% with maturities between one to five years.

**(47) RATINGS ASSIGNED BY CREDIT RATING AGENCY**

ICRA Limited has reaffirmed the rating of [ICRA]A2+ to the short term non fund based bank facilities of the Parent Company of ₹ 25,000 lacs (Previous year : ₹ 27,000 lacs).

**(48) ASSETS PLEDGED AS SECURITY**

The carrying amounts of assets pledged as security for borrowings are as under:

Particulars	(₹ in Lacs)	
	Year ended 31 March 2024	Year ended 31 March 2023
<b>Financial Assets</b>		
Fixed deposit under lien with stock exchanges and clearing corporation	36,789.00	18,225.05
Fixed deposit against bank guarantees	8,825.00	9,368.17
Fixed deposit against credit facilities	6,435.06	3,733.52
AIF units pledge with bank for credit facilities	1,082.86	-
<b>Total</b>	<b>53,131.92</b>	<b>31,326.74</b>
<b>Non-Financial Assets</b>		
Office premises mortgaged with bank for credit facilities	2,029.24	2,132.89

**(49)** Trade Payable includes ₹41.77 Lacs (PY. ₹55.10 Lacs) and other liabilities under other financial liabilities includes ₹ 0.50 Lacs (P.Y. ₹0.17 Lacs) being aggregate amount of deposits in bank accounts made directly by clients whose details are awaited. Appropriate accounting treatment is given on a regular basis on receipt of required information as and when received.

## Notes forming part of the Consolidated Financial Statements

For the year ended 31 March, 2024 (contd.)

**(50)** Income includes ₹ 0.74 Lacs (P.Y. ₹ 2.43 Lacs) and expenses include ₹ 45.01 Lacs (P.Y. ₹ 76.52 Lacs) pertaining to earlier year.

### **(51) 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:

- Credit risk
- Liquidity risk
- Market risk

The risk management system features 'three lines of defence approach.

- 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.
- 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.
- 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 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:

Particulars	(₹ in Lacs)	
	As at 31 March 2024	As at 31 March 2023
Trade and other receivables (net of impairment)	12,515.22	10,529.29
Loan (net of impairment)	3,958.02	5,136.35

**Notes forming part of the Consolidated Financial Statements**

For the year ended 31 March, 2024 (contd.)

**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

Bucketing (Stage )	(₹ in Lacs)			
	As at 31 March 2024		As at 31 March 2023	
	Carrying Value	ECL	Carrying Value	ECL
Stage 1	3,964.32	6.30	5,148.10	11.75
Stage 2	-	-	-	-
Stage 3	-	-	-	-
<b>Total</b>	<b>3,964.32</b>	<b>6.30</b>	<b>5,148.10</b>	<b>11.75</b>

Movement in the allowances for impairment in respect of trade receivables and loans is as follows:

Particulars	(₹ in Lacs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Opening Balance	34.34	34.72
Net remeasurement of loss allowance	(3.44)	(0.38)
<b>Closing Balance</b>	<b>30.90</b>	<b>34.34</b>

**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.

## Notes forming part of the Consolidated Financial Statements

For the year ended 31 March, 2024 (contd.)

### 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.

The table below summarises the maturity profile of the Group's undiscounted financial liabilities as at 31 March 2024:-

(₹ in Lacs)						
	Lease Liabilities	Borrowings (other than debt securities)	Trade Payable	Deposits	Other financial liabilities	Total
0 - 1 year	385.95	3,255.40	20,889.46	-	50,835.54	75,366.35
1 - 2 year	275.09	-	-	-	-	275.09
2 - 3 year	242.79	-	-	-	-	242.79
3 - 4 year	144.56	-	-	-	-	144.56
Beyond 4 years	48.88	-	-	1,031.93	-	1,080.81
<b>Total</b>	<b>1,097.27</b>	<b>3,255.40</b>	<b>20,889.46</b>	<b>1,031.93</b>	<b>50,835.54</b>	<b>77,109.60</b>

The table below summarises the maturity profile of the Group's undiscounted financial liabilities as at 31 March 2023:-

(₹ in Lacs)						
	Lease Liabilities	Borrowings (other than debt securities)	Trade Payable	Deposits	Other financial liabilities	Total
0 - 1 year	345.24	1,496.91	12,025.89	-	33,129.08	46,997.12
1 - 2 year	245.38	-	-	-	-	245.38
2 - 3 year	139.49	-	-	-	-	139.49
3 - 4 year	119.44	-	-	-	-	119.44
Beyond 4 years	56.25	-	-	1,036.47	-	1,092.72
<b>Total</b>	<b>905.80</b>	<b>1,496.91</b>	<b>12,025.89</b>	<b>1,036.47</b>	<b>33,129.08</b>	<b>48,594.15</b>

### 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 risk

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.



**Notes forming part of the Consolidated Financial Statements**

For the year ended 31 March, 2024 (contd.)

*(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:-

<b>Receivables</b>		(₹ In Lacs)	
<b>Particulars</b>	<b>Currency</b>	<b>As At 31 March 2024</b>	<b>As At 31 March 2023</b>
Foreign Currency exposure outstanding	USD	0.27	0.24
	INR	22.46	19.99
Foreign Currency receivable in next 5 years including interest	USD	0.27	0.24
	INR	22.46	19.99
Unhedged Foreign currency exposure	USD	0.27	0.24
	INR	22.46	19.99

<b>Payables</b>		(₹ In Lacs)	
	<b>Currency</b>	<b>As At 31 March 2024</b>	<b>As At 31 March 2023</b>
Foreign Currency exposure outstanding	USD	29.09	30.76
	INR	2,443.53	2,527.37
	SGD	0.02	0.04
	INR	1.38	2.62
Foreign Currency payable in next 5 years including interest	USD	1.59	3.26
	INR	149.90	267.69
	SGD	0.02	0.04
	INR	1.38	2.62
Unhedged Foreign currency exposure	USD	29.09	30.76
	INR	2,443.53	2,527.37
	SGD	0.02	0.04
	INR	1.38	2.62

## Notes forming part of the Consolidated Financial Statements

For the year ended 31 March, 2024 (contd.)

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	
		Year ended 31 March 2024	Year ended 31 March 2023
USD	Depreciation of 5%	121.05	125.37
	Appreciation of 5%	(121.05)	(125.37)
SGD	Depreciation of 5%	0.07	0.13
	Appreciation of 5%	(0.07)	(0.13)

### (52) TAX EXPENSE

A) The major components of income tax expense for the year are as under:-

		(₹ In Lacs)	
Particulars		Year ended 31 March 2024	Year ended 31 March 2023
Current income tax			
- Continuing operations		634.84	219.29
- Discontinued operations		52.20	(3.16)
<b>Total</b>		<b>687.04</b>	<b>216.13</b>
Deferred tax		520.30	(362.90)
<b>Total tax for the current year</b>		<b>1,207.34</b>	<b>(146.77)</b>
Taxes for earlier years		23.53	(2.33)
<b>Total expense for the year</b>		<b>1,230.87</b>	<b>(149.10)</b>

B) Amount recognized in the other comprehensive income: -

		(₹ In Lacs)	
Particulars		Year ended 31 March 2024	Year ended 31 March 2023
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement losses on defined benefit plans		(122.91)	(66.90)
Share of remeasurement gain on defined benefit plan of associate		0.36	0.40
Income tax relating to items that will not be reclassified profit or loss		21.84	(1.28)
<b>Total</b>		<b>(100.71)</b>	<b>(67.78)</b>
<b>Items that will be reclassified to profit or loss</b>			
Foreign exchange translation reserve		4.54	21.92
<b>Total</b>		<b>4.54</b>	<b>21.92</b>
<b>Total other comprehensive income</b>		<b>(96.17)</b>	<b>(45.86)</b>

**Notes forming part of the Consolidated Financial Statements**

For the year ended 31 March, 2024 (contd.)

**C) Reconciliation of tax expense and the accounting profit for the year is as under:-**

Particulars	(₹ In Lacs)	
	Year ended 31 March 2024	Year ended 31 March 2023
<b>Profit before tax</b>	4,241.53	1,254.55
Indian statutory income tax rate (%)	27.82%	29.12%
Expected income tax expenses	1,179.99	365.32
<b>Tax effect of adjustments to reconcile expected income tax expenses to reported income tax expenses</b>		
Income exempt from tax laws	(289.64)	(489.42)
Deductible expenses for tax purpose	(338.64)	(347.48)
Nondeductible expenses for tax purpose	291.23	238.68
Fair value changes of investments	(52.47)	(14.41)
Profit/ (loss) from discontinued operations	52.20	(3.16)
Others (Net)	(174.81)	25.34
Foreign exchange translation gain / (loss)	(4.52)	5.41
Impact of differential tax rate	(27.26)	(38.04)
IND-AS adjustments	106.82	81.96
Unabsorbed losses brought forward from earlier years adjusted	(498.18)	(0.01)
Current year losses carry forwarded to subsequent year	19.65	391.94
<b>Total</b>	<b>(915.62)</b>	<b>(149.19)</b>
Tax payable under normal rate	264.37	216.13
Tax payable under section 115JB (MAT)	422.67	-
Deferred tax impact	520.30	(362.90)
<b>Total income tax expenses</b>	<b>1,207.34</b>	<b>(146.77)</b>
<b>Current Tax Expenses</b>		
Continuing operations	634.84	219.29
Discontinuing operations	52.20	(3.16)
Deferred tax expenses	520.30	(362.90)
<b>Total income tax expenses</b>	<b>1,207.34</b>	<b>(146.77)</b>
Effective tax rate	28.46%	

**D) Movement of deferred tax assets and (liabilities)****Current year**

Particulars	(₹ In Lacs)		
	As at 1 April 2023	Credit/(Charge) in the statement of profit and loss	As at 31 March 2024
Lease liabilities	221.25	32.34	253.59
Provisions	13.00	0.39	13.39
Disallowances	28.03	(10.45)	17.58
Unabsorbed tax losses	581.97	(501.14)	80.83
Financial assets at fair value through profit and loss	(4.27)	5.44	1.17
Property, plant and equipments and other intangible assets	(121.75)	(17.50)	(139.25)
Right of use assets	(216.78)	(29.39)	(246.17)
<b>Net deferred tax assets</b>	<b>501.45</b>	<b>(520.31)</b>	<b>(18.86)</b>

**Notes forming part of the Consolidated Financial Statements**

For the year ended 31 March, 2024 (contd.)

Previous year		(₹ In Lacs)	
Particulars	As at 1 April 2022	Credit/(Charge) in the statement of profit and loss	As at 31 March 2023
Lease liabilities	125.61	95.64	221.25
Provisions	13.78	(0.78)	13.00
Disallowances	25.57	2.46	28.03
Carried forward tax losses	206.00	375.97	581.97
Financial assets at fair value through profit and loss	(8.58)	4.31	(4.27)
Property, plant and equipments and other intangible assets	(104.77)	(16.98)	(121.75)
Right of use assets	(119.06)	(97.72)	(216.78)
<b>Net deferred tax assets</b>	<b>138.55</b>	<b>362.90</b>	<b>501.45</b>

**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 2024	As at 31 March 2023
Property, plant and equipments and other intangible assets	0.11	1.57
Provisions	0.06	0.17
Unabsorbed tax losses	8.26	8.72
<b>Total</b>	<b>8.43</b>	<b>10.46</b>

**Notes forming part of the Consolidated Financial Statements**

For the year ended 31 March, 2024 (contd.)

**(53) 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 2024		
	Total	Within 12 months	After 12 Months
Assets			
Financial Assets			
Cash and cash equivalents	4,782.44	4,782.44	-
Bank balance other than above	53,498.01	53,222.01	276.00
Securities held for trading	129.68	129.68	-
Trade receivables	12,515.22	12,515.22	-
Loans	3,958.02	3,958.02	-
Investments	2,616.13	-	2,616.13
Other financial assets	23,322.98	22,611.53	711.45
Total financial assets	100,822.48	97,218.90	3,603.58
Non Financial Assets			
Current tax assets (net)	384.00	-	384.00
Deferred tax assets (net)	-	-	-
Property, plant and equipment	3,243.47	-	3,243.47
Right of use assets	889.81	-	889.81
Other Intangible assets	145.55	-	145.55
Other non-financial assets	1,041.31	620.14	421.17
Total non-financial assets	5,704.14	620.14	5,084.00
Total Assets	106,526.62	97,839.04	8,687.58
Liabilities			
Financial Liabilities			
Trade payable	20,889.46	20,889.46	-
Borrowings (other than debt securities)	3,255.40	3,255.40	-
Deposits	1,031.93	-	1,031.93
Lease liabilities	916.41	304.05	612.36
Other financial liabilities	50,835.54	50,835.54	-
Total financial liabilities	76,928.74	75,284.45	1,644.29
Non-financial Liabilities			
Current tax liabilities (net)	16.67	16.67	-
Provisions	3,710.23	3,710.23	-
Deferred tax liabilities (net)	18.86	-	18.86
Other non-financial liabilities	1,763.77	1,763.77	-
Total non-financial liabilities	5,509.53	5,490.67	18.86
Total Liabilities	82,438.27	80,775.12	1,663.15
Net Assets	24,088.35	17,063.92	7,024.43



**Notes forming part of the Consolidated Financial Statements**

For the year ended 31 March, 2024 (contd.)

Previous year:		(₹ In Lacs)		
Particulars	As at 31 March 2023			
	Total	Within 12 months	After 12 Months	
Assets				
Financial Assets				
Cash and cash equivalents	2,948.57	2,948.57	-	
Bank balance other than above	31,910.91	25,703.10	6,207.81	
Securities held for trading	71.50	71.50	-	
Trade receivables	10,529.29	10,529.29	-	
Loans	5,136.35	5,136.35	-	
Investments	2,368.32	-	2,368.32	
Other financial assets	13,965.36	13,288.21	677.15	
Total financial assets	66,930.30	57,677.02	9,253.28	
Non Financial Assets				
Current tax assets (net)	509.71	-	509.71	
Deferred tax assets (net)	501.45	-	501.45	
Property, plant and equipment	2,999.35	-	2,999.35	
Right of use assets	747.07	-	747.07	
Other Intangible assets	54.65	-	54.65	
Other non-financial assets	1,352.54	621.14	731.40	
Total non-financial assets	6,164.77	621.14	5,543.63	
Total Assets	73,095.07	58,298.16	14,796.91	
Liabilities				
Financial Liabilities				
Trade payable	12,025.89	12,025.89	-	
Borrowings (other than debt securities)	1,496.91	1,496.91	-	
Deposits	1,036.47	-	1,036.47	
Lease liabilities	763.22	280.85	482.37	
Other financial liabilities	33,129.08	33,129.08	-	
Total financial liabilities	48,451.57	46,932.73	1,518.84	
Non-financial Liabilities				
Current tax liabilities (net)	3.56	3.56	-	
Provisions	2,192.35	2,192.35	-	
Deferred tax liabilities (net)	-	-	-	
Other non-financial liabilities	1,408.63	1,408.63	-	
Total non-financial liabilities	3,604.54	3,604.54	-	
Total Liabilities	52,056.11	50,537.27	1,518.84	
Net Assets	21,038.96	7,760.89	13,278.07	

**Notes forming part of the Consolidated Financial Statements**

For the year ended 31 March, 2024 (contd.)

**(54) 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			Total Carrying Value
	Amortised Cost	Fair value through P&L	Fair value through OCI	
<b>Assets</b>				
<b>Financial assets</b>				
Cash and cash equivalents	4,782.44	-	-	4,782.44
Bank balance other than above	53,498.01	-	-	53,498.01
Securities held for trading	129.68	-	-	129.68
Trade receivables	12,515.22	-	-	12,515.22
Loans	3,958.02	-	-	3,958.02
Investments (excluding associates)	-	2,137.87	-	2,137.87
Other financial assets	23,322.98	-	-	23,322.98
<b>Total</b>	<b>98,206.35</b>	<b>2,137.87</b>	<b>-</b>	<b>100,344.22</b>
<b>Liabilities</b>				
<b>Financial liabilities</b>				
Trade payables	20,889.46	-	-	20,889.46
Borrowings (other than debt security)	3,255.40	-	-	3,255.40
Deposits	1,031.93	-	-	1,031.93
Lease liabilities	916.41	-	-	916.41
Other financial liabilities	50,835.54	-	-	50,835.54
<b>Total</b>	<b>76,928.74</b>	<b>-</b>	<b>-</b>	<b>76,928.74</b>

**Previous year**

(₹ In Lacs)

Particulars	Measured at			Total Carrying Value
	Amortised Cost	Fair value through P&L	Fair value through OCI	
<b>Assets</b>				
<b>Financial assets</b>				
Cash and cash equivalents	2,948.57	-	-	2,948.57
Bank balance other than above	31,910.91	-	-	31,910.91
Securities held for trading	71.50	-	-	71.50
Trade receivables	10,529.29	-	-	10,529.29
Loans	5,136.35	-	-	5,136.35
Investments (excluding associates)	-	2,112.21	-	2,112.21
Other financial assets	13,965.36	-	-	13,965.36
<b>Total</b>	<b>64,561.98</b>	<b>2,112.21</b>	<b>-</b>	<b>66,674.19</b>
<b>Liabilities</b>				
<b>Financial liabilities</b>				
Trade payables	12,025.89	-	-	12,025.89
Borrowings (other than debt security)	1,496.91	-	-	1,496.91
Deposits	1,036.47	-	-	1,036.47
Lease liabilities	763.22	-	-	763.22
Other financial liabilities	33,129.08	-	-	33,129.08
<b>Total</b>	<b>48,451.57</b>	<b>-</b>	<b>-</b>	<b>48,451.57</b>

**Notes forming part of the Consolidated Financial Statements**

For the year ended 31 March, 2024 (contd.)

**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
<b>Financial instruments</b>				
Investment in				
Equity shares *	214.68	-	-	214.68
MF units	0.04	-	-	0.04
Units of AIF	-	1,923.15	-	1,923.15
<b>Total</b>	<b>214.72</b>	<b>1,923.15</b>	<b>-</b>	<b>2,137.87</b>

**Previous year**

	(₹ In Lacs)			
Particulars	Level 1	Level 2	Level 3	Total
<b>Financial instruments</b>				
Investment in				
Equity shares *	503.39	-	-	503.39
MF units	0.12	-	-	0.12
Units of AIF	-	1,608.70	-	1,608.70
<b>Total</b>	<b>503.51</b>	<b>1,608.70</b>	<b>-</b>	<b>2,112.21</b>

\* Investments under level 3 above include investment in unquoted equity shares of ₹50.05 Lacs ( P.Y. ₹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 schemes.

**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 2024 and 31 March 2023, the Group did not hold any financial assets or financial liabilities which could have been categorized as level 3.

**Notes forming part of the Consolidated Financial Statements**

For the year ended 31 March, 2024 (contd.)

**(55) 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

Particulars	(₹ In Lacs)	
	Year ended 31 March 2024	Year ended 31 March 2023
Brokerage fees	19,573.49	13,946.47
Research and advisory fees	3,481.72	1,690.24
Depository operations	130.95	79.63
Portfolio management fees	829.88	596.75
Alternate investment management fees	658.55	618.26
<b>Total</b>	<b>24,674.59</b>	<b>16,931.35</b>
India	24,449.41	16,834.58
Outside India	225.18	96.77
<b>Total</b>	<b>24,674.59</b>	<b>16,931.35</b>
<b>Timing of revenue recognition</b>		
Services transferred at a point in time	19,758.50	14,756.44
Services transferred over time	4,916.09	2,174.91
<b>Total</b>	<b>24,674.59</b>	<b>16,931.35</b>

**Contract Balances**

Particulars	(₹ In Lacs)	
	As at 31 March 2024	As at 31 March 2023
Trade and other receivables	12,515.22	10,529.29
Income received in advance (Contract Liability)	60.15	38.58

Revenue recognised from amount included in contract liability at the beginning of the year ₹19.54 Lacs (P.Y. ₹10.57 Lacs)

**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.

**(56) DISCONTINUED OPERATIONS**

Profit / (loss) from discontinued operations consists of following two discontinued operations:

Emkay Wealth Advisory 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.

## Notes forming part of the Consolidated Financial Statements

For the year ended 31 March, 2024 (contd.)

### a) Financial performance

	(₹ In Lacs)	
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Income	225.01	4.33
Expenses	(17.58)	(13.13)
<b>Profit / (Loss) before tax from discontinued operations</b>	<b>207.43</b>	<b>(8.80)</b>
Tax expenses	52.20	(3.16)
<b>Profit / (Loss) after tax from discontinued operations</b>	<b>155.23</b>	<b>(5.64)</b>

### b) Book value of assets and liabilities

	(₹ In Lacs)	
Book value of assets and liabilities	As at 31 March 2024	As at 31 March 2023
Assets	37.25	37.25
Liabilities	-	0.82

### c) Cash flow from discontinued operations ₹206.61 Lacs (P.Y. Out flow of ₹11.50 Lacs)

- d) In the matter of Show-Cause proceedings against the subsidiary Company, Emkay Commotrade Limited in the default at National Spot Exchange Limited ('NSEL') in 2012 matter pertaining to paired contracts transacted at NSEL in which the subsidiary Company has acted as broker business, SEBI has cancelled the Certificate of Registration of the subsidiary Company vide its Order No. QJA/VS/MIRSD/DOP/27303/2023-24 dated 09 June 2023 on the grounds that it is not fit and proper person to hold the certificate of registration as a broker in the Securities Market. The subsidiary Company has challenged the said Order of SEBI by filing an appeal before the Securities Appellate Tribunal (SAT). SAT has passed an Order dated 12 December 2023 - (i) directing SEBI to consider and come out with a scheme under the SEBI (Settlement Proceedings) Regulations, 2018 (said scheme) and to consider and dispose the case under the said scheme, (ii) in the event of SEBI unable to frame said scheme within suggested time frame, the subsidiary Company shall have option to file fresh appeal before SAT questioning the order of cancelling its registration within four weeks from the date of communication by SEBI, and (iii) the interim relief granted by SAT vide its order dated 13th July, 2023 of stay will continue to operate till disposal of case by SEBI under said the scheme and /or for a further period of six weeks to enable the subsidiary Company to file appeal before SAT. SAT by its further Order dated 14 March 2024 allowed SEBI an extension of four months w.e.f. 11 March 2024 for coming out with said scheme as directed by the Hon'ble Tribunal vide order dated 12 December 2023. The Management do not expect any impact of the same on the subsidiary Company since it has already discontinued its business of broking during 2018-19.

- (57) 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.

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	India	100%	Subsidiary
Emkay Commotrade Limited	India	100%	Subsidiary
Emkayglobal Financial Services IFSC Private Limited	GIFT City, Gandhinagar	100%	Subsidiary
Emkay Global Financial Services Pte.Ltd.	Singapore	100%	Subsidiary
Azalea Capital Partners LLP	India	45%	Associate of parent
Finlearn Edutech Private Limited	India	44.97%	Associate of a wholly owned subsidiary
AES Trading and Consultants LLP	India	25%	Associate of a wholly owned subsidiary

**Notes forming part of the Consolidated Financial Statements**

For the year ended 31 March, 2024 (contd.)

(58) Additional disclosure pertaining to Subsidiaries / Associates required under part III of division III of Schedule III to the Companies Act, 2013.

**a) Net assets**

(₹ In Lacs)

Name of the entity	As at 31 March 2024		As at 31 March 2023	
	% of consolidated net assets	Amount	% of consolidated net assets	Amount
<b>Parent</b>				
Emkay Global Financial Services Ltd.	72.00%	17,343.83	71.90%	15,126.20
<b>Subsidiaries</b>				
Emkay Fincap Ltd.	21.77%	5,244.82	23.78%	5,003.41
Emkay Commotrade Ltd.	8.67%	2,089.28	8.02%	1,686.47
Emkay Investment Managers Ltd.	10.16%	2,448.25	11.18%	2,351.32
Emkay Wealth Advisory Ltd.	0.81%	195.63	0.91%	191.01
Emkayglobal Financial Services IFSC Pvt. Ltd.	1.41%	340.18	1.88%	395.54
Emkay Global Financial Services Pte. Ltd.	0.34%	82.24	0.16%	34.58
<b>Associate</b>				
Azalea Capital Partners LLP	0.31%	74.14	0.14%	28.95
<b>Sub-total</b>	<b>115.48%</b>	<b>27,818.36</b>	<b>117.96%</b>	<b>24,817.48</b>
Adjustment arising out of consolidation	-15.48%	(3,730.01)	-17.96%	(3,778.52)
<b>Total</b>	<b>100.00%</b>	<b>24,088.35</b>	<b>100.00%</b>	<b>21,038.96</b>

**b) Share in profit or loss**

(₹ In Lacs)

Name of the entity	Year ended 31 March 2024		Year ended 31 March 2023	
	% of consolidated profit or loss	Amount	% of consolidated profit or loss	Amount
<b>Parent</b>				
Emkay Global Financial Services Ltd.	75.43%	2,446.99	75.55%	1,063.46
<b>Subsidiaries</b>				
Emkay Fincap Ltd.	7.43%	241.12	25.37%	357.08
Emkay Commotrade Ltd.	12.55%	407.13	10.41%	146.47
Emkay Investment Managers Ltd.	2.05%	66.46	12.67%	178.31
Emkay Wealth Advisory Ltd.	0.24%	7.79	-2.08%	(29.34)
Emkayglobal Financial Services IFSC Pvt. Ltd.	-1.85%	(59.91)	-3.52%	(49.51)
Emkay Global Financial Services Pte. Ltd.	1.19%	38.61	1.55%	21.84
<b>Associate</b>				
Azalea Capital Partners LLP	1.39%	45.19	0.62%	8.72
<b>Sub-total</b>	<b>98.44%</b>	<b>3,193.38</b>	<b>120.56%</b>	<b>1,697.03</b>
Adjustment arising out of consolidation	1.56%	50.49	-20.56%	(289.42)
<b>Total</b>	<b>100.00%</b>	<b>3,243.87</b>	<b>100.00%</b>	<b>1,407.61</b>



**Notes forming part of the Consolidated Financial Statements**  
For the year ended 31 March, 2024 (contd.)

**c) Share in other comprehensive income**

Name of the entity	Year ended 31 March 2024		Year ended 31 March 2023	
	% of consolidated profit or loss	Amount	% of consolidated profit or loss	Amount
<b>Parent</b>				
Emkay Global Financial Services Ltd.	101.52%	(97.63)	153.82%	(70.54)
<b>Subsidiaries</b>				
Emkay Fincap Ltd.	-0.31%	0.30	-7.80%	3.58
Emkay Commotrade Ltd.	1.05%	(1.01)	0.89%	(0.41)
Emkay Investment Managers Ltd.	1.79%	(1.72)	-2.24%	1.03
Emkay Wealth Advisory Ltd.	0.67%	(0.65)	3.13%	(1.44)
Emkayglobal Financial Services IFSC Pvt. Ltd.	-4.72%	4.54	-47.79%	21.92
Emkay Global Financial Services Pte. Ltd.	-	-	-	-
<b>Associate</b>				
Azalea Capital Partners LLP	-	-	-	-
<b>Total</b>	<b>100.00%</b>	<b>(96.17)</b>	<b>100.00%</b>	<b>(45.86)</b>

**d) Share in total comprehensive income**

Name of the entity	Year ended 31 March 2024		Year ended 31 March 2024	
	% of consolidated total comprehensive income	Amount	% of consolidated total comprehensive income	Amount
<b>Parent</b>				
Emkay Global Financial Services Ltd.	74.64%	2,349.36	72.92%	992.92
<b>Subsidiaries</b>				
Emkay Fincap Ltd.	7.67%	241.42	26.48%	360.65
Emkay Commotrade Ltd.	12.90%	406.12	10.73%	146.07
Emkay Investment Managers Ltd.	2.06%	64.73	13.17%	179.34
Emkay Wealth Advisory Ltd.	0.23%	7.15	-2.26%	(30.77)
Emkayglobal Financial Services IFSC Pvt. Ltd.	-1.76%	(55.37)	-2.03%	(27.59)
Emkay Global Financial Services Pte. Ltd.	1.23%	38.61	1.60%	21.84
<b>Associate</b>				
Azalea Capital Partners LLP	1.44%	45.19	0.64%	8.72
<b>Sub-total</b>	<b>98.40%</b>	<b>3,097.21</b>	<b>121.25%</b>	<b>1,651.18</b>
Adjustment arising out of consolidation	1.60%	50.49	-21.25%	(289.43)
<b>Total</b>	<b>100.00%</b>	<b>3,147.70</b>	<b>100.00%</b>	<b>1,361.75</b>

**Notes forming part of the Consolidated Financial Statements**

For the year ended 31 March, 2024 (contd.)

**(59)** The Board of Directors of the Parent Company at their meeting held on May 16, 2024, have recommended a dividend of ₹1.50 per share (on face value of ₹10/- per equity share) for the year ended March 31, 2024, subject to the approval of its members at the ensuing annual general meeting. In terms of Ind AS 10 "Events after the Reporting Period", the Group has not recognized dividend as a liability at the end of the reporting period.

**(60)** The Group has used three accounting software(s) for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled at the database level when using certain access rights insofar as it relates to Sun system, Acer cross and Tradeplus. Further no instance of audit trail feature being tampered with was noted in respect of these softwares.

**(61)** The Group's financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lac, except when otherwise indicated.

**(61)** Disclosure of Capital to risk-weighted assets (CRAR), Tier I CRAR, Tier II CRAR and Liquidity coverage ratios required under para (WB)(xvi) of Division III of Schedule III to the Act are not applicable to the Company as it is in broking business and not an NBFC registered under section 45-IA of Reserve bank of India Act, 1934.

**(63) Other Statutory Information**

- (i) The Group is holding immovable property as disclosed in note no.17. Title deeds of the property are held in the name of the Company.
- (ii) The Group has complied with the requirements of the number of layers prescribed under Section 2(87) of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- (iii) No proceeding has been initiated during the year or pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- (iv) The Group has taken borrowings from Banks on the basis of security of current financial assets and all the quarterly returns filed by the Group with the Banks are in agreement with the financial statements.
- (v) The Group is not a declared willful defaulter by any bank or financial institution or other lender.
- (vi) There are no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- (vii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (viii) The Group has not entered into any scheme or arrangement which has an accounting impact on current or previous financial year.
- (ix) The Group has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

## Notes forming part of the Consolidated Financial Statements

For the year ended 31 March, 2024 (contd.)

- (x) The Group has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (xi) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (xii) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (xiii) Daily back up of books of accounts and accounting records is taken on servers physically located in India.

### (64) 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 Group for the year ended 31 March 2024 were approved for issue by the Board of Directors at their meeting held on 16 May 2024.

As per our report of even date  
**For S.R.Batliboi & Co. LLP**  
 ICAI Firm registration number : 301003E/E300005  
 Chartered Accountants

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

**Place : Mumbai**  
**Date : 16 May 2024**

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

**Krishna Kumar Karwa**  
 Managing Director  
 DIN : 00181055

**Saket Agrawal**  
 Chief Financial Officer

**Place : Mumbai**  
**Date : 16 May 2024**

**Prakash Kacholia**  
 Managing Director  
 DIN : 00002626

**Bhalchandra Raul**  
 Company Secretary  
 Membership No.FCS1800

**Notes forming part of the Consolidated Financial Statements**

For the year ended 31 March, 2024 (contd.)

**SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES/ ASSOCIATES/ JOINT VENTURES AS PER COMPANIES ACT, 2013 (AOC-1):-****Part – A : SUBSIDIARIES**

1	Serial number	1	2	3	4	5	6
2	Name of subsidiary	Emkay Fincap Ltd	Emkay Comtrade Ltd.	Emkay Wealth Advisory Ltd.	Emkay Investment Managers Ltd.	Emkayglobal Financial Services IFSC Pvt. Ltd.	Emkay Global Financial Services Pte. Ltd.
3	Reporting period	31/03/2024	31/03/2024	31/03/2024	31/03/2024	31/03/2024	31/03/2024
4	Reporting currency	INR	INR	INR	INR	INR	1 SGD = 61.74
5	Date from which became subsidiary	16/05/2005	05/01/2006	08/03/2007	08/06/2010	21/06/2018	10/02/2021
6	Share capital	1,650.22	637.59	410.00	900.00	500.00	5.53
7	Other equity	3,594.60	1,451.70	(214.37)	1,548.25	(159.82)	76.71
8	Total assets	6,580.40	2,381.44	209.65	3,288.65	371.19	316.38
9	Total liabilities	1,335.58	292.16	14.03	840.40	31.01	234.14
10	Investments	192.00	207.62	-	214.72	-	-
11	Turnover / Total income	561.94	1,171.36	70.95	1,739.37	10.84	631.80
12	Profit before tax	394.57	326.13	8.06	78.08	(60.26)	43.79
13	Provision for taxation	110.75	97.50	0.29	11.62	(0.35)	5.19
14	Profit after tax	283.83	228.63	7.78	66.46	(59.91)	38.61
15	Share of profit / (loss) from associate	(42.71)	23.30	-	-	-	-
16	Profit / (loss) from discontinued operations	-	155.21	0.01	-	-	-
17	Other comprehensive income	0.30	(1.01)	(0.65)	(1.72)	4.54	-
18	Total comprehensive income	241.42	406.12	7.15	64.73	(55.37)	38.61
19	Proposed dividend	Nil	Nil	Nil	Nil	Nil	Nil
20	% of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

**Notes**

1. There are no subsidiaries which were liquidated or sold off during the year under review.
2. Turnover includes other income.
3. % of shareholding is the effective shareholding.

**Notes forming part of the Consolidated Financial Statements**

For the year ended 31 March, 2024 (contd.)

**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			Networth 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 %		
Finlearn Edutech Private Limited	31/03/2024	31/12/2019	3,597,250	359.73	44.97%	-	(42.71)

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 and AES Trading & Consultants LLP as associates by following equity accounting.

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

**Krishna Kumar Karwa**  
Managing Director  
DIN : 00181055

**Saket Agrawal**  
Chief Financial Officer

**Prakash Kacholia**  
Managing Director  
DIN : 00002626

**Bhalchandra Raul**  
Company Secretary  
Membership No.FCS1800

**Place : Mumbai**

**Date : 16 May 2024**

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Your success is our success

Emkay Global Financial Services Ltd.

CIN: L67120MH1995PLC084899

**Registered Office: The Ruby, 7th Floor,**

Senapati Bapat Marg,

Dadar West, Mumbai 400 028.

Tel: +91 22 66121212