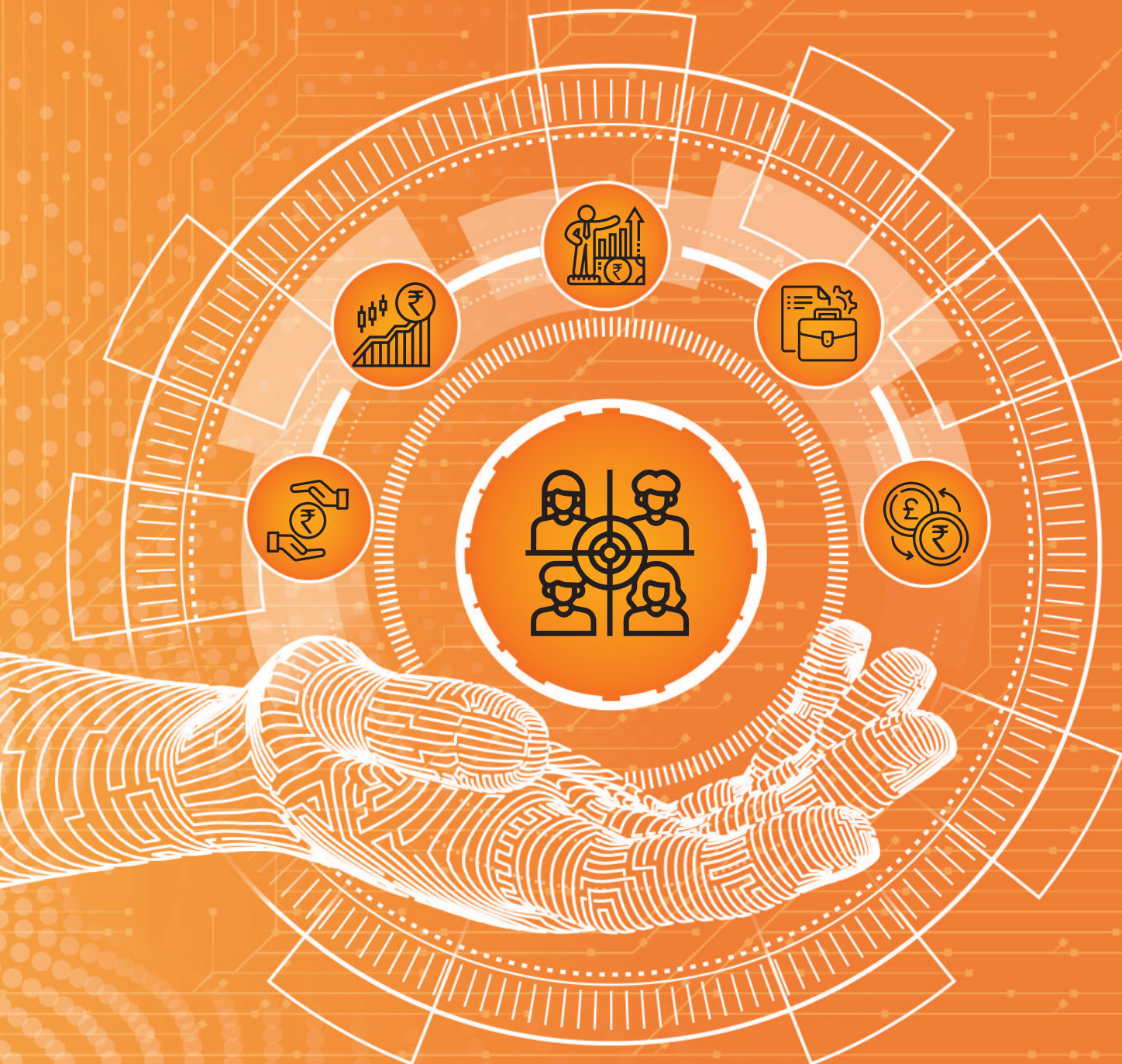


Annual Report 2021-22

Emkay Commotrade Limited

Emkay[®]

Your success is our success



360° Offerings.
Customer-Service. Technology.

CORPORATE INFORMATION

BOARD OF DIRECTORS

| | | |
|------------------------|---|--------------------------|
| Mr. Rajesh Sharma | - | Director (DIN: 01239871) |
| Mr. Saket Agrawal | - | Director (DIN: 06960186) |
| Mr. Devang Desai | - | Director (DIN: 08677261) |
| Dr. Bharat Kumar Singh | - | Director (DIN: 00274435) |

STATUTORY AUDITORS

M/s. B. L. Sarda & Associates, Chartered Accountants

BANKERS

HDFC Bank Limited

AXIS Bank Limited

State Bank of India

REGISTERED OFFICE

The Ruby, 7th Floor,
Senapati Bapat Marg,
Dadar (West), Mumbai - 400 028

ADMINISTRATIVE OFFICE

Paragon Centre,
“C-06”, Ground Floor,
P. B. Marg, Opp. Century Mills,
Worli, Mumbai - 400 013

CORPORATE IDENTIFICATION NUMBER:

U51110MH2006PLC158675

NOTICE

Notice is hereby given that the Seventeenth Annual General Meeting of the Members of **Emkay Comtrade Limited** will be held on Friday, August 05, 2022 at 11.00 a.m. at the Registered Office of the Company situated at The Ruby, 7th Floor, Senapati Bapat Marg, Dadar (West), Mumbai – 400 028 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2022 together with the reports of the Board of Directors and Auditors thereon.
2. To confirm the payment of Interim dividends on Equity Shares to the members of the Company, amounting to Rs. 1.70 crores for the financial year ended on March 31, 2022.
3. To appoint a Director in place of Mr. Devang Desai (DIN: 08677261), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. **To appoint Dr. Bharat Kumar Singh (DIN: 00274435) as an Independent Director.**

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule IV of the Act as may be amended from time to time, and the Articles of Association of the Company, Dr. Bharat Kumar Singh (DIN-00274435) who was appointed by the Board of Directors as an Additional Director (Non-Executive and Independent Director) of the Company with effect from 03rd June, 2022 and who meets the criteria for independence as provided in section 149(6) of the Act along with the Rules framed thereunder and who has submitted a declaration to the effect and in respect of whom the Company has received a notice in writing from a Member under section 160(1) of the Act proposing her candidature for the office of Director of the Company and who holds office up to this Annual General Meeting be and is hereby appointed as an Independent Director of the Company to hold office for term of five consecutive years with effect from 03rd June, 2022 up to 02nd June, 2027 not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors is hereby authorized to do all such acts, deeds, matters and things, as may be required to give effect to this resolution.”

5. **Approval of Loans, Guarantee or Security under section 185 of the Companies Act, 2013.**

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT in supersession of all the earlier resolutions passed in this regard and pursuant to Section 185(2) and all other applicable provisions of the Companies Act, 2013 and Rules made thereunder as amended from time to time, the Board of Directors of the Company (hereinafter referred to as the Board, which term shall be deemed to include, unless the context otherwise required, any committee of the Board or any director or officer(s) authorized by the Board to exercise the powers conferred on the Board by this resolution) be and is hereby authorized to advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any entity which is a holding or subsidiary or associate or joint venture of the Company, (in which any director is deemed to be interested) upto an aggregate sum of Rs. 25,00,00,000/- (Rupees Twenty Five Crores Only) in their absolute discretion deem beneficial and in the interest of the Company, provided that such loans are utilized by the borrowing company for its principal business activities.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things in their absolute discretion that may be considered necessary, proper and expedient or incidental for the purpose of giving effect to this resolution in the interest of the Company.”

By order of the Board of Directors
For Emkay Comtrade Limited

Rajesh Sharma
Director
DIN: 01239871

Saket Agrawal
Director
DIN: 06960186

Registered Office:

The Ruby, 7th Floor, Senapati Bapat Marg,
Dadar (West), Mumbai 400028

Place : Mumbai

Date : June 03, 2022

NOTICE (Contd.)

NOTES FOR MEMBERS' ATTENTION:

1. A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint Proxy/ Proxies to attend and vote instead of himself/ herself. Proxy/Proxies need not be a member of the Company. A Person can act as a proxy on behalf of members not exceeding fifty (50) and holding not more than ten percent (10%) of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the company carrying voting rights, then such a proxy shall not act as a proxy for any other person or shareholder. Proxies in order to be effective must be received by the company at its registered office not later than forty eight hours before the commencement of the meeting. A proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/ authority, as applicable.
2. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting are requested to send a duly certified copy of their board resolution.

3. Members/Proxies/Representatives should bring the enclosed Attendance Slip, dully filled in, for attending the Meeting. Copies of the Annual Report or Attendance Slips will not be distributed at the Meeting.

By order of the Board of Directors

For Emkay Commotrade Limited

Rajesh Sharma

Director

DIN: 01239871

Saket Agrawal

Director

DIN: 06960186

Registered Office:

The Ruby, 7th Floor, Senapati Bapat Marg,
Dadar (West), Mumbai 400028

Place : Mumbai

Date : June 03, 2022

NOTICE (Contd.)

Statement pursuant to Section 102 of the Companies Act, 2013

Item No. 4

The Board of Directors of the Company appointed Dr. Bharat Kumar Singh (DIN: 00274435) as an Additional Director (Non-Executive and Independent Director) of the Company with effect from 03rd June, 2022.

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("the Act") and Articles of Association of the Company, Dr. Bharat Kumar Singh holds office as an Additional Director up to the date of this Annual General Meeting. The Board of Directors of the Company has recommended the appointment of Dr. Bharat Kumar Singh as a Non Executive Independent Director not liable to retire by rotation to hold office for a term of five consecutive years with effect from 03rd June, 2022.

The Company has received a notice pursuant to section 160 of the Companies Act, 2013 from a member signifying its intention to propose appointment of Dr. Bharat Kumar Singh as Director of the Company. In the opinion of the Board, Mr. Bharat Kumar Singh fulfils the conditions specified in the Act for his appointment as an Independent Director of the Company and is independent of the management.

Dr. Bharat Kumar has given his consent for appointment as an Independent Director of the Company and has also confirmed that he has not incurred any disqualification under section 164(2) of the Act.

The Board of Directors recommends resolution set out at Item No. 4 of the Notice for your approval. Except Dr. Bharat Kumar Singh being an appointee, none of the other Directors or their relatives are in any way deemed to be concerned or interested, financially or otherwise in the resolution set out at Item No. 4 of the Notice.

Item No. 5

The Company in its Annual General Meeting held on 20th August, 2019 has approved to advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any entity which is a holding or subsidiary or associate or joint venture of the Company, (in which any director is deemed to be interested) upto an aggregate sum of Rs.10 crore /- (Rupees Ten Crores Only).

The Company wish to render support for the business requirements of other companies in the group, from time to time. In the light of the provision of Section 185 of

Companies Act, 2013, the Company with the approval of members by way of special resolution, would be in a position to provide financial assistance by way of loan including any loan represented by a book debt to other entities in the group or give guarantee or provide security in respect of loans taken by any person in whom any of the directors of the Company is interested and the loan is utilized by the borrowing companies, for their principal business activities.

The details of Existing loans given, or guarantee given or security provided.

| Sr. No | Name of the Company | Nature of Relationship | Purpose |
|--------|---|---------------------------|---|
| 1 | Emkay Global Financial Services Limited | Holding Company | To meet short term financial requirements |
| 2 | Emkay Fincap Limited | Fellow Subsidiary Company | To meet short term financial requirements |

In order to enable the company to advance loan to Holding/ Subsidiaries/ Joint Ventures /associates/ other Companies/ Firms in which Directors are interested directly or indirectly under section 185 of the Companies Act, it is proposed to increase the existing limit of Rs. 10 crore (Ten Crore only) under section 185 of the Companies Act 2013 up to Rs.25 Crore.

Hence, the Board of Directors recommend passing of Special Resolution at item no. 5 for approval by the members.

None of the Directors of the Company and their relatives are in any way, deemed to be concerned or interested, financially or otherwise, in the resolution set out at Item no. 5 of the notice.

By order of the Board of Directors
For Emkay Commotrade Limited

Rajesh Sharma
Director
DIN: 01239871

Saket Agrawal
Director
DIN: 06960186

Registered Office:

The Ruby, 7th Floor, Senapati Bapat Marg,
Dadar (West), Mumbai 400028

Place : Mumbai
Date : June 03, 2022

REPORT OF THE BOARD OF DIRECTORS

Dear Members,

Your Directors present the Seventeenth Annual Report of your Company and the Audited Financial Statements for the year ended March 31, 2022.

1. FINANCIAL RESULTS

An overview of the financial performance of the Company for financial year 2021-22 is as under:

(₹ In Lakhs)

| Particulars | 31.03.2022 (Standalone) | 31.03.2021 (Standalone) | 31.03.2022 (Consolidated) 13.12.2021 to 31.03.2022 | 31.03.2021 (Consolidated) Not Applicable |
|--|----------------------------|----------------------------|---|--|
| Total Revenue | 6907.84 | 203.25 | 6907.84 | - |
| Profit Before Tax | 2000.87 | 164.56 | 2000.87 | - |
| Less: Provision for Taxation | 286.43 | 27.22 | 286.43 | - |
| Less: Tax Expenses Earlier years adjustments | (27.22) | - | (27.22) | - |
| Share of (Loss) from Associates | - | - | (0.19) | - |
| Profit After Tax | 1735.25 | 135.74 | 1735.25 | - |
| Other Comprehensive Income /(Loss) (net of tax) | (0.78) | 0.42 | (0.78) | - |
| Total Comprehensive Income | 1734.47 | 136.16 | 1734.47 | - |

2. REVIEW OF OPERATIONS AND BUSINESS HIGHLIGHTS

During the year under review, your Company recorded a total income of Rs. 6907.84 lacs as compared to Rs. 203.25 lacs in the previous financial year. The Profit after Tax for the year under review stands at Rs. 1735.25. lacs as compared to Rs. 135.74 lacs in the previous financial year.

The Company had invested in Mutual Funds and executed Proprietary Trades in Derivative business. Though the Company has discontinued its business operation since financial year 2018-19, the Company continues to hold membership of Multi Commodity Exchange of India Limited and National Commodity & Derivatives Exchange Limited and have complied with the regulatory compliances, as applicable.

3. RESERVES AND SURPLUS

The Company has not transferred any amount to General Reserve during the year under review.

4. DIVIDEND

During the year under review, the Company had paid Interim Dividend on two different occasions of Re. 1/- per share i.e. 10% on the face value to its members. The First interim dividend of Re. 1/- per equity shares (10%) amounting to Rs. 85,00,000 and the second interim dividend of Re. 1/-

per equity shares (10%) amounting to Rs. 85,00,000 has been paid to the shareholders for the financial year 2021-22. Thus, the total dividend of Rs. 1,70,00,000/- was paid by the Company during the financial year 2021-22.

The Company had complied with relevant applicable provisions of the Companies Act, 2013 and rules made thereunder and the Income Tax Act, 1961.

The Interim Dividend paid is to be considered as Final Dividend for the financial year 2021-22.

5. ANNUAL RETURN

The Annual Return pursuant to 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 website of Holding Company i.e. <https://www.emkayglobal.com/ir-annual-reports>.

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

There have been no material changes and commitments between the end of financial year 2021-22 and the date of this report adversely affecting the financial position of the Company.

7. DIRECTORS & KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Companies (Management

REPORT OF THE BOARD OF DIRECTORS

& Administration) Rules, 2014 and Articles of Association of the Company, Mr. Devang Desai (DIN: 08677261), Director of the Company is liable to retire by rotation and being eligible, offers himself for re-appointment.

The Company has become Material Subsidiary of Emkay Global Financial Services Limited i.e Holding Company as per Regulation 16(1)(c) of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 by virtue of its Income exceeding the threshold limit of 10% of the Annual Consolidated Income of the Holding company (EGFSL) during the financial year ended 31.03.2022.

Having become a material subsidiary and pursuant to Regulation 24(1) of the LODR the Company is required to appoint at least one Independent director of its Holding Company (EGFSL) on our Board. Accordingly, the Board of Directors at its meeting held on 3rd June, 2022 appointed Dr. Bharat Kumar Singh (DIN: 00274435) as an Additional Director (Non-Executive and Independent Director) not liable to retire by rotation subject to approval of the members at the forthcoming Annual General Meeting (AGM) for a period of 5 years commencing from 3rd June, 2022. As an Additional Director he holds office upto the date of forthcoming AGM.

8. CORPORATE GOVERNANCE

a. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the Financial Year 2021-22, 10 meetings of the Board of Directors were held i.e. on May 19, 2021, June 03, 2021, August 05, 2021, October 27, 2021, November 12, 2021, December 10, 2021, December 16, 2021, January 24, 2022, February 21, 2022 and March 11, 2022.

The details of the attendance of Directors at the meetings were as under:

| Name of the Director | Category | Board Meetings held during Financial Year 2021-22 | |
|----------------------|----------|---|----------|
| | | Held | Attended |
| Mr. Rajesh Sharma | Director | 10 | 10 |
| Mr. Saket Agrawal | Director | 10 | 10 |
| Mr. Devang Desai | Director | 10 | 10 |

b. AUDIT COMMITTEE

Provisions of section 177 of the Companies Act, 2013 pertaining to constitution of Audit Committee are not applicable to the Company. Accordingly, the Company has not constituted the Audit Committee.

c. NOMINATION AND REMUNERATION COMMITTEE

Provisions of section 178 of the Companies Act, 2013 pertaining to constitution of Nomination and Remuneration Committee are not applicable to the Company. Accordingly, the Company has not constituted the Nomination and Remuneration Committee.

d. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

In view of improvement in the financial performance of the Company, the Board at its meeting held on June 03, 2022 has constituted a Corporate Social Responsibility Committee comprising of Dr. Bharat Kumar Singh, Mr. Rajesh Sharma and Mr. Saket Agrawal.

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 and that there are no material departures.
- The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for 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.
- 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.
- The directors had laid down systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate & operating effectively.

10. PUBLIC DEPOSITS

During the year under review, 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,

REPORT OF THE BOARD OF DIRECTORS

2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, details of Loans, Guarantees or Investments covered under Section 185 and 186 of the Companies Act, 2013, are given under notes to the Financial Statements. Details of Loans, Guarantees or Investments covered under Section 186 of the Companies Act, 2013, are given under notes to the Financial Statements.

12. 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 2021-22. All the directors have disclosed their interest in Form MBP-1 pursuant to the provisions of 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 A".

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

- a) The prescribed Particulars of Conservation of Energy, Technology Absorption do not have much relevance to the activities of the Company since it does not own any manufacturing facility. Hence information to be disclosed in terms of Section 134(3)(m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014 in respect of Conservation of Energy, Technology Absorption is not given.
- b) There were no Foreign Exchange earnings and outgo during the year under review.

14. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE COURTS OR REGULATORS

During the year under review no significant and material orders were passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

15. CHANGE IN ACCOUNTING POLICY:

The company has adopted Indian Accounting Standard (IND AS) with effect from 1st April, 2019 and the effective date of such transition is 1st April, 2018. There is no change in the accounting policy thereafter.

16. STATUTORY AUDITORS

Pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Company had appointed M/s. B. L. Sarda & Associates, Chartered Accountants, bearing Firm Registration Number 109266W with the Institute of Chartered Accountants of India (ICAI), as the Statutory Auditors of the Company to hold office for a period of 5 years from the conclusion of the 14th Annual General Meeting held on August 12, 2019, till the conclusion of the 19th Annual General Meeting to be held for the financial year 2023-24. There are no qualifications or observations or remarks made by the Auditors in their report.

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

17. SECRETARIAL AUDIT

In terms of provisions of Section 204 read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company is not required to get its records audited from Company Secretary in Practice. However, the company has become material subsidiary of its Holding company which is a listed company by virtue of its Income exceeding the threshold limit of 10% or more of the Annual Consolidated Income of the Holding Company. Accordingly as required under Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 our company is now required to get its secretarial records audited from a Company Secretary in Practice applicable from the financial year 2022-23.

As required under Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Board is in process of appointing a Practicing Company Secretary as the Secretarial Auditor of the Company for the financial year 2022-23.

REPORT OF THE BOARD OF DIRECTORS

18. COST RECORDS AND COST AUDIT

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 and rules made thereunder are not applicable for the business activities carried out by the Company.

19. REPORTING OF FRAUDS BY AUDITORS

During the year under review, pursuant to Section 143(12) of the Companies Act, 2013, the Statutory Auditor has not reported to the Company any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

20. INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

The Company has an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively for the Financial Year 2021-22.

21. SECRETARIAL STANDARDS

The Company complies with the applicable secretarial standards issued by the Institute of Company Secretaries of India.

22. HUMAN RESOURCE

a) PARTICULARS OF EMPLOYEES

The particulars of employees, in terms of requirement under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not annexed, as there are no employees whose remuneration falls within the prescribed limits of Section 197.

b) INFORMATION UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

During the year under review no complaint was filed before the Internal Complaints Committee constituted under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

23. ACKNOWLEDGEMENT

Your Directors would like to take this opportunity to express sincere gratitude towards the bankers and other business associates for the continued cooperation and patronage provided by them. Your Directors gratefully acknowledge the ongoing co-operation and support provided by the Government Authorities, Regulatory Bodies and other entities dealing with the Company.

Your Directors place on record their deep appreciation for the exemplary contribution made by employees at all levels.

By order of the Board of Directors
For Emkay Commotrade Limited

Rajesh Sharma
Director
DIN: 01239871

Saket Agrawal
Director
DIN: 06960186

Registered Office:

The Ruby, 7th Floor, Senapati Bapat Marg,
Dadar (West), Mumbai 400028

Place : Mumbai
Date : June 03, 2022

REPORT OF THE BOARD OF DIRECTORS

ANNEXURE “A”

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

| Sr No | Particulars | Details of Transaction |
|--|--|--|
| A | Name(s) of the related party and nature of relationship | Emkay Global Financial Services Limited – Holding Company |
| B | Nature of contracts /arrangements /transactions | Depository & Brokerage charges, Payment of Rent, Electricity Expenses, 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 1 st April, 2021 to 31 st March, 2022 |
| D | Salient terms of the contracts or arrangements or transactions including the value, if any | Reimbursement of certain common expenses such as Rent, Electricity Expenses, Water Charges, Telephone Expenses, Building Maintenance etc to the Holding Company on the basis of cost incurred by the holding company and dividing the same by the total number of employees of the Company sitting in the premises to arrive at cost per employee. |
| E | Justification for entering into such contracts or arrangements or transactions | It is economical for the Company i.e. Emkay Commotrade Limited and its Holding Company to share the basic infrastructure facilities of the Holding company such as IT, Administration etc. |
| F | Date(s) of approval by the Board | 03.02.2021 |
| G | Amount paid as advances, if any | N.A |
| H | Date on which the resolution was passed in general meeting as required under first proviso to section 188 ## | N.A |
| Note: ## 1. As per 5 th proviso to section 188(1) of the Companies Act, 2013 passing of shareholders resolution under 1 st proviso is not applicable for transactions entered into between holding company and its wholly owned subsidiary company 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. | | |

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

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 |

On behalf of the Board of Directors
For Emkay Commotrade Limited

| | |
|----------------------|----------------------|
| Rajesh Sharma | Saket Agrawal |
| Director | Director |
| DIN: 01239871 | DIN: 06960186 |

Place : Mumbai
Date : June 03, 2022

INDEPENDENT AUDITOR'S REPORT

To The Members of EMKAY COMMOTRADE LIMITED

REPORT ON THE AUDIT OF STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying standalone financial statements of **EMKAY COMMOTRADE LIMITED** ("the Company"), which comprises of Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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 Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profits and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, 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.

Information Other than the Standalone Financial Statements and Auditor's report thereon

The Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Board's Report

including Annexures to the Board report, but does not include the standalone financial statement 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 and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with Governance 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), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

INDEPENDENT AUDITOR'S REPORT (Contd.)

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 entity'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 standalone 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 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.

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 "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance sheet, the Statement of Profit & Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.
 - (e) On the basis of the written representation received from the directors as on March 31, 2022 taken on records by the Board of Directors, none

INDEPENDENT AUDITOR'S REPORT (Contd.)

of the directors are disqualified as on March 31, 2022 from being appointed as a Directors in terms of Section 164(2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B".

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Sec 197(16) of the Act, as amended:

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration during the year.

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

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27(d) and 38 to the financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. 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, 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities

identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company 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, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), 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 ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representation under sub clause (i) and (ii) of Rule 11(e) of The Companies (Audit and Auditors) Rules, 2014, as provided under (iv) (a) and (b) above, contains any material misstatement.

- v. The interim dividends declared and paid by the Company during the year is in compliance with the section 123 of the Act.

For B. L. Sarda & Associates

Chartered Accountants

Firm Registration No.109266W

(CA. B. L. Sarda)

Partner

Membership No.014568

UDIN : 22014568AJLCOW3694

Place : Mumbai

Dated : 23rd May, 2022

ANNEXURE “A” TO INDEPENDENT AUDITOR’S REPORT

Annexure “A” to Independent Auditor’s report of even date to the members of EMKAY COMMOTRADE LIMITED on the standalone financial statements as at and for the year ended March 31, 2022

- (i) (a) (A) In our opinion, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (B) The Company do not have any intangible assets. Accordingly, clause 3(i)(a)(B) of the order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, property, plant and equipment of the Company have been physically verified by the management during the year which in our opinion is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. According to the information and explanations given to us, no discrepancies were noticed on such verification.
- (c) The Company does not own any immovable property during the year. Accordingly, clause 3(i)(c) of the order is not applicable to the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment during the year. Accordingly, clause 3(i)(d) of the Order is not applicable to the Company.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made there under. Accordingly, clause 3(i)(e) of the Order is not applicable to the Company.
- (ii) (a) The Company does not hold any physical inventories during the year. Accordingly, clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of the

security of current assets at any point of time during the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

- (iii) In respect of Investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties:

- (a) (A) The Company does not hold investment in any subsidiary, joint venture or associate (as defined in the Act) during the year ended 31 March 2022. Accordingly paragraph 3(iii)(a)(A) of the order is not applicable to the Company.

- (B) Based on the audit procedures carried out by us and as per the information and explanations given to us, the Company has not provided any guarantee and given security to Companies (other than subsidiary, joint venture or associate) during the year and it has granted unsecured loans to Companies (other than subsidiary, joint venture or associate) as below :

| Particulars | Loans granted (Rs. in Hundreds) |
|--|------------------------------------|
| Aggregate amount during the year | |
| - Other parties | 4,75,000.00 |
| Balance outstanding as at the balance sheet date | |
| - Other parties | NIL |

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion , investments made during the year and the terms and conditions of the grant of loans during the year are, prima facie, not prejudicial to the Company’s interest. The Company has not provided any guarantee and given security during the year.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, in the case of loans given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, all loans granted

ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT (Contd.)

during the year have been fully squared up and therefore there are no overdue amount for more than ninety days in respect of loans given.

- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no loans or advances in the nature of loans granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the over dues of existing loans or advances in the nature of loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to loan granted and investments made. The Company has neither given any guarantee nor provided any security in connection with a loan to any other body corporate or person.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within

the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014. Accordingly, clause 3(v) of the Order is not applicable to the Company.

- (vi) In our opinion and according to the information and explanations given to us, the Company is not required to maintain cost records pursuant to the rules made by the Central Government under Section 148 (1) of the Act. Accordingly, clause 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Goods and Services Tax, provident fund, income tax, cess and other statutory dues applicable to it except delay in payment of TDS. As explained to us, the Company did not have any dues on account of employees' state insurance, sales-tax, service tax, duty of customs, duty of excise and value added tax. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid statutory dues were in arrears, as on March 31, 2022 for a period of more than six months from the date they became payable except the followings:.

| Name of the Statute | Nature of dues | Amount (Rs. in Hundreds) | Period to which the amount relates | Due Date |
|--------------------------|----------------|-----------------------------|---------------------------------------|-------------|
| Andhra Pradesh Stamp Act | Stamp duty | 658.95 | June, 2013 | July, 2013* |

* paid within due date but demand drafts not encashed by Registrar Office hence reversed by bank by crediting company's bank account.

- (b) As at March 31, 2022, according to the information and explanations given to us and the records of the Company examined by us, there are no

statutory dues mentioned in para (vii) (a) above which have not been deposited on account of any dispute except the followings:.

| Name of the Statute | Nature of dues | Amount of demand (Rs. in Hundreds) | Period to which the amount relates | Forum where dispute is pending |
|----------------------|---------------------------------|---------------------------------------|---------------------------------------|--|
| Income Tax Act, 1961 | Income Tax and Interest | 459.60 | F.Y. 2011-2012 | Assessing Officer for rectification and Grievance with E-Nivaran |
| Income Tax Act, 1961 | Fringe Benefit Tax and interest | 153.70 | F.Y. 2008-2009 | Assessing Officer for rectification |

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as

income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, clause 3(viii) of the Order is not applicable to the Company.

ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT (Contd.)

- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us by the management, the Company has not obtained any term loan during the year. Accordingly, clause 3(ix)(c) of the order is not applicable to the Company.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not hold investment in any subsidiary, associate company or joint venture (as defined in the Act) during the year ended 31st March, 2022. Accordingly, clause 3(ix)(e) and (f) of the order are not applicable to the Company.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3 (x)(a) of the order is not applicable to the Company.
- (b) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, clause 3(x)(b) of the order is not applicable to the Company
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by or on the Company, noticed or reported during the year, nor have we been informed of such case by the management.
- (b) No report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) Based on our audit procedure performed and according to the information and explanations given to us, no whistle blower complaints were received by the Company during the year. Accordingly, clause 3(xi)(c) of the Order is not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us , the Company is not a nidhi company. Accordingly, clause 3(xii) (a), (b) and (c) of the order are not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transaction have been disclosed in note 30 of the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports for the year under audit issued to the Company during the year and till date, in determining nature, timing and extent of our audit procedure.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him as prescribed under section 192 of the Act. Accordingly, clause 3(xv) of the order is not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi) (a), (b) and (c) of the Order are not applicable to the Company.
- (b) In our opinion and according to the information and explanations given to us, there is no core investment company within the "Companies in

ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT (Contd.)

the Group" as defined in the Core Investment Companies (Reserve Bank) Directions, 2016. Accordingly, clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred any cash losses during the financial year covered by our audit and immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year. Accordingly, clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and 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 indicating that the 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, provisions of section 135 of the Act pertaining to expenditure on Corporate Social Responsibility are not applicable to the Company. Accordingly, clause 3(xx)(a) and (b) of the Order are not applicable to the Company.

For B. L. Sarda & Associates

Chartered Accountants

Firm Registration No.109266W

(CA. B. L. Sarda)

Partner

Membership No.014568

UDIN : 22014568AJLCOW3694

Place : Mumbai

Dated : 23rd May, 2022

ANNEXURE “B” TO INDEPENDENT AUDITOR’S REPORT

Annexure “B” to Independent Auditor’s report of even date to the members of EMKAY COMMOTRADE LIMITED on the standalone financial statements for the year ended March 31,2022**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

1. We have audited the internal financial controls over financial reporting of **EMKAY COMMOTRADE LIMITED** (“the Company”) as of March 31, 2022 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

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

AUDITORS’ RESPONSIBILITY

3. Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements

and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

6. A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (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 standalone financial statements.

ANNEXURE "B" TO INDEPENDENT AUDITOR'S REPORT(Contd.)

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as

at March 31, 2022 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B. L. Sarda & Associates

Chartered Accountants

Firm Registration No.109266W

(CA. B. L. Sarda)

Partner

Membership No.014568

UDIN : 22014568AJLCOW3694

Place : Mumbai

Dated : 23rd May, 2022

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STANDALONE BALANCE SHEET

AS AT 31ST MARCH, 2022

| | | (₹ in hundreds) | |
|--|---|--------------------------|---------------------------|
| Particulars | | As at 31st March 2022 | As at 31st March 2021 |
| | | current reporting period | previous reporting period |
| I | ASSETS | | |
| 1 | Financial assets | | |
| | Cash and cash equivalents | 2,354,045.69 | 189,687.83 |
| | Bank Balance other than cash and cash equivalents | 280,000.00 | 280,000.00 |
| | Derivative financial instruments | - | - |
| | Trade Receivables | - | 1,778.22 |
| | Investments | 428.53 | - |
| | Other Financial assets | 50,687.66 | 213,615.14 |
| | Total Financial assets | 2,685,161.88 | 685,081.19 |
| 2 | Non-financial Assets | | |
| | Current tax assets (net) | 28,046.79 | 854.85 |
| | Deferred tax assets (net) | 860.00 | - |
| | - Property, Plant and Equipment | 632.93 | 632.93 |
| | Other non financial assets | 24.12 | 14.61 |
| | Total Non-financial Assets | 29,563.84 | 1,502.39 |
| | Total assets | 2,714,725.72 | 686,583.58 |
| II | LIABILITIES AND EQUITY | | |
| | LIABILITIES | | |
| 1 | Financial Liabilities | | |
| | (c) | | |
| | Derivative financial instruments | - | - |
| | Derivative financial instruments | 5 | - |
| | Payables | | |
| | (I) Trade Payables | | |
| | (i) total outstanding dues of micro enterprises and small enterprises | - | - |
| | (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 748.38 | 5,352.74 |
| | (II) Other Payables | | |
| | (i) total outstanding dues of micro enterprises and small enterprises | | |
| | (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | | |
| | (II) Other Payables | | |
| | (i) total outstanding dues of micro enterprises and small enterprises | - | - |
| | (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 16,448.62 | 2,946.59 |
| | Borrowings (Other than Debt securities) | - | - |
| | Other financial liabilities | 13 | 103.90 |
| | Total Financial Liabilities | 17,197.00 | 8,403.23 |
| 2 | Non-financial Liabilities | | |
| | Current tax liabilities (net) | | |
| | Current tax liabilities (net) | 14 | 35,345.90 |
| | Provisions | 15 | 3,085.54 |
| | Deferred tax liabilities (net) | 37(e) | - |
| | Other non-financial liabilities | 16 | 421,102.34 |
| | Total Non-financial Liabilities | 459,533.78 | 4,657.54 |
| 3 | EQUITY | | |
| | Equity share capital | 17 | 850,000.00 |
| | Other Equity | 18 | 1,387,994.94 |
| | Total Equity | 2,237,994.94 | 673,522.81 |
| | Total Liabilities and Equity | 2,714,725.72 | 686,583.58 |
| SIGNIFICANT ACCOUNTING POLICIES | | 2 | |

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

As per our Report of even date
For-B.L. Sarda & Associates
Chartered Accountants
Firm Registration No.109266W

(CA B. L. Sarda)
Partner
Membership No. 014568

Place : Mumbai
Dated : 23rd May 2022

By the order of the Board
EMKAY COMMOTRADE LIMITED

Rajesh Sharma
Director
DIN: 01239871

Place : Mumbai
Dated : 23rd May 2022

Saket Agrawal
Director
DIN: 06960186

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in hundreds)

| Particulars | Note No. | For the Current Year Ended 31st March 2022 | For the Previous Year Ended 31st March 2021 |
|---|----------|--|---|
| Revenue from operations | | | |
| (i) Interest income | 19 | 50,911.88 | 2,255.55 |
| (ii) Fee and commission income | | - | - |
| (iii) Net gain on fair value changes | 20 | 6,815,338.69 | 186,876.14 |
| (iv) Others | | - | - |
| (I) Total Revenue from operations | | 6,866,250.57 | 189,131.69 |
| (II) Other Income | 21 | 41,590.07 | 14,116.64 |
| (III) Total Income (I + II) | | 6,907,840.64 | 203,248.33 |
| Expenses | | | |
| (i) Finance Costs | 22 | 39,288.82 | 18,586.81 |
| (ii) Employee benefits expenses | 23 | 13,732.90 | 11,163.37 |
| (iii) Depreciation expenses | 24 | - | - |
| (iv) Other expenses | 25 | 4,853,946.88 | 8,937.04 |
| (v) Share of Loss in Limited Liability Partnership | 26 | 196.47 | - |
| (IV) Total Expenses (IV) | | 4,907,165.07 | 38,687.22 |
| (V) Profit before tax from continuing operations (V- VI) | | 2,000,675.57 | 164,561.11 |
| (VI) Tax Expense: | | | |
| (1) Current tax | | 287,291.00 | 27,216.26 |
| (2) Deferred tax | | (860.00) | - |
| (3) Short/(Excess) Provision for Taxation for Earlier Year | | (27,216.26) | - |
| Total Tax Expense: | | 259,214.74 | 27,216.26 |
| (VII) Profit for the year from continuing operations | | 1,741,460.83 | 137,344.85 |
| (VIII) Profit/(Loss) for the year from discontinued operations | | (6,210.06) | (1,601.43) |
| (IX) Tax Expenses on discontinued operations | | - | - |
| (X) Profit/(Loss) for the year from discontinued operations (After Tax) | | (6,210.06) | (1,601.43) |
| (XI) Profit for the year | | 1,735,250.77 | 135,743.42 |
| (XII) Other Comprehensive Income/(loss) | | | |
| A (i) Items that will not be reclassified to profit or loss | | | |
| - Actuarial gain/(loss) on defined benefit plan | | (1,153.38) | 501.74 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss-Current year | | 291.00 | (83.74) |
| (iii) Income tax relating to items that will not be reclassified to profit or loss - Earlier years | | 83.74 | - |
| Subtotal (A) | | (778.64) | 418.00 |
| B (i) Items that will be reclassified to profit or loss | | - | - |
| (ii) Income tax relating to items that will be reclassified to profit or loss | | - | - |
| Subtotal (B) | | - | - |
| Other Comprehensive Income/(loss) (A + B) | | (778.64) | 418.00 |
| (XIII) Total Comprehensive Income/(loss) for the year | | 1,734,472.13 | 136,161.42 |
| (XIV) Earnings per Equity Share (for Continuing Operations) of Nominal value of Rs. 10 each (in rupees) | | | |
| - Basic | | 20.49 | 1.74 |
| - Diluted | | 20.49 | 1.73 |
| (XV) Earnings per Equity Share (for Discontinued Operations) of Nominal value of Rs. 10 each (in rupees) | | | |
| - Basic | | (0.07) | (0.02) |
| - Diluted | | (0.07) | (0.02) |
| (XVI) Earnings per Equity Share (for Discontinued & Continuing Operations) of Nominal value of Rs. 10 each (in rupees) | | | |
| Basic | | 20.41 | 1.72 |
| Diluted | | 20.41 | 1.71 |

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

As per our Report of even date
For-B.L. Sarda & Associates
 Chartered Accountants
 Firm Registration No.109266W

(CA B. L. Sarda)
 Partner
 Membership No. 014568

Place : Mumbai
 Dated : 23rd May 2022

By the order of the Board
EMKAY COMMOTRADE LIMITED

Rajesh Sharma
 Director
 DIN: 01239871

Place : Mumbai
 Dated : 23rd May 2022

Saket Agrawal
 Director
 DIN: 06960186

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH, 2022

1 EQUITY SHARE CAPITAL

(₹ in hundreds)

| Particulars | Equity Share Capital | |
|--|----------------------|---------------|
| | No. of Shares | Amount in Rs. |
| As at 31st March, 2021 | | |
| Balance at the beginning of the previous reporting period | 6,000,000 | 600,000.00 |
| Changes in equity share capital due to prior period errors | - | - |
| Restated balance at the beginning of the previous reporting period | - | - |
| Changes in equity share capital during the previous year | 2,500,000 | 250,000.00 |
| Balance at the end of the previous reporting period | 8,500,000 | 850,000.00 |
| As at 31st March, 2022 | | |
| Balance at the beginning of the current reporting period | 8,500,000 | 850,000.00 |
| Changes in equity share capital due to prior period errors | - | - |
| Restated balance at the beginning of the current reporting period | - | - |
| Changes in equity share capital during the current year | - | - |
| Balance at the end of the current reporting period | 8,500,000 | 850,000.00 |

2 OTHER EQUITY

(₹ in hundreds)

| Particulars | Reserves and Surplus | | Equity component of compound financial instruments | Other Comprehensive Income | Total |
|--|----------------------|----------------------------------|--|---|---------------------|
| | Retained Earnings | Other Reserves - General Reserve | | Items that will not be Reclassified to Profit or Loss - Actuarial gains/(losses) on Defined Benefit Plans | |
| Balance as at 31st March 2021 | | | | | |
| Balance at the beginning of the previous reporting period | (443,373.57) | 42,145.86 | 89,811.51 | (1,222.41) | (312,638.61) |
| Changes in accounting policy or prior period errors | - | - | - | - | - |
| Restated balance at the beginning of the previous reporting period | - | - | - | - | - |
| Profit after income tax for the previous year | 135,743.42 | - | - | - | 135,743.42 |
| Transferred to retained earnings | 89,811.51 | - | (89,811.51) | - | - |
| Other Comprehensive Income/(Loss) for the previous year | - | - | - | 418.00 | 418.00 |
| Total Comprehensive Income for the previous year | - | - | - | - | 136,161.42 |
| Balance at the end of the previous reporting period | (217,818.64) | 42,145.86 | - | (804.41) | (176,477.19) |
| Balance as at 31st March 2022 | | | | | |
| Balance at the beginning of the current reporting period | (217,818.64) | 42,145.86 | - | (804.41) | (176,477.19) |
| Changes in accounting policy or prior period errors | - | - | - | - | - |
| Restated balance at the beginning of the current reporting period | - | - | - | - | - |
| Profit after tax for the current year | 1,735,250.77 | - | - | - | 1,735,250.77 |
| Less: Interim Dividend Paid | 170,000.00 | - | - | - | 170,000.00 |
| Other Comprehensive Income/(Loss) for the current year | - | - | - | (778.64) | (778.64) |
| Total Comprehensive Income/(Loss) for the current year | - | - | - | - | 1,734,472.13 |
| Balance at the end of the current reporting period | 1,347,432.13 | 42,145.86 | - | (1,583.05) | 1,387,994.94 |

The accompanying notes are an integral part of the Standalone Financial Statements.

As per our Report of even date
For-B.L. Sarda & Associates
Chartered Accountants
Firm Registration No.109266W

(CA B. L. Sarda)
Partner
Membership No. 014568

Place : Mumbai
Dated : 23rd May 2022

By the order of the Board
EMKAY COMMOTRADE LIMITED

Rajesh Sharma
Director
DIN: 01239871

Place : Mumbai
Dated : 23rd May 2022

Saket Agrawal
Director
DIN: 06960186

STANDALONE STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in hundreds)

| Particulars | 31st March 2022 | | 31st March 2021 | |
|--|-----------------|---------------------|-----------------|---------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Net Profit/(Loss) before tax, Exceptional / Extraordinary Items From | | | | |
| Continuing Operations | | 2,000,675.57 | | 164,561.11 |
| Adjustment for : | | | | |
| Finance Costs | 39,288.82 | | 18,586.81 | |
| Depreciation Expenses | - | | - | |
| Interest Received | (66,133.34) | | (16,331.79) | |
| Loss on Disposal/Discard of Property, Plant and Equipment | - | (26,844.52) | - | 2,255.02 |
| Operating profit before working capital changes | | 1,973,831.05 | | 166,816.13 |
| Adjustment for : | | | | |
| (Increase)/decrease in trade receivables | 1,778.22 | | (1,778.22) | |
| (Increase)/decrease in other financial assets | 161,774.10 | | (174,833.43) | |
| (Increase)/decrease in other non financial assets | (9.51) | | 79.97 | |
| (Increase)/decrease in bank balance other than cash and cash equivalents | - | | (280,000.00) | |
| Increase/(decrease) in trade payables | 165.41 | | - | |
| Increase/(decrease) in other payables | 12,390.01 | | (1,714.43) | |
| Increase/(decrease) in other financial liabilities | (103.90) | | (151.44) | |
| Increase/(decrease) in provisions | 1,856.54 | | 1,188.60 | |
| Increase/(decrease) in other non financial liabilities | 419,522.69 | 597,373.56 | (728.06) | (457,937.01) |
| Cash Generated from operations | | 2,571,204.61 | | (291,120.88) |
| Direct taxes (Paid)/Refund | | (253,654.10) | | (16,001.19) |
| Cash flow before extraordinary items | | 2,317,550.51 | | (307,122.07) |
| Extraordinary items | | - | | - |
| Net Cash from / (used in) Operating Activities | | 2,317,550.51 | | (307,122.07) |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Interest Received | 66,133.34 | 66,133.34 | 16,331.79 | 16,331.79 |
| Net Cash from/(used in) Investing Activities | | 66,133.34 | | 16,331.79 |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Proceeds from Issue of Equity shares | - | | 25,000.00 | |
| Redemption of Preference shares | - | | (25,000.00) | |
| Investments made | (428.53) | | | |
| Interim Dividends Paid | (170,000.00) | | | |
| Finance Costs | (39,288.82) | (209,717.35) | - | - |
| Net Cash from/(used in) Financing Activities | | (209,717.35) | | - |
| Net Increase/(Decrease) in Cash and Cash equivalents - Continued Operations | | 2,173,966.50 | | (290,790.28) |

STANDALONE STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in hundreds)

| Particulars | 31st March 2022 | 31st March 2021 |
|---|---------------------|--------------------|
| D. CASH FLOW FROM DISCONTINUED OPERATIONS | | |
| Net Profit/(Loss) before tax, Discontinued Operations | (6,210.06) | (1,601.43) |
| Operating profit before working capital changes | (6,210.06) | (1,601.43) |
| Adjustment for : | | |
| (Increase)/decrease in other financial assets | - | 827.55 |
| Increase/(decrease) in trade payables | (4,769.77) | (14,117.33) |
| Increase/(decrease) in other payables | 1,112.02 | 781.58 |
| Increase/(decrease) in other financial liabilities | - | (103.90) |
| Increase/(decrease) in other non financial liabilities | 259.17 | 778.50 |
| Net Cash from / (used in) discontinued Operating Activities | (9,608.64) | (13,435.03) |
| Net Increase/(Decrease) in Cash and Cash equivalents -Dis-continued Operations | (9,608.64) | (13,435.03) |
| Net Increase/(Decrease) in Cash and Cash equivalents | | |
| Continued Operations | 2,173,966.50 | (290,790.28) |
| Dis-continued Operations | (9,608.64) | (13,435.03) |
| | 2,164,357.86 | (304,225.31) |
| Cash and Cash equivalents at the beginning of the year | 189,687.83 | 493,913.14 |
| Cash and Cash equivalents at the close of the year | 2,354,045.69 | 189,687.83 |
| Notes : | | |
| 1. Cash and Cash equivalents comprise of : | | |
| Balances with Banks | | |
| - Current Accounts | 2,353,962.20 | 189,661.44 |
| Cash on Hand | 83.49 | 26.39 |
| | 2,354,045.69 | 189,687.83 |
| 2. The above Standalone Cash flow statement has been prepared under the Indirect Method as set out in the Indian Accounting Standard - 7 (Ind AS-7) "Statement of Cash Flow." | | |
| 3. Previous year's figures are re-grouped/recasted/re-arranged wherever considered necessary. | | |

The accompanying notes are an integral part of the Standalone Financial Statements.

As per our Report of even date
For **B.L. Sarda & Associates**
Chartered Accountants
Firm Registration No.109266W

(CA B. L. Sarda)
Partner
Membership No. 014568

Place : Mumbai
Dated : 23rd May 2022

By the order of the Board
EMKAY COMMOTRADE LIMITED

Rajesh Sharma
Director
DIN: 01239871

Place : Mumbai
Dated : 23rd May 2022

Saket Agrawal
Director
DIN: 06960186

NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2022

1 CORPORATE INFORMATION

Emkay Commotrade Limited ('the Company') is a company domiciled in India and was incorporated under the Companies Act, 1956 vide Certificate of Incorporation (CIN) U51110MH2006PLC158675, dated 5th January, 2006. The Company is the wholly owned subsidiary company of the Emkay Global Financial Services Limited (the Parent). The company's registered office is situated at the Ruby, 7th Floor, Senapati Bapat Marg, Dadar (West), Mumbai-400028. The Company was engaged in the business of Commodity Exchanges Broking which was discontinued from 13th February 2019. However, it continues to hold certificate of registration issued by Securities and Exchange Board of India (SEBI) for broking. The Company has commenced dealing in derivative instruments and securities during last year.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

(i) Statement of Compliance

These standalone financial statements comprise the Standalone Balance Sheets as at March 31, 2022 and March 31, 2021, the Standalone Statements of Profit and Loss, the Standalone Statements of Cash Flows and the Standalone Statements of Changes in Equity for the year ended March 31, 2022 and for the year ended March 31, 2021, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as 'Standalone Financial Statements').

These standalone 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) Rules, 2015 as amended and other relevant provisions of the Act.

These standalone financial statements have been prepared in accordance with Division III of Schedule III to the Act on going concern basis using the significant accounting policies and measurement bases summarized as below. . These accounting policies have been applied consistently over all the periods presented in these standalone financial statements.

(ii) Historical Cost Convention

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

- certain financial instruments which are measured at fair value (refer Accounting Policy no.2.3 below);and
- defined benefit plan- plan assets measured at fair value (refer Accounting Policy no.2.9(ii)(A)(b) below).

(iii) Functional and Presentation Currency

These standalone financial statements are presented in Indian Rupees ('INR'), which is also the Company's functional currency and all values are rounded to the nearest hundred except Earnings Per Share (EPS) which are in rupees.

(iv) Preparation of standalone financial statements

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. As per the format prescribed under Division III of Schedule III to the Act on 11 October 2013, the Company presents the Standalone Balance Sheet, the Standalone Statement of Profit and Loss and the Standalone Statement of Changes in Equity in the order of liquidity. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in note no.35.

(v) Use of Estimates and Judgments

The preparation of the standalone financial statements requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the standalone financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the standalone financial statements is made relying on these estimates.

The estimates and judgements used in the preparation of the standalone financial statements are continuously evaluated and are

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future period.

Areas involving critical estimates and Judgements are:

- Estimation of useful lives and residual values of property, plant and equipment.
- Estimation of defined benefit obligations
- Estimation of tax expenses
- Provisions and contingent liabilities
- Measurement of fair values
- Allowance for impairment of financial and non-financial instruments

(vi) Fair Value Measurement

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 economic best interest.

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

The 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.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

2.2 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.

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 written down value (WDV) method to write down the cost of PPE to their residual values over their estimated useful lives which are in line with the estimated useful life as specified in Schedule II of the Act.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

The estimated useful lives are as follows:

| Particulars | Useful life estimated by Company |
|------------------------|--|
| Furniture and Fixtures | 10 years |
| Office Equipments | 5 years |
| Computers | 3 years |

Derecognition

An item of PPE is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on recognition 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.

2.3 Financial Instruments

(i) Initial Recognition and Measurement

The Company recognizes financial assets and liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition.

(ii) Subsequent Measurement

a. Financial Assets Carried at Amortized Cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b. Financial Assets at Fair Value Through Other Comprehensive Income(FVOCI)

Investment in equity instruments are generally accounted for as at fair value through the statement of profit and loss account unless an irrevocable election has

been made by management to account for at fair value through other comprehensive income. Such classification is determined on an instrument-by-instrument basis.

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

c. Financial Assets at Fair Value Through Profit or Loss(FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Items at fair value through profit or loss comprise:

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

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

Financial instruments held for trading

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

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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

d. Investment in Associate

Investment in Associate are carried at cost in accordance with Ind AS 27 on "Separate Financial Statements" less impairment loss, if any as per point no. 2.4 (a)(ii) below

e. Derivatives

The Company enters into derivative transactions being equity derivative transactions in the nature of Futures and Options in Equity Stock/Index 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.

f. Financial Liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(iii) Derecognition of Financial Instruments

The Company derecognizes a financial asset when the contractual right to receive the cash flows from the financial asset expire or it transfers the financial asset.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires.

(iv) 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 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.

2.4 Impairment

a. Financial Assets

- (i) The Company recognizes loss allowances using the expected credit losses (ECL) model for the financial assets which are not fair valued through statement of profit and loss. For trade receivables with no significant financing component, the Company provides for ECL by way of Provision for doubtful debts based on the probability of defaults that are possible over the life of the asset. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is done so as an impairment gain or loss in statement of profit and loss.

(ii) Investment in Associate

Investment in Associate is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable and impairment loss is recognized for the amount by which the carrying amount of the investment exceeds its recoverable amount.

b. Non-Financial Assets

Property, Plant and Equipment

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.

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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

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.

2.5 Compound Financial Instruments

Compound Financial Instruments are separated into liability and equity components based on the terms of the instrument.

At the time of issuance of the compound financial instruments, the liability component is measured at amortised cost using effective interest rate (EIR) and classified as 'Liability component of compound financial instrument'. It is measured at amortized cost till the standalone financial statements of the Company were prepared on "going concern" basis and thereafter at fair value through profit and loss (FVTPL) using Company's incremental borrowing rate for similar term. The same is extinguished on conversion or redemption.

The remainder of the proceeds is recognised and included in equity and classified as 'Equity component of compound financial instrument' and is not remeasured in subsequent years.

The unwinding interest expense on the liability component is charged to the statement of profit and loss as interest on compound financial instruments under finance costs.

2.6 Financial Guarantee

The parent company has given corporate guarantee to a bank on behalf of the company without charging any commission. The same has been fair valued and measured at amortized cost. On transition date the unwinding interest cost on financial guarantee is recognised under other equity as Financial Guarantee from Parent Company and in subsequent year, the unwinding interest expense on financial guarantee is charged to the statement of profit and loss under finance costs.

The Company derecognise the accumulated

amount of finance cost under financial guarantee from parent company shown under 'Other Equity' by transferring to retained earnings on closure.

2.7 Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand and balances with banks (other than earmarked) and fixed deposits with bank (free from encumbrances) that are readily convertible to known amounts of cash with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.8 Revenue Recognition

Revenue is recognized to the extent it is possible that economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue is measured at fair value of the consideration received or receivable.

(i) Net gain on Fair value changes

Any realised gain or loss on sale of financial assets being investments, securities and derivative instruments held for trading measured on the trade date at FVTPL is recognised in net gain / loss on fair value changes.

Similarly, Any differences between the fair values of financial assets being investments, securities and derivative instruments held for trading classified as 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 in "Net gains 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.

(ii) Interest Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate.

2.9 Employee Benefits

(i) Short Term Benefits

All employee benefits including short term 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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

benefits and are charged to the statement of profit and loss of the year.

(ii) Long Term Benefits

A. Post-employment Benefits

a) Defined Contribution Schemes

Retirement/ Employee benefits in the form of Provident Fund is considered as defined contribution plan and contributions to the fund administered by the Government are charged to the statement of profit and loss of the year when the contribution to the said fund is 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 recognised 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.

B. Other Long Term Benefits

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

2.10 Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.11 Operating Leases

For leases with a term of twelve months or less (short-term leases) and leases of low value assets, the Company elects to exercise recognition exemption as prescribed under Ind AS 116 –Leases for the same and recognises the lease payments as an operating expense on accrual basis in accordance with the respective Leave and License agreements.

2.12 Other Income and Expenses

(i) 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: (i) 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, (ii) by considering all the contractual terms of the financial instrument in estimating the cash flows, and (iii) 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 the Statements of Profit and Loss with the corresponding adjustment to the carrying amount of the assets.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

- (ii) All other income and expenses are recognized in the period they occur.

2.13 Taxes

(i) 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 for the relevant year.

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).

(ii) 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.

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.

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).

(iii) 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:

- 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
- 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.

2.14 Discontinued Operations

A discontinued operation is a component of the company's business, the operations and cash flows of which can be clearly distinguished from those of the rest of the company and which represent a separate major line of business.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative Statement of Profit and Loss is represented as if the operation had been discontinued from the start of the comparative period.

2.15 Earnings Per Share (EPS)

The Company reports basic and diluted EPS in accordance with Ind AS 33 on Earnings per share. Net profit or loss for the year attributable to equity shareholders (after deducting preference

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

dividend and attributable taxes) is divided by the weighted average number of equity shares outstanding during the year for calculating basic EPS and by the weighted average number of shares outstanding during the year adjusted for the effects of all dilutive potential equity shares for calculating diluted EPS.

2.16 Foreign Currency Transactions

Initial recognition:

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

Conversion:

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

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

2.17 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 standalone financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

2.18 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 standalone 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.

2.19 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below –

Ind AS 16 – Property Plant and equipment -

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets –

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH 2022

3 CASH AND CASH EQUIVALENTS

(₹ in hundreds)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|-----------------------|--------------------------|--------------------------|
| Cash on hand | 83.49 | 26.39 |
| Balances with Banks | | |
| - in current accounts | 2,353,962.20 | 189,661.44 |
| Total | 2,354,045.69 | 189,687.83 |

4 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in hundreds)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|--|--------------------------|--------------------------|
| Fixed deposits with bank (with original maturity of more than 12 months) * | 280,000.00 | 280,000.00 |
| Total | 280,000.00 | 280,000.00 |

* Fixed deposits lien marked as security against bank overdraft facility.

5 DERIVATIVE FINANCIAL INSTRUMENTS

(₹ in hundreds)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|--|--------------------------|--------------------------|
| Part I | | |
| - Equity Linked Derivatives | - | - |
| Total Derivative financial instruments | - | - |
| Part II | | |
| Included in above (Part I) are derivatives held for hedging and risk management purpose as follows | | |
| - Fair value hedging | - | - |
| - Cash flow hedging | - | - |
| Total Derivative financial instruments | | |

Note

The Company enters into derivative transactions being equity derivative transactions in the nature of Futures and Options in Equity Stock/Index for trading purposes.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH 2022

6 TRADE RECEIVABLES

(₹ in hundreds)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|--------------------------|--------------------------|
| Trade Receivables - Secured | - | - |
| Total (A) | - | - |
| Trade Receivables - Unsecured | | |
| - Considered good * | - | 1,778.22 |
| - Considered doubtful | 3,528.11 | 3,528.11 |
| Total (B) | 3,528.11 | 5,306.33 |
| Total(A+B) | 3,528.11 | 5,306.33 |
| Less: Provision for doubtful debts | 3,528.11 | 3,528.11 |
| Total | - | 1,778.22 |
| * Above includes due from holding company | - | 1,778.22 |

Trade Receivable ageing schedule as at 31st March, 2022

| Particulars | Outstanding for following periods from the date of transaction | | | | | Total |
|--|--|------------|-------------|-------------|-------------------|----------|
| | Less than 6 months | 6 month -1 | 1 - 2 Years | 2 - 3 Years | More than 3 Years | |
| Undisputed trade receivables - credit impaired | - | - | - | | 3,528.11 | 3,528.11 |
| Total | - | - | - | - | 3,528.11 | 3,528.11 |

Trade Receivable ageing schedule as at 31st March, 2021

| Particulars | Outstanding for following periods from the date of transaction | | | | | Total |
|--|--|------------|-------------|-------------|-------------------|----------|
| | Less than 6 months | 6 month -1 | 1 - 2 Years | 2 - 3 Years | More than 3 Years | |
| Undisputed trade receivables - considered good | 1,778.22 | - | - | | - | 1,778.22 |
| Undisputed trade receivables - credit impaired | - | - | - | | 3,528.11 | 3,528.11 |
| Total | 1,778.22 | - | - | - | 3,528.11 | 5,306.33 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
AS AT 31ST MARCH 2022**7 INVESTMENTS**

(₹ in hundreds)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|--------------------------|--------------------------|
| At amortised cost | | |
| Investments in Associates | | |
| Balance in Capital Account with AES Trading and Consultants LLP | 125.00 | - |
| Balance in Current Account with AES Trading and Consultants LLP | 303.53 | - |
| Total | 428.53 | - |
| Out of Above: | | |
| Investment in India | 428.53 | - |
| Investment outside India | - | - |
| Total | 428.53 | - |

8 OTHER FINANCIAL ASSETS

(₹ in hundreds)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|--|--------------------------|--------------------------|
| Deposit with Exchanges | 35,000.00 | 35,000.00 |
| Deposits with Professional Clearing Members | 2,000.00 | 2,000.00 |
| Margin Deposit for Derivative Transactions * | - | 175,000.00 |
| Deposits Others | 250.00 | 250.00 |
| Advances recoverable | 13,437.66 | 979.29 |
| Interest Receivable from Holding Company * | - | 385.85 |
| Total | 50,687.66 | 213,615.14 |

9 CURRENT TAX ASSETS (NET)

(₹ in hundreds)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|--------------------------|--------------------------|
| Advance income tax (net of provision for tax) | 28,046.79 | 854.85 |
| Total | 28,046.79 | 854.85 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH 2022

10 PROPERTY, PLANT AND EQUIPMENT

(₹ in hundreds)

| | Furniture & Fixtures | Office Equipments | Computers | Total |
|---------------------------------|----------------------|-------------------|---------------|---------------|
| Gross carrying amount | | | | |
| As at 1st April 2020 | 8.05 | 4.50 | 682.19 | 694.74 |
| Additions | - | - | - | - |
| Disposals | - | - | - | - |
| As at 31 March 2021 | 8.05 | 4.50 | 682.19 | 694.74 |
| Additions | - | - | - | - |
| Disposals | - | - | - | - |
| As at 31 March 2022 | 8.05 | 4.50 | 682.19 | 694.74 |
| Accumulated depreciation | | | | |
| As at 1st April 2020 | 2.71 | - | 59.10 | 61.81 |
| Charge for the year | - | - | - | - |
| Disposals | - | - | - | - |
| As at 31 March 2021 | 2.71 | - | 59.10 | 61.81 |
| Charge for the year | - | - | - | - |
| Disposals | - | - | - | - |
| As at 31 March 2022 | 2.71 | - | 59.10 | 61.81 |
| Net carrying amount | | | | |
| As at 31 March 2021 | 5.34 | 4.50 | 623.09 | 632.93 |
| As at 31 March 2022 | 5.34 | 4.50 | 623.09 | 632.93 |

Notes:

There is no (i) acquisition through business combinations, (ii) revaluation of property, plant and equipment and (iii) impairment losses and its reversal during the year/previous year.

11 OTHER NON FINANCIAL ASSETS

(₹ in hundreds)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|-------------------------------------|--------------------------|--------------------------|
| Prepaid expenses | 19.48 | 9.97 |
| Balance with Goods and Services Tax | 4.64 | 4.64 |
| Total | 24.12 | 14.61 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
AS AT 31ST MARCH 2022

12 (A) TRADE PAYABLES

(₹ in hundreds)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|--------------------------|--------------------------|
| (i) total outstanding dues of micro enterprises and small enterprises | | |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises * | 748.38 | 5,352.74 |
| Total | 748.38 | 5,352.74 |
| * Above includes due to holding company | 165.41 | - |

Trade Payables ageing schedule as at 31st March, 2022

| Particulars | Outstanding for following periods 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 | 165.41 | - | 582.97 | - | 748.38 |

Trade Payables ageing schedule as at 31st March, 2021

| Particulars | Outstanding for following periods 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 | - | - | 4,969.93 | 382.82 | 5,352.75 |

12 (B) OTHER PAYABLES

(₹ in hundreds)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|--------------------------|--------------------------|
| (i) total outstanding dues of micro enterprises and small enterprises | | |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises * | 16,448.62 | 2,946.59 |
| Total | 16,448.62 | 2,946.59 |
| * Above includes due to holding company | 6,053.91 | - |

Notes:

- The details of amount outstanding to Micro, Small and Medium Enterprises defined under "Micro, Small and Medium Enterprises Development Act. 2006" (as identified based on information available with the company and relied upon by the Auditors) is as under -

| | | |
|--|---|---|
| Principal amount due and remaining unpaid | - | - |
| Interest due on above and the unpaid interest | - | - |
| Interest paid | - | - |
| Payment made beyond the appointed day during the year | - | - |
| Interest due and payable for the period of delay | - | - |
| Interest accrued and remaining unpaid | - | - |
| Amount of further interest remaining due and payable in succeeding years | - | - |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH 2022

13 OTHER FINANCIAL LIABILITIES

(₹ in hundreds)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|-------------------|--------------------------|--------------------------|
| Other liabilities | - | 103.90 |
| Total | - | 103.90 |

14 CURRENT TAX LIABILITIES (NET)

(₹ in hundreds)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|--------------------------|--------------------------|
| Provision for Taxation (Net of Tax paid) | 35,345.90 | 2,108.06 |
| Total | 35,345.90 | 2,108.06 |

15 PROVISIONS

(₹ in hundreds)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---------------------------------|--------------------------|--------------------------|
| Provision for employee benefits | | |
| - Compensated absences | 214.93 | - |
| - Bonus | 2,241.41 | 1,229.00 |
| - Gratuity | 629.20 | - |
| Total | 3,085.54 | 1,229.00 |

16 OTHER NON FINANCIAL LIABILITIES

(₹ in hundreds)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|------------------------|--------------------------|--------------------------|
| Statutory dues payable | 421,102.34 | 1,320.48 |
| Total | 421,102.34 | 1,320.48 |

17 EQUITY

(₹ in hundreds)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|--|--------------------------|--------------------------|
| EQUITY SHARE CAPITAL | | |
| Authorised: | | |
| 8,500,000 (As at 31st March, 2021: 8,500,000) Equity Shares of Rs.10/- each | 850,000.00 | 850,000.00 |
| 2,500,000 (As at 31st March, 2021: 2,500,000 9% Redeemable Preference Shares of Rs.10/- each) | 250,000.00 | 250,000.00 |
| | 1,100,000.00 | 1,100,000.00 |
| Issued, subscribed and fully paid up | | |
| Equity shares | | |
| 8,500,000 (As at 31st March 2021: 8,500,000) Equity Shares of Rs.10/- each | 850,000.00 | 850,000.00 |
| Total Equity | 850,000.00 | 850,000.00 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH 2022

During the previous year , 2,500,000 9% Redeemable Non-Cumulative Preference Shares of Rs.10/- each aggregating to Rs.25,000,000/- which were non-convertible and hence being compound financial instrument , equity component shown as other equity and liability component as borrowings in accordance with Ind AS 109 on Financial Instruments. Out of the said Preference Shares 1,000,000 Redeemable Preference Shares have been redeemed on June 28,2020 and balance 1,500,000 Redeemable Preference Shares have been redeemed on June 29,2020 from the proceeds of a fresh issue of 2,500,000 equity shares of Rs.10/- each at a price aggregating to Rs.25,000,000/- made on a rights basis to existing shareholder.

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

i) Equity Shares

(₹ in hundreds)

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|--|----------------------|------------|----------------------|------------|
| | No of shares | Amount | No of shares | Amount |
| At the beginning of the reporting period | 8,500,000 | 850,000.00 | 6,000,000 | 600,000.00 |
| Add: Shares issued during the reporting period | - | - | 2,500,000 | 250,000.00 |
| Outstanding at the end of the reporting period | 8,500,000 | 850,000.00 | 8,500,000 | 850,000.00 |

ii) 9% Redeemable Non-Cumulative Preference Shares

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|--|----------------------|--------|----------------------|------------|
| | No of shares | Amount | No of shares | Amount |
| At the beginning of the reporting period | - | - | 2,500,000 | 250,000.00 |
| Less: Redemption of Shares during the reporting period | - | - | 2,500,000 | 250,000.00 |
| Outstanding at the end of the reporting period | - | - | - | - |

b. Terms/rights attached to

i) Equity Shares:

The company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pay dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting except interim dividend.

In the event of liquidation of the company, the holders of Equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

ii) Preference Shares:

During the previous year , the company had only one class of preference shares i.e. Redeemable Non-Cumulative Preference Shares of Rs.10 per share.

- Such shares shall confer on the holders thereof, the non cumulative right to a fixed preferential dividend from the date of allotment at 9% per annum, on the capital for the time being paid up or credited as paid up thereon.
- Such shares shall have the priority with respect to payment of dividend or repayment of capital vis-à-vis equity shares; and that these preference shares shall be entitled to the participation in surplus fund as well as the participation in surplus assets and profits on winding-up which may remain after the entire capital has been repaid.
- The preference shares were redeemable at par on expiry of five years from the date of issue.i.e.1,000,000 shares on 28/06/2020 and 1,500,000 shares on 29/06/2021. During the previous year , the Company redeemed 1,000,000 shares on 28/06/2020 as stipulated and 1,500,000 shares on 29/06/2020 as against stipulated redemption.

c. Shares held by holding company

The entire 8,500,000 (31st March,2021: 8,500,000) equity shares of Rs.10/- each fully paid) are held by Emkay Global Financial Services Limited, the holding company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH 2022

d. Details of shareholders holding more than 5% shares in the company:

| Name of the Shareholders | As at March 31, 2022 | | As at March 31, 2021 | |
|--|----------------------|--------------|----------------------|--------------|
| | No of shares | % of holding | No of shares | % of holding |
| Equity Shares | | | | |
| Emkay Global Financial Services Limited (Holding Company) and its nominees | 8,500,000 | 100 | 8,500,000 | 100 |

e. Details of shares held by promoters

| as at 31 March 2022 | | | |
|---|------------------|-------------------|--------------------------|
| Promoter name | No of shares | % of total shares | % Change during the year |
| Equity Shares of Rs. 10/- each fully paid | | | |
| Emkay Global Financial Services Limited (Holding Company) and its Nominees. | 8,500,000 | 100 | - |
| Total | 8,500,000 | 100 | - |
| as at 31 March 2021 | | | |
| Promoter name | No of shares | % of total shares | % Change during the year |
| Equity Shares of Rs. 10/- each fully paid | | | |
| Emkay Global Financial Services Limited (Holding Company) and its Nominees. | 8,500,000 | 100 | - |
| Total | 8,500,000 | 100 | - |

18 OTHER EQUITY

| Particulars | (₹ in hundreds) | |
|---|-----------------------|-----------------------|
| | As at 31st March 2022 | As at 31st March 2021 |
| A) Reserves and Surplus | | |
| i) Retained earnings | | |
| Balance at the beginning of the Reporting Period | (217,818.64) | (443,373.57) |
| Add: Profit for the year | 1,735,250.77 | 135,743.42 |
| Add: Transferred during the year from Equity component of Redeemable Non Convertible Preference Share Capital | - | 89,811.51 |
| Less: Interim Dividend Paid | 170,000.00 | - |
| Balance at the end of the Reporting Year | 1,347,432.13 | (217,818.64) |
| ii) General Reserve | | |
| Balance at the beginning of the Reporting Year | 42,145.86 | 42,145.86 |
| Less Transferred during the year | - | - |
| Balance at the end of the Reporting Year | 42,145.86 | 42,145.86 |
| iii) Equity component of Redeemable Non Convertible Preference Share Capital | | |
| Balance at the beginning of the Reporting Year | - | 89,811.51 |
| Less: Transferred to retained earnings on redemption of Non Convertible Preference Share Capital | - | 89,811.51 |
| Balance at the end of the Reporting Year | - | - |
| iv) Other Comprehensive Income | | |
| Balance at the beginning of the Reporting Year | (804.41) | (1,222.41) |
| Add: Movement in Other Comprehensive Income (Net) during the year | (778.64) | 418.00 |
| Balance at the end of the Reporting Year | (1,583.05) | (804.41) |
| Total | 1,387,994.94 | (176,477.19) |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH 2022

Nature and purpose of reserve

i) Retained earnings

Retained earnings are the profits/(losses) that the Company has earned/(incurred) till date, less any transfers to general reserve, dividends or other distributions paid to shareholders and addition made of Equity component of Redeemable Non Convertible Preference Share Capital on redemption of the same during the year.

ii) General reserve

Under the erstwhile Companies Act, 1956, general reserve was created through transfer from net profit complying with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

iii) Equity component of Redeemable Non Convertible Preference Share Capital

It represent Equity component on Separation of compound financial instrument that is redeemable non convertible preference share. The same has been transferred to retained earnings on redemption of the same during the year.

iv) Other comprehensive income

Other comprehensive income consist of remeasurement gains/losses on employees defined benefit plan.

19 INTEREST INCOME

(₹ in hundreds)

| Particulars | For the Year Ended 31st March 2022 | For the Year Ended 31st March 2021 |
|--|---------------------------------------|---------------------------------------|
| Interest on Fixed Deposit given for Margin for Derivative Transactions | 50,911.88 | 2,255.55 |
| | 50,911.88 | 2,255.55 |

20 NET GAIN ON FAIR VALUE CHANGES

(₹ in hundreds)

| Particulars | For the Year Ended 31st March 2022 | For the Year Ended 31st March 2021 |
|---|---------------------------------------|---------------------------------------|
| Net gain on financial instruments at fair value through profit or loss | | |
| - Derivatives | 6,801,127.28 | 180,895.09 |
| - Investments | 14,211.41 | 2,666.93 |
| - Stock in trade | - | 3,314.12 |
| Total Net gain on fair value changes | 6,815,338.69 | 186,876.14 |
| Fair Value changes: | | |
| - Realised - Derivatives | 6,801,127.28 | 186,876.14 |
| - Investments | 14,211.41 | - |
| Total Net gain on fair value changes | 6,815,338.69 | 186,876.14 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH 2022

21 OTHER INCOME

(₹ in hundreds)

| Particulars | For the Year Ended 31st March 2022 | For the Year Ended 31st March 2021 |
|---|---------------------------------------|---------------------------------------|
| Liability No Longer Payable | - | 40.40 |
| Interest on deposits with bank | 14,907.52 | 12,725.83 |
| Interest on Income Tax Refund | 183.80 | 439.45 |
| Interest on loan to Holding Company | 109.59 | 910.96 |
| Interest on loan to fellow subsidiary | 20.55 | - |
| Foreign Exchange Rate Fluctuations Gain (Net) | 26,368.61 | - |
| Total | 41,590.07 | 14,116.64 |

22 FINANCE COSTS

(₹ in hundreds)

| Particulars | For the Year Ended 31st March 2022 | For the Year Ended 31st March 2021 |
|--|---------------------------------------|---------------------------------------|
| On Instruments measured at fair value through profit or loss | | |
| Interest on compound financial instruments | - | 18,586.81 |
| Interest on borrowings from Bank | 4,116.20 | - |
| Interest on borrowings from Holding Company | 8,315.08 | - |
| Interest on borrowings from fellow subsidiary | 26,857.54 | - |
| Total | 39,288.82 | 18,586.81 |

23 EMPLOYEE BENEFIT EXPENSE

(₹ in hundreds)

| Particulars | For the Year Ended 31st March 2022 | For the Year Ended 31st March 2021 |
|--|---------------------------------------|---------------------------------------|
| Salaries and other benefits | 13,447.74 | 10,870.40 |
| Contributions to Provident and Other Funds | 60.00 | 60.00 |
| Gratuity [Refer Note No.29(b)] | 225.20 | 212.60 |
| Staff Welfare Expenses | (0.04) | 20.37 |
| Total | 13,732.90 | 11,163.37 |

24 DEPRECIATION EXPENSES

(₹ in hundreds)

| Particulars | For the Year Ended 31st March 2022 | For the Year Ended 31st March 2021 |
|---------------------------------|---------------------------------------|---------------------------------------|
| Depreciation of Tangible Assets | - | - |
| | - | - |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH 2022

25 OTHER EXPENSES:

(₹ in hundreds)

| Particulars | For the Year Ended 31st March 2022 | For the Year Ended 31st March 2021 |
|--|---------------------------------------|---------------------------------------|
| Consultancy Fees | 661,510.15 | - |
| Exchange Rack & Connectivity Charges | 234,191.22 | - |
| Royalty | 3,911,810.60 | - |
| Communication, Postage and Courier Charges | 20.63 | 52.32 |
| Fees & Stamp Expenses | 80.90 | - |
| Depository Charges | 17.46 | 11.92 |
| Electricity Charges | 154.36 | 375.92 |
| Insurance | 1.29 | 1.15 |
| Printing and Stationery | 38.55 | 55.20 |
| Legal and Professional fees | 38,121.66 | 1,322.66 |
| Auditor's fees (refer note below) # | 5,717.10 | 2,584.20 |
| Rent | 625.63 | 1,009.26 |
| Share Issue Expenses | - | 2,625.00 |
| Others | 1,657.33 | 899.41 |
| Total | 4,853,946.88 | 8,937.04 |

(₹ in hundreds)

| # | Particulars | For the Year Ended 31st March 2022 | For the Year Ended 31st March 2021 |
|---|--|---------------------------------------|---------------------------------------|
| | a) for audit fees | 4,248.00 | 1,268.50 |
| | b) for tax audit fees | 295.00 | 295.00 |
| | c) for taxation matters | 820.10 | 607.70 |
| | d) for Limited Review and Certificates | 354.00 | 413.00 |
| | Total | 5,717.10 | 2,584.20 |

*inclusive of Goods and Service Tax.

26 SHARE OF LOSS IN LIMITED LIABILITY PARTNERSHIP

(₹ in hundreds)

| Particulars | For the Year Ended 31st March 2022 | For the Year Ended 31st March 2021 |
|-------------------------------------|---------------------------------------|---------------------------------------|
| M/s AES Trading and Consultants LLP | 196.47 | - |
| | 196.47 | - |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH 2022

27 DISCONTINUED OPERATIONS

(A) The Board of Directors of the Company at its meeting held on 5th February, 2019 had decided to discontinue the business of commodity broking in view of substantial accumulated losses and not been able to generate enough revenues and scale up its operations and accordingly the Company has discontinued the said business w.e.f. 13th February, 2019.

(B) Financial Performances:

a. Profit/(Loss) from Discontinued Operations

(₹ in hundreds)

| Particulars | Year ended 31st March, 2022 | Year ended 31st March, 2021 |
|--------------------------------------|--------------------------------|--------------------------------|
| Other Income | | |
| - Liability No Longer Payable | 4,769.78 | 13,050.09 |
| - Miscellaneous Income | 103.90 | 259.98 |
| Total | 4,873.68 | 13,310.07 |
| Expenses | | |
| - Contribution/Payments to Exchanges | - | 102.66 |
| - Membership and Subscription | 590.00 | 590.00 |
| - Insurance Charges | - | 67.10 |
| - Legal and Professional fees | 10,493.74 | 14,151.74 |
| Total | 11,083.74 | 14,911.50 |
| Profit/(Loss) Before Tax | (6,210.06) | (1,601.43) |
| Tax Expenses | - | - |
| Profit/(Loss) After Tax | (6,210.06) | (1,601.43) |

b. Cash Out Flow from Discontinued Operations of Rs. 9,608.64 hundreds [P.Y.13,435.03 hundreds]

c. Book Value of Assets and Liabilities

(₹ in hundreds)

| Particulars | Year ended 31st March, 2022 | Year ended 31st March, 2021 |
|--|--------------------------------|--------------------------------|
| Assets | | |
| Financial assets | | |
| Cash and cash equivalents | - | - |
| Trade Receivables | - | - |
| Other Financial assets | 37,250.00 | 37,250.00 |
| Total Financial assets | 37,250.00 | 37,250.00 |
| Non-financial Assets | | |
| Other non financial assets | - | - |
| Total Non-financial Assets | - | - |
| Total Assets | 37,250.00 | 37,250.00 |
| Liabilities | | |
| Financial Liabilities | | |
| Trade Payable | 582.97 | 5,352.74 |
| Other Payable | - | 781.58 |
| Other financial liabilities | - | 103.90 |
| Total Financial Liabilities | 582.97 | 6,238.22 |
| Non-financial Liabilities | | |
| Other non-financial liabilities | 1,037.67 | 778.50 |
| Total Non-financial Liabilities | 1,037.67 | 778.50 |
| Total Liabilities | 1,620.64 | 7,016.72 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
AS AT 31ST MARCH 2022

d. i) **Contingent Liabilities**

(₹ in hundreds)

| Sr. No. | Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---------|---|---------------------------|---------------------------|
| 1 | Claims against the Company not acknowledged as debt | 3,750.00 | 3,750.00 |

- ii) SEBI has issued a Show Cause Notice dated 17th September, 2019 under regulation 28(1) of the SEBI (Intermediaries) Regulations, 2008 (SEBI Intermediaries Regulations) in the matter of paired contacts transacted at National Spot Exchange Limited (NSEL) in which the Company has acted as broker as to why appropriate action should not be taken against the company as per regulation 28(2) of the SEBI Intermediaries Regulations by not treating it as a fit and proper person and cancelling certificate of registration granted to it. The Company has submitted a detailed reply in the matter denying all allegations and requested to grant an opportunity for personal hearing which is awaited and matter is pending for disposal. The Management do not expect any impact of the same on the Company since it has already discontinued its broking business operation in view of reasons stated in Note No.26 (A) here-in-above.

- e) Other liabilities under Other financial liabilities includes Rs. Nil (P.Y. Rs. 103.90 hundreds) being aggregate amount of deposits in Company's bank accounts made directly by Clients whose details are awaited.

28 EARNINGS PER SHARE:

(₹ in hundreds)

| Sl. No. | Particulars | Year Ended March, 2022 | Year Ended March, 2021 |
|---------|---|---------------------------|---------------------------|
| a) | Net Profit/(Loss) after tax from continuing operations available for Equity Shareholders (₹) | 1,741,460.83 | 137,344.85 |
| b) | Net Profit/(Loss) after tax from discontinued operations available for Equity Shareholders (₹) | (6,210.06) | (1,601.43) |
| c) | Net Profit/(Loss) after tax available from continuing & discontinued operations for Equity Shareholders (₹) | 1,735,250.77 | 135,743.42 |
| d) | Weighted average number of Equity Shares of ₹.10/- each outstanding during the period (No. of Shares) | | |
| | - For Basic Earnings | 8,500,000 | 7,910,959 |
| | - For Diluted Earnings | 85,00,000 | 7,917,808 |
| e) | Earnings per Equity Share for continuing operations (in rupees). | | |
| | - Basic | 20.49 | 1.74 |
| | - Diluted | 20.49 | 1.73 |
| f) | Earnings per Equity Share for discontinuing operations (in rupees). | | |
| | - Basic | (0.07) | (0.02) |
| | - Diluted | (0.07) | (0.02) |
| g) | Earnings per Equity Share for continuing & discontinued operations (in rupees). | | |
| | - Basic | 20.41 | 1.72 |
| | - Diluted | 20.41 | 1.71 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH 2022

29 THE DISCLOSURES AS PER IND AS 19 - EMPLOYEE BENEFITS ARE AS FOLLOWS

a. Defined Contribution Plan

Expenses recognized in Statement of Profit and Loss towards the Defined Contribution Plans are as under:

(₹ in hundred)

| Particulars | Year Ended 31 st March 2022 | Year Ended 31 st March 2021 |
|--------------------------------|---|---|
| Contribution to Provident Fund | 60.00 | 60.00 |
| Total | 60.00 | 60.00 |

b. Defined Benefit Plan

The company has a 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 company in the form of a qualifying insurance policy. The following tables 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:

(₹ in hundreds)

| Sr. No | Particulars | As at 31 st March, 2022 | As at 31 st March, 2021 |
|--------|--|---------------------------------------|---------------------------------------|
| I | Changes in present value of obligations | | |
| | Present value of obligation as at the beginning | 5,703.71 | 5,527.52 |
| | Current service cost | 269.01 | 238.12 |
| | Interest expense or cost | 333.43 | 306.56 |
| | Re-measurement (or Actuarial) (Gain)/Loss arising from:- | | |
| | -change in financial assumptions | 575.26 | (97.25) |
| | -change in demographic assumptions | - | 86.04 |
| | -experience variance (i.e. Actual experience vs assumptions) | 419.13 | (357.28) |
| | Benefits Paid | - | - |
| | Acquisition Adjustment | - | - |
| | Present value of obligation as at the end | 7,300.54 | 5,703.71 |
| II | Changes in fair value of plan assets | | |
| | Fair value of plan asset as at the beginning | 6,453.09 | 5,987.76 |
| | Employer contributions | - | - |
| | Investment income | 377.24 | 332.08 |
| | Return on plan assets, excluding amount recognized in net interest expense | (158.99) | 133.25 |
| | Benefits paid | - | - |
| | Acquisition adjustment | - | - |
| | Fair value of plan asset as at the end | 6,671.34 | 6,453.09 |
| III | Reconciliation of net liability/asset | | |
| | Net defined benefit liability/(asset) as at the beginning | (749.38) | (460.24) |
| | Expenses charged to statement of profit and loss | 225.20 | 212.60 |
| | Amount recognized in other comprehensive income | 1,153.38 | (501.74) |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
AS AT 31ST MARCH 2022

| (₹ in hundreds) | | | |
|-----------------|---|---------------------------|---------------------------|
| Sr. No | Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
| | Employer contribution | - | - |
| | Net defined benefit liability/(asset) as at the end | 629.20 | (749.38) |
| IV | Expenses charged to the statement of profit & loss | | |
| | Current Service Cost | 269.01 | 238.12 |
| | Net Interest Cost / (Income) on the net defined benefit liability/ (Asset) | (43.81) | (25.52) |
| | Expenses recognized in the statement of profit & loss | 225.20 | 212.60 |
| V | Movement in asset ceiling | | |
| | Effect of asset ceiling at the beginning | - | - |
| | Interest on opening balance of asset ceiling | - | - |
| | Re measurements due to change in surplus/deficit | - | - |
| | Value of asset ceiling as at the end | - | - |
| VI | Re measurement (gains)/losses in other comprehensive income | | |
| | Actuarial (gains)/losses | | |
| | -Change in financial assumptions | 575.26 | (97.25) |
| | -Change in demographic assumptions | - | 86.04 |
| | -Experience adjustments | 419.13 | (357.28) |
| | Return on plan assets, excluding amount recognized in net interest expense | 158.99 | (133.25) |
| | Components of defined benefit costs recognized in other comprehensive income | 1,153.38 | (501.74) |
| VII | Amount recognized in Balance Sheet | | |
| | Present value of obligation | 7,300.54 | 5,703.71 |
| | Fair value of plan assets | 6,671.34 | 6,453.09 |
| | Surplus/(Deficit) | (629.20) | 749.38 |
| | Effects of asset ceiling, if any | - | - |
| | Net Asset / (Liability) | (629.20) | 749.38 |
| VIII | Key actuarial assumptions | | |
| | Discount Rate (p.a.) | 6.20% | 5.85% |
| | Salary growth rate (p.a.) | 12.00% | 10.00% |
| | Attrition/Withdrawal rates, based on age(p.a.) | | |
| | -Upto 45 years | 25.00% | 25.00% |
| | -Above 45 years | 15.00% | 15.00% |
| | Mortality rate | 100% of IALM 2012-14 | 100% of IALM 2012-14 |
| IX | Categories of plan asset | | |
| | Fund managed by insurer | 98.90% | 98.86% |
| | Bank balance | 1.10% | 1.14% |
| X | Sensitivity analysis for significant assumptions is as shown below | | |



NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH 2022

(₹ in hundreds)

| Sr. No | Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|--------|--|---------------------------|---------------------------|
| | Discount Rate (- 1%) : % Change compared to base due to sensitivity | 6.20% | 6.30% |
| | Discount Rate (+ 1%) : % Change compared to base due to sensitivity | -5.70% | -5.70% |
| | Salary Growth (- 1%) : % Change compared to base due to sensitivity | -4.60% | -5.60% |
| | Salary Growth (+ 1%) : % Change compared to base due to sensitivity | 3.50% | 6.00% |
| | Attrition Rate (- 50% of attrition rates): (% change compared to base due to sensitivity) | 10.90% | 9.70% |
| | Attrition Rate (+ 50% of attrition rates): (% change compared to base due to sensitivity) | -7.00% | -5.80% |
| | Mortality Rate (- 10%) : % Change compared to base due to sensitivity | 0.10% | 0.00% |
| | Mortality Rate (+ 10%) : % Change compared to base due to sensitivity | -0.10% | 0.00% |
| XI | Expected Contribution during the next annual reporting period | | |
| | The Company's best estimate of Contribution during the next year | 840.44 | Nil |
| XII | Maturity Profile of Defined Benefit Obligation | | |
| | Weighted average duration (based on discounted cash flows) | 6 years | 6 years |
| | Expected cash flows over the next (valued on undiscounted basis): | | |
| | 1 year | 925.49 | 763.34 |
| | 2 to 5 years | 3,270.87 | 2,583.26 |
| | 6 to 10 years | 3,241.58 | 2,367.66 |
| | more than 10 years | 3,546.49 | 2,721.71 |

30 RELATED PARTY DISCLOSURES

A. List of Directors

| Sr. No. | Name of Related Party | Nature of Relationship |
|---------|--|---|
| (i) | Directors a) Rajesh Sharma b) Saket Agrawal c) Devang Desai |  Directors |
| (ii) | Individuals having control or significant influence a) Krishna Kumar Karwa b) Prakash Kacholia |  Individual having significant influence |
| (iii) | Holding Company Emkay Global Financial Services Ltd. | Holding Company |
| (iv) | Fellow Subsidiary Company Emkay Fincap Ltd. | Fellow Subsidiary Company |
| (v) | Associate AES Trading & Consultants LLP | Having significant influence |
| (vi) | Emkay Comtrade Ltd. Employees Group Gratuity Assurance Fund | Others |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH 2022

B. Transactions with related parties:

(₹ in hundreds)

| Sr No | Particulars | Holding Company | | Fellow Subsidiary Company | | Associates | | Others | |
|-------|---|-----------------|------------|---------------------------|---------|------------|---------|---------|---------|
| | | 2021-22 | 2020-21 | 2021-22 | 2020-21 | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| I | Expenditure | | | | | | | | |
| A | Depository Charges | | | | | | | | |
| | Emkay Global Financial Services Ltd. | 17.46 | 11.92 | - | - | - | - | - | - |
| B | Brokerage Paid | | | | | | | | |
| | Emkay Global Financial Services Ltd. | 401,690.56 | 2,158.62 | - | - | - | - | - | - |
| C | Exchange Rack & Connectivity Charges | | | | | | | | |
| | Emkay Global Financial Services Ltd. | 234,191.22 | - | - | - | - | - | - | - |
| D | Interest paid on Loan Taken | | | | | | | | |
| | Emkay Global Financial Services Ltd | 8,315.08 | - | - | - | - | - | - | - |
| | Emkay Fincap Ltd | - | - | 26,857.54 | - | - | - | - | - |
| E | Interim Dividend Paid | | | | | | | | |
| | Emkay Global Financial Services Ltd | 170,000.00 | - | - | - | - | - | - | - |
| F | Interest on compound financial instruments | | | | | | | | |
| | Emkay Global Financial Services Ltd. | - | 18,586.81 | - | - | - | - | - | - |
| G | Gratuity | | | | | | | | |
| | Emkay Commotrade Ltd Emp Gr Gratuity Ass Fund | - | - | - | - | - | - | 225.20 | 212.60 |
| H | Share of Loss in Associate | | | | | | | | |
| | AES Trading & Consultants LLP | - | - | - | - | 196.47 | - | - | - |
| II | Income | | | | | | | | |
| A | Interest Received | | | | | | | | |
| | Emkay Global Financial Services Ltd. | 51,021.47 | 3,166.51 | - | - | - | - | - | - |
| | Emkay Fincap Ltd | - | - | 20.55 | - | - | - | - | - |
| III | Others | | | | | | | | |
| A | Expenses Reimbursed | | | | | | | | |
| | Emkay Global Financial Services Ltd. | 808.83 | 1,453.96 | - | - | - | - | - | - |
| B | Expenses Recovered | | | | | | | | |
| | AES Trading and Consultants LLP. | - | - | - | - | 701.60 | - | - | - |
| C | Loan Given | | | | | | | | |
| | Emkay Global Financial Services Ltd. | 400,000.00 | 475,000.00 | - | - | - | - | - | - |
| | Emkay Fincap Limited. | - | - | 750,00.00 | - | - | - | - | - |
| D | Loan Received Back | | | | | | | | |
| | Emkay Global Financial Services Ltd. | 400,000.00 | 475,000.00 | - | - | - | - | - | - |
| | Emkay Fincap Limited.. | - | - | 75,000.00 | - | - | - | - | - |
| E | Loan Taken | | | | | | | | |
| | Emkay Global Financial Services Ltd. | 500,000.00 | - | - | - | - | - | - | - |
| | Emkay Fincap Limited. | - | - | 3,695,000.00 | - | - | - | - | - |
| F | Loan Returned Back | | | | | | | | |
| | Emkay Global Financial Services Ltd. | 500,000.00 | - | - | - | - | - | - | - |
| | Emkay Fincap Limited.. | - | - | 3,695,000.00 | - | - | - | - | - |
| G | Margin Deposit Given | | | | | | | | |
| | Emkay Global Financial Services Ltd. | 11,393,000.00 | 525,000.00 | - | - | - | - | - | - |
| H | Margin Deposit Received Back | | | | | | | | |
| | Emkay Global Financial Services Ltd. | 13,856,000.00 | 350,000.00 | - | - | - | - | - | - |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH 2022

(₹ in hundreds)

| Sr No | Particulars | Holding Company | | Fellow Subsidiary Company | | Associates | | Others | |
|-------|--|-----------------|------------|---------------------------|---------|------------|---------|---------|---------|
| | | 2021-22 | 2020-21 | 2021-22 | 2020-21 | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| I | Equity shares Allotted | | | | | | | | |
| | Emkay Global Financial Services Ltd. | - | 250,000.00 | - | - | - | - | - | - |
| J | Preference shares redeemed | | | | | | | | |
| | Emkay Global Financial Services Ltd. | - | 250,000.00 | - | - | - | - | - | - |
| K | Contribution towards | | | | | | | | |
| | AES Trading and Consultants LLP. | - | - | - | - | - | - | - | - |
| | Fixed Capital | - | - | - | - | 125.00 | - | - | - |
| | Current Capital | - | - | - | - | 500.00 | - | - | - |
| IV | Outstandings | | | | | | | | |
| A | Trade Receivable | | | | | | | | |
| | Emkay Global Financial Services Ltd. | - | 1,778.22 | - | - | - | - | - | - |
| B | Interest Receivable | | | | | | | | |
| | Emkay Global Financial Services Ltd. | - | 385.85 | - | - | - | - | - | - |
| C | Trade Payable | | | | | | | | |
| | Emkay Global Financial Services Ltd. | 165.41 | - | - | - | - | - | - | - |
| D | Other Payable | | | | | | | | |
| | Emkay Global Financial Services Ltd. | 6,053.91 | - | - | - | - | - | - | - |
| | Emkay Comtrade Ltd Emp Gr Gratuity Ass Fund | - | - | - | - | - | - | 629.20 | - |
| E | Equity Share Capital | | | | | | | | |
| | Emkay Global Financial Services Ltd. | 850,000.00 | 850,000.00 | - | - | - | - | - | - |
| F | Investment in Associates towards capital contribution | | | | | | | | |
| | AES Trading and Consultants LLP | | | | | | | | |
| | Fixed Capital | - | - | - | - | 125.00 | - | - | - |
| | Current Capital | - | - | - | - | 303.53 | - | - | - |
| G | Margin Deposit | | | | | | | | |
| | Emkay Global Financial Services Ltd. | - | 175,000.00 | - | - | - | - | - | - |
| H | Advance Recoverable | | | | | | | | |
| | Emkay Comtrade Ltd Emp Gr Gratuity Ass Fund | - | - | - | - | - | - | - | 749.38 |

- C) Related Parties are identified by the management and relied upon by the Auditors.
- D) No balances in respect of related parties have been written off.
- E) Name of the related party and nature of the related party relationship where control exists have been disclosed irrespective of whether or not there have been transactions and in case of other related parties, the said disclosure has been made wherever transactions have taken place.

31 SEGMENT INFORMATION

(a) Business Segment8

- The Company has commenced dealing in derivative instruments and shares during the year and hence operated only in one segment namely "Trading in securities /derivative instruments" and hence business segment disclosure as per Ind As -108 segment reporting is not applicable.
- The Company's discontinued operations pertains to Commodity Broking business which was discontinued w.e.f. 13th February, 2019.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH 2022

(b) Geographical Segment

The company operated in India and hence there is no reportable geographical segment.

32 OPERATING LEASE

The company is occupying part of a premise taken on operating lease by its parent company to whom rent aggregating to ₹ 625.63 hundreds (P.Y. ₹ 1,009.26 hundreds) has been reimbursed to them.

33 FINANCIAL INSTRUMENTS:

I. The carrying value and financial instruments by categories as of March 31, 2022 is as follows:

| Particulars | Measured at | | | Total Carrying Value |
|---|---------------------|------------------------|------------------------|----------------------|
| | Amortised Cost | Fair value through P&L | Fair value through OCI | |
| Financial assets | | | | |
| Cash and cash equivalents | 2,354,045.69 | - | - | 2,354,045.69 |
| Bank Balance other than cash and cash equivalents | 280,000.00 | - | - | 280,000.00 |
| Trade Receivables | - | - | - | - |
| Investments (excluding associate) | - | - | - | - |
| Other Financial assets | 50,687.66 | - | - | 50,687.66 |
| Total | 2,684,733.35 | - | - | 2,684,733.35 |
| Financial liabilities | | | | |
| (I) Trade Payables | 748.38 | - | - | 748.38 |
| (II) Other Payables | 16,448.62 | - | - | 16,448.62 |
| Other Financial liabilities | - | - | - | - |
| Total | 17,197.00 | - | - | 17,197.00 |

II. The carrying value and financial instruments by categories as of March 31, 2021 is as follows:

| Particulars | Measured at | | | Total Carrying Value |
|---|-------------------|------------------------|------------------------|----------------------|
| | Amortised Cost | Fair value through P&L | Fair value through OCI | |
| Financial assets | | | | |
| Cash and cash equivalents | 189,687.83 | - | - | 189,687.83 |
| Bank Balance other than cash and cash equivalents | 280,000.00 | - | - | 280,000.00 |
| Trade Receivables | 1,778.22 | - | - | 1,778.22 |
| Other Financial assets | 213,615.14 | - | - | 213,615.14 |
| Total | 685,081.19 | - | - | 685,081.19 |
| Financial liabilities | | | | |
| (I) Trade Payables | 5,352.74 | - | - | 5,352.74 |
| (II) Other Payables | 2,946.59 | - | - | 2,946.59 |
| Other Financial liabilities | 103.90 | - | - | 103.90 |
| Total | 8,403.23 | - | - | 8,403.23 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH 2022

III 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 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 trade and other payables, deposits and other financial liabilities are not measured at FVTPL, whose carrying amounts approximate fair value, because of their short-term nature.

34 DISCLOSURE AS PER IND AS 107 OF NATURE AND EXTENT OF RISKS FROM FINANCIAL INSTRUMENTS AND ITS MANAGEMENT:

The Company has exposure to the following risks arising from financial instruments:

- a) Credit risk
- b) Liquidity risk
- c) Market risk

a) Credit risk

It is risk that the Company will incur a loss because its customers or counterparties to financial instruments fail to meet its contractual obligation.

The Company's financial assets comprises of cash and bank balances, trade receivables, and other financial assets comprising of deposits with exchanges, clearing members, etc and advances.

In case of bank balances and deposits with bank, the Company is banking with top rated banks. Credit risk for deposit with exchanges and clearing members are very low. In case of trade receivable, deposit with others and advances, the amount involved is not material.

Movement in Expected Credit Loss (Discontinued operations) :

(₹ in hundreds)

| Particulars | Year ended 31st March, 2022 | Year ended 31st March, 2021 |
|--|--------------------------------|--------------------------------|
| Opening Balance | 3,528.11 | 3,528.11 |
| Add: Provided During The Year | - | - |
| Less : Amounts written back-due to recovery | - | - |
| Less : Amounts written back-due to written off | - | - |
| Closing Balance | 3,528.11 | 3,528.11 |

b) Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by investing its surplus funds in bank deposits and in various liquid/debt fund schemes of Mutual Funds.

Refer note no. 35 for analysis of maturities of financial assets and financial liabilities.

c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's exposure to market risk is primarily on account of interest rates risk. The objective of market risk management is to maintain an acceptable level of market risk exposure while aiming to maximize returns.

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH 2022

The Company's interest rate risk arises from interest bearing deposits with bank and loan given to its parent company. 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.

35 MATURITY ANALYSIS

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled.

(₹ in hundreds)

| Particulars | As at March 31, 2022 | | |
|--|----------------------|---------------------|-------------------|
| | Total | Within 12 months | After 12 Months |
| Assets | | | |
| Financial Assets | | | |
| Cash and cash equivalents | 2,354,045.69 | 2,354,045.69 | - |
| Bank Balance other than cash and cash equivalent | 280,000.00 | - | 280,000.00 |
| Investments | 428.53 | 303.53 | 125.00 |
| Other Financial assets | 50,687.66 | 13,437.66 | 37,250.00 |
| | 2,685,161.88 | 2,367,786.88 | 317,375.00 |
| Non-Financial Assets | | | |
| Current tax assets (net) | 28,046.79 | 28,046.79 | - |
| Deferred tax assets (net) | 860.00 | 860.00 | - |
| Property, Plant and Equipment | 632.93 | - | 632.93 |
| Other non-financial assets | 24.12 | 19.48 | 4.64 |
| | 29,563.84 | 28,926.27 | 637.57 |
| Total Assets | 2,714,725.72 | 2,396,713.15 | 318,012.57 |
| Liabilities | | | |
| Financial Liabilities | | | |
| Trade Payables | 748.38 | 748.38 | - |
| Other Payable | 16,448.62 | 16,448.62 | - |
| Other Financial Liabilities | - | - | - |
| | 17,197.00 | 17,197.00 | - |
| Non-financial Liabilities | | | |
| Current tax liabilities (net) | 35,345.90 | 35,345.90 | - |
| Provisions | 3,085.54 | 3,085.54 | - |
| Other non-financial liabilities | 421,102.34 | 421,102.34 | - |
| | 459,533.78 | 459,533.78 | - |
| Total Liabilities | 476,730.78 | 476,730.78 | - |
| Net | 2,237,994.94 | 1,919,982.37 | 318,012.57 |

(₹ in hundreds)

| Particulars | As at March 31, 2021 | | |
|---|----------------------|-------------------|-------------------|
| | Total | Within 12 months | After 12 Months |
| Assets | | | |
| Financial Assets | | | |
| Cash and cash equivalents | 189,687.83 | 189,687.83 | - |
| Bank Balance other than cash and cash equivalents | 280,000.00 | 85,000.00 | 195,000.00 |
| Trade Receivables | 1,778.22 | 1,778.22 | - |
| Other Financial assets | 213,615.14 | 176,365.14 | 37,250.00 |
| | 685,081.19 | 452,831.19 | 232,250.00 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH 2022

| (₹ in hundreds) | | | |
|----------------------------------|----------------------|-------------------|-------------------|
| Particulars | As at March 31, 2021 | | |
| | Total | Within 12 months | After 12 Months |
| Non-Financial Assets | | | |
| Current tax assets (net) | 854.85 | - | 854.85 |
| Property, Plant and Equipment | 632.93 | - | 632.93 |
| Other non-financial assets | 14.61 | 9.97 | 4.64 |
| | 1,502.39 | 9.97 | 1,492.42 |
| Total Assets | 686,583.58 | 452,841.16 | 233,742.42 |
| Liabilities | | | |
| Financial Liabilities | | | |
| Trade Payables | 5,352.74 | 5,352.74 | - |
| Other Payable | 2,946.59 | 2,946.59 | - |
| Other Financial Liabilities | 103.90 | 103.90 | - |
| | 8,403.23 | 8,403.23 | - |
| Non-financial Liabilities | | | |
| Current tax liabilities (net) | 2,108.06 | 2,108.06 | - |
| Provisions | 1,229.00 | 1,229.00 | - |
| Other non-financial liabilities | 1,320.48 | 1,320.48 | - |
| | 4,657.54 | 4,657.54 | - |
| Total Liabilities | 13,060.77 | 13,060.77 | - |
| Net | 673,522.81 | 439,780.39 | 233,742.42 |

36 DISCLOSURE AS PER IND-AS 1 ON CAPITAL MANAGEMENT

The Company has commenced dealing in derivative instruments and securities during the year. Therefore Capital Management involves managing funds for the same in addition to funds required to meet its administrative and other expenses. The funding requirements are met through equity and earnings from surplus funds parked with the Parent Company as and when needed by them or in liquid fund or banks deposits.

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 under SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992. The management ensures that this is complied at all times.

37 TAX RECONCILIATION DISCLOSURE:

a. Income tax expense consists of the followings:

| (₹ in hundreds) | | |
|-----------------------------------|--------------------------------|--------------------------------|
| Particulars | Year ended 31st March, 2022 | Year ended 31st March, 2021 |
| Current Income Tax | 287,291.00 | 27,216.26 |
| Deferred Tax | (860.00) | - |
| Total tax for current year | 286,431.00 | 27,216.26 |
| Earlier years adjustments | (27,216.26) | - |
| Tax expense for the year | 259,214.74 | 27,216.26 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
AS AT 31ST MARCH 2022

b. Amounts recognised in other comprehensive income

(₹ in hundreds)

| Particulars | Year ended 31st March, 2022 | Year ended 31st March, 2021 |
|--|--------------------------------|--------------------------------|
| Items that will not be reclassified to profit or loss | | |
| Actuarial gain/(loss) on defined benefit plans | (1,153.38) | 501.74 |
| Current Income (Tax)/Benefit | 291.00 | (83.74) |
| Earlier years adjustments | 83.74 | - |
| | (778.64) | 418.00 |

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 hundreds)

| Particulars | Year ended 31st March, 2022 | Year ended 31st March, 2021 |
|--|--------------------------------|--------------------------------|
| Profit/(loss) before tax from before discontinuing operations | 2,000,675.57 | 164,561.11 |
| Enacted Tax Rate in India (%) | 25.168% | 27.82% |
| Expected Income Tax Expenses | 503,530.03 | 45,780.90 |
| Tax Effects of: | | |
| Deductible Expenses for Tax Purpose | (13.90) | (29.35) |
| Non Deductible Expenses for Tax Purpose | 298.03 | 733.62 |
| Fair Value Changes of Investments | - | (738.63) |
| Business Loss and Unabsorbed Depreciation Brought Forward From Earlier Years is Adjusted | (215,735.11) | (50,611.45) |
| Ind As Adjustments | (85.10) | 5,310.43 |
| Loss From Discontinued Operations | (1,562.95) | (445.52) |
| Tax Payable at Normal Rates (A) | 286,431.00 | - |
| Tax Payable Under Section 115JB (MAT) (B) | - | 27,216.26 |
| Total Income Tax Expenses (Higher of A and B) | 286,431.00 | 27,216.26 |

- d. The Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 (the Act) of lower Income Tax rate during the current year while filing return of income for preceding year 2020-2021. Accordingly, provision for tax of Rs.27,216.26 which was made during preceding year 2020-2021 based on book profit u/s 115JB of the Act has been reversed during the current year and provision for tax for the current year has been made accordingly.

e. Movement of deferred tax assets and liabilities:

(₹ in hundreds)

| Particulars | Provisions | Depreciation | Total |
|---------------------------------------|------------|--------------|--------|
| As at 31st March, 2020 | - | - | - |
| Credited/(Charged) to Profit and Loss | 76.00 | (76.00) | - |
| As at 31st March, 2021 | - | - | - |
| Credited/(Charged) to Profit and Loss | 942.00 | (82.00) | 860.00 |
| As at 31st March, 2022 | 942.00 | (82.00) | 860.00 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH 2022

f. Amounts for Which Deferred Tax Asset is Not Recognised

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits there from:

| (₹ in hundreds) | | |
|--|---------------------------|---------------------------|
| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
| Impairment gain on financial instruments | - | 981.52 |
| Unused Tax Losses/Depreciation | - | 289,002.98 |
| Total Deferred Tax Asset | - | 289,984.50 |

38 CONTINGENT LIABILITIES

| (₹ in hundreds) | | | |
|-----------------|---|---------------------------|---------------------------|
| Sr. No. | Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
| 1 | Income Tax and Fringe Benefits Tax matters in dispute | 613.30 | 613.30 |

39 Disclosure regarding loans given, investments made and guarantee given pursuant to section 186(4) of the Companies Act, 2013:

Loans Given - NIL

Investments made - NIL

Guarantee given - NIL

40 Additional regulatory information:

- The Company has not granted any loan or advance in the nature of loan to its promoters, directors, KMPs and the related parties, either severally or jointly with any other person, during the year which are repayable on demand or without specifying any terms or period of repayment.
- 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.
- The Company is not declared willful defaulter by any bank or financial institution or other lender.
- There are no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company does not have any subsidiary and hence provision of clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules 2017 are not applicable to the Company.
- 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 a SEBI registered broker and not an NBFC registered under section 45-IA of Reserve bank of India Act, 1934.
- 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-
 - 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.
- 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-
 - 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 to or on behalf of the Ultimate Beneficiaries.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH 2022

- j) 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.
- k) The provisions of section 135 of the Companies Act, 2013 pertaining to expenditure on Corporate Social Responsibility are not applicable to the Company.
- l) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

41 Other additional and regulator information required pursuant to Part A and B of Division III to Schedule III of the Companies Act, 2013 are not applicable to the Company.

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

43 Figures of the previous year have been regrouped, recasted and rearranged wherever necessary to make them comparable with the figures of the current year.

44 Figures in brackets represents for previous year.

45 COVID-19 outbreak was declared a pandemic by the World Health Organization on 11 March, 2020. Management has assessed the potential impact of COVID 19 based on the current circumstances and expects no impact on the continuity of operations of the business and on useful life of the assets/ on carrying values of Property, Plant and Equipment and recoverable values of its financial and non-financial assets as at 31 March 2022. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these standalone financial statements. The actual results may differ from such estimates depending on future developments. There has been no material change in the controls or processes followed in the closing of the standalone financial statements of the Company.

As at March 31, 2022, based on facts and circumstances existing as of that date, the Company does not anticipate any material uncertainties, which affect its liquidity position; and its ability to continue as a going concern.

46 EVENTS AFTER REPORTING DATE

There have been no events after the reporting date that require disclosure in these standalone financial statements.

47 APPROVAL OF STANDALONE FINANCIAL STATEMENTS

These standalone financial statements were approved for the issue by the Board of Directors at their meeting held on May 23rd, 2022.

As per our Report of even date
For-**B.L. Sarda & Associates**
Chartered Accountants
Firm Registration No.109266W

By the order of the Board
EMKAY COMMOTRADE LIMITED

(CA B. L. Sarda)
Partner
Membership No. 014568

Rajesh Sharma
Director
DIN: 01239871

Saket Agrawal
Director
DIN: 06960186

Place : Mumbai
Dated : 23rd May 2022

Place : Mumbai
Dated : 23rd May 2022

INDEPENDENT AUDITOR'S REPORT (Consolidated)

To the Members of EMKAY COMMOTRADE LIMITED

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of **EMKAY COMMOTRADE LIMITED** ("the Company") and its associate, which comprise the consolidated Balance Sheet as at March 31, 2022, and the consolidated statement of Profit and Loss (including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the separate unaudited financial statements and on the other information of the associate, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company and its associate as at March 31, 2022, of consolidated profits (including Other Comprehensive losses), consolidated changes in equity and its consolidated cash flows for the year then ended.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the 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 Company and its associate in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Consolidated Financial Statements and Auditor's report thereon

The Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Board's Report including Annexures to the Board report, but does not include the consolidated financial statement 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 and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company including its associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The Board of Directors of the Company and the management of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

INDEPENDENT AUDITOR'S REPORT (CONSOLIDATED) (Contd.)

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

The Board of Directors of the Company and the management of its associate are responsible for overseeing the financial reporting process of the Company and its associate.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company and its associate has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its associate 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.

We communicate with those charged with governance of the Company 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.

Other Matter

1. The consolidated financial statements include Company's share of net loss after tax of Rs.196.47Hundreds for the year ended March 31,2022, as considered in these consolidated Financial statements, based on the unaudited financial statements of the said associate which have been certified by the Management of the said entity and furnished to us by the Management of the Company. Our opinion on the consolidated Financial Statements,in so far as it relates to the amounts and disclosures included in respect of the said entity, is based solely on the unaudited financial statements of the entity provided by the Management.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the unaudited financial statements of the said associate which, in our opinion, are not material.

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, based on our audit and on the consideration of the separate unaudited financial statements and other financial information of the associate, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and separate unaudited financial statements of the associate.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Company as on March 31, 2022 taken on record by the Board of Directors of the Company, none of the directors of the Company is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) The associate of the company is a Limited Liability Partnership and hence reporting as required under clause (i) of sub-section (3) of section 143 of the Act with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls is not applicable with respect to the said associate. With respect to the adequacy of internal financial controls over financial reporting of the Company and the

operating effectiveness of such controls, refer to our separate report in Annexure "A".

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Sec 197(16) of the Act, as amended:

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/ provided for managerial remuneration during the year.

- (h) With respect to the matters to be included in the Auditor's report in accordance with the rule 11 of the Companies (Audit and Auditors) Rules, 2014, the same are not applicable with respect to the associate of the Company which is not a company incorporated under the Act and with respect to the company, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 26(d) and 37 to the financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management of the company has represented that, to the best of its knowledge and belief, 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management of the company has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), 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 ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representation under sub clause (i) and (ii) of Rule 11(e) of The Companies (Audit and Auditors) Rules, 2014, as provided under (iv) (a) and (b) above, contains any material misstatement.

- v. The interim dividends declared and paid by the Company during the year is in compliance with the section 123 of the Act.

For B. L. Sarda & Associates

Chartered Accountants

Firm Registration No.109266W

(CA. B. L. Sarda)

Partner

Membership No.014568

UDIN :22014568AJLMRT5730

Place : Mumbai

Dated : 23rd May,2022

ANNEXURE “A” TO INDEPENDENT AUDITOR’S REPORT OF EVEN DATE TO THE MEMBERS OF EMKAY COMMOTRADE LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

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

1. In conjunction with our audit of the consolidated financial statements of **EMKAY COMMOTRADE LIMITED** (the ‘Company’) and its associate, as at and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of the Company for the year ended on that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

2. The Management of the Company 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 (the ‘Guidance Note’) 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 the company’s business, including adherence to the company’s policies, the safeguarding of the company’s assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Act.

AUDITORS’ RESPONSIBILITY

3. Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company as aforesaid, 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, deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note

require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting of the Company as aforesaid.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at March 31, 2022, 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 Institute of Chartered Accountants of India.

OTHER MATTER

9. The consolidated financial statements include the Company's share of net loss of Rs.196.47 Hundreds for the year ended March 31, 2022, as considered in

these consolidated Financial statements, based on the unaudited financial statements of the said associate which have been certified by the Management of the said entity and furnished to us by the Management of the Company, whose internal financial controls over financial reporting has not been audited by us. The said associate is not a company incorporated under the Act and hence reporting as required under clause (i) of sub-section (3) of section 143 of the Act with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls is not applicable to the said associate.

Our opinion is not modified in respect of this above matter.

For B. L. Sarda & Associates

Chartered Accountants

Firm Registration No.109266W

(CA. B. L. Sarda)

Partner

Membership No.014568

UDIN :22014568AJLMRT5730

Place : Mumbai

Dated : 23rd May, 2022

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2022

| | | (₹ in hundreds) | |
|---|----------|---|--|
| Particulars | Note No. | As at 31st March 2022 current reporting period | As at 31st March 2021 previous reporting period |
| I ASSETS | | | |
| 1 Financial assets | | | |
| Cash and cash equivalents | 3 | 2,354,045.69 | 189,687.83 |
| Bank Balance other than cash and cash equivalents | 4 | 280,000.00 | 280,000.00 |
| Derivative financial instruments | 5 | - | - |
| Trade Receivables | 6 | - | 1,778.22 |
| Investments | 7 | 428.53 | - |
| Other Financial assets | 8 | 50,687.66 | 213,615.14 |
| Total Financial assets | | 2,685,161.88 | 685,081.19 |
| 2 Non-financial Assets | | | |
| Current tax assets (net) | 9 | 28,046.79 | 854.85 |
| Deferred tax assets (net) | 36(e) | 860.00 | - |
| - Property, Plant and Equipment | 10 | 632.93 | 632.93 |
| Other non financial assets | 11 | 24.12 | 14.61 |
| Total Non-financial Assets | | 29,563.84 | 1,502.39 |
| Total assets | | 2,714,725.72 | 686,583.58 |
| II LIABILITIES AND EQUITY | | | |
| LIABILITIES | | | |
| 1 Financial Liabilities | | | |
| (c) | | | |
| Derivative financial instruments | | | |
| Derivative financial instruments | 5 | - | - |
| Payables | | | |
| (I) Trade Payables | | | |
| (i) total outstanding dues of micro enterprises and small enterprises | | - | - |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 12(a) | 748.38 | 5,352.74 |
| (II) Other Payables | | | |
| (i) total outstanding dues of micro enterprises and small enterprises | | | |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | | | |
| (II) Other Payables | | | |
| (i) total outstanding dues of micro enterprises and small enterprises | | - | - |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 12(b) | 16,448.62 | 2,946.59 |
| Borrowings (Other than Debt securities) | | - | - |
| Other financial liabilities | 13 | - | 103.90 |
| Total Financial Liabilities | | 17,197.00 | 8,403.23 |
| 2 Non-financial Liabilities | | | |
| Current tax liabilities (net) | | | |
| Current tax liabilities (net) | 14 | 35,345.90 | 2,108.06 |
| Provisions | 15 | 3,085.54 | 1,229.00 |
| Deferred tax liabilities (net) | 36(e) | - | - |
| Other non-financial liabilities | 16 | 421,102.34 | 1,320.48 |
| Total Non-financial Liabilities | | 459,533.78 | 4,657.54 |
| 3 EQUITY | | | |
| Equity share capital | 17 | 850,000.00 | 850,000.00 |
| Other Equity | 18 | 1,387,994.94 | (176,477.19) |
| Total Equity | | 2,237,994.94 | 673,522.81 |
| Total Liabilities and Equity | | 2,714,725.72 | 686,583.58 |
| SIGNIFICANT ACCOUNTING POLICIES | 2 | | |

The accompanying notes form an integral part of the consolidated financial statements.

As per our Report of even date
For-B.L. Sarda & Associates
Chartered Accountants
Firm Registration No.109266W

By the order of the Board
EMKAY COMMOTRADE LIMITED

(CA B. L. Sarda)
Partner
Membership No. 014568

Rajesh Sharma
Director
DIN: 01239871

Saket Agrawal
Director
DIN: 06960186

Place : Mumbai
Dated : 23rd May 2022

Place : Mumbai
Dated : 23rd May 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in hundreds)

| Particulars | Note No. | For the Current Year Ended 31st March 2022 | For the Previous Year Ended 31st March 2021 |
|--|----------|--|---|
| Revenue from operations | | | |
| (i) Interest income | 19 | 50,911.88 | 2,255.55 |
| (ii) Fee and commission income | | - | - |
| (iii) Net gain on fair value changes | 20 | 6,815,338.69 | 186,876.14 |
| (iv) Others | | - | - |
| (I) Total Revenue from operations | | 6,866,250.57 | 189,131.69 |
| (II) Other Income | 21 | 41,590.07 | 14,116.64 |
| (III) Total Income (I + II) | | 6,907,840.64 | 203,248.33 |
| Expenses | | | |
| (i) Finance Costs | 22 | 39,288.82 | 18,586.81 |
| (ii) Employee benefits expenses | 23 | 13,732.90 | 11,163.37 |
| (iii) Depreciation expenses | 24 | - | - |
| (iv) Other expenses | 25 | 4,853,946.88 | 8,937.04 |
| (IV) Total Expenses (IV) | | 4,906,968.60 | 38,687.22 |
| (V) Profit before tax from continuing operations (V- VI) | | 2,000,872.04 | 164,561.11 |
| (VI) Tax Expense: | | | |
| (1) Current tax | | 287,291.00 | 27,216.26 |
| (2) Deferred tax | | (860.00) | - |
| (3) Short/(Excess) Provision for Taxation for Earlier Year | | (27,216.26) | - |
| Total Tax Expense: | | 259,214.74 | 27,216.26 |
| Profit after tax but before share of profit/(loss) from associate | | 1,741,657.30 | 137,344.85 |
| (VII) Share of (Loss) from Associates | | (196.47) | - |
| (VIII) Profit after share of loss from associate | | 1,741,460.83 | 137,344.85 |
| (IX) Profit/(Loss) for the year from discontinued operations | | (6,210.06) | (1,601.43) |
| (X) Tax Expenses on discontinued operations | | - | - |
| (XI) Profit/(Loss) for the year from discontinued operations (After Tax) | | (6,210.06) | (1,601.43) |
| (XII) Profit for the year | | 1,735,250.77 | 135,743.42 |
| (XIII) Other Comprehensive Income/(loss) | | | |
| A (i) Items that will not be reclassified to profit or loss | | | |
| - Actuarial gain/(loss) on defined benefit plan | | (1,153.38) | 501.74 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss-Current year | | 291.00 | (83.74) |
| (iii) Income tax relating to items that will not be reclassified to profit or loss - Earlier years | | 83.74 | - |
| Subtotal (A) | | (778.64) | 418.00 |
| B (i) Items that will be reclassified to profit or loss | | - | - |
| (ii) Income tax relating to items that will be reclassified to profit or loss | | - | - |
| Subtotal (B) | | - | - |
| Other Comprehensive Income/(loss) (A + B) | | (778.64) | 418.00 |
| (XIV) Total Comprehensive Income/(loss) for the year | | 1,734,472.13 | 136,161.42 |
| (XV) Earnings per Equity Share (for Continuing Operations) of Nominal value of Rs. 10 each (in rupees) | | | |
| - Basic | | 20.49 | 1.74 |
| - Diluted | | 20.49 | 1.73 |
| (XVI) Earnings per Equity Share (for Discontinued Operations) of Nominal value of Rs. 10 each (in rupees) | | | |
| - Basic | | (0.07) | (0.02) |
| - Diluted | | (0.07) | (0.02) |
| (XVII) Earnings per Equity Share (for Discontinued & Continuing Operations) of Nominal value of Rs. 10 each (in rupees) | | | |
| - Basic | | 20.41 | 1.72 |
| - Diluted | | 20.41 | 1.71 |

The accompanying notes form an integral part of the consolidated financial statements.

As per our Report of even date
For-B.L. Sarda & Associates
Chartered Accountants
Firm Registration No.109266W

By the order of the Board
EMKAY COMMOTRADE LIMITED

(CA B. L. Sarda)
Partner
Membership No. 014568

Rajesh Sharma
Director
DIN: 01239871

Saket Agrawal
Director
DIN: 06960186

Place : Mumbai
Dated : 23rd May 2022

Place : Mumbai
Dated : 23rd May 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH, 2022

1 EQUITY SHARE CAPITAL

(₹ in hundreds)

| Particulars | Equity Share Capital | |
|--|----------------------|-------------------|
| | No. of Shares | Amount in Rs. |
| As at 31st March, 2021 | | |
| Balance at the beginning of the previous reporting period | 6,000,000 | 600,000.00 |
| Changes in equity share capital due to prior period errors | - | - |
| Restated balance at the beginning of the previous reporting period | - | - |
| Changes in equity share capital during the previous year | 2,500,000 | 250,000.00 |
| Balance at the end of the previous reporting period | 8,500,000 | 850,000.00 |
| As at 31st March, 2022 | | |
| Balance at the beginning of the current reporting period | 8,500,000 | 850,000.00 |
| Changes in equity share capital due to prior period errors | - | - |
| Restated balance at the beginning of the current reporting period | - | - |
| Changes in equity share capital during the current year | - | - |
| Balance at the end of the current reporting period | 8,500,000 | 850,000.00 |

2 OTHER EQUITY

| Particulars | Reserves and Surplus | | Equity component of compound financial instruments | Other Comprehensive Income | Total |
|--|----------------------|----------------------------------|--|---|---------------------|
| | Retained Earnings | Other Reserves - General Reserve | | Items that will not be Reclassified to Profit or Loss - Actuarial gains/(losses) on Defined Benefit Plans | |
| Balance as at 31st March 2021 | | | | | |
| Balance at the beginning of the previous reporting period | (443,373.57) | 42,145.86 | 89,811.51 | (1,222.41) | (312,638.61) |
| Changes in accounting policy or prior period errors | - | - | - | - | - |
| Restated balance at the beginning of the previous reporting period | - | - | - | - | - |
| Profit after income tax for the previous year | 135,743.42 | - | - | - | 135,743.42 |
| Transferred to retained earnings during the previous year | 89,811.51 | - | (89,811.51) | - | - |
| Other Comprehensive Income/(Loss) for the previous year | - | - | - | 418.00 | 418.00 |
| Total Comprehensive Income for the previous year | - | - | - | - | 136,161.42 |
| Balance at the end of the previous reporting period | (217,818.64) | 42,145.86 | - | (804.41) | (176,477.19) |
| Balance as at 31st March 2022 | | | | | |
| Balance at the beginning of the current reporting period | (217,818.64) | 42,145.86 | - | (804.41) | (176,477.19) |
| Changes in accounting policy or prior period errors | - | - | - | - | - |
| Restated balance at the beginning of the current reporting period | - | - | - | - | - |
| Profit after tax for the current year | 1,735,250.77 | - | - | - | 1,735,250.77 |
| Less: Interim Dividends Paid during the year | 170,000.00 | - | - | - | 170,000.00 |
| Other Comprehensive Income/(Loss) for the current year | - | - | - | (778.64) | (778.64) |
| Total Comprehensive Income/(Loss) for the current year | - | - | - | - | 1,734,472.13 |
| Balance at the end of the current reporting period | 1,347,432.13 | 42,145.86 | - | (1,583.05) | 1,387,994.94 |

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our Report of even date
For-B.L. Sarda & Associates
Chartered Accountants
Firm Registration No.109266W

(CA B. L. Sarda)
Partner
Membership No. 014568

Place : Mumbai
Dated : 23rd May 2022

By the order of the Board
EMKAY COMMOTRADE LIMITED

Rajesh Sharma
Director
DIN: 01239871

Place : Mumbai
Dated : 23rd May 2022

Saket Agrawal
Director
DIN: 06960186

CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in hundreds)

| Particulars | | 31st March 2022 | | 31st March 2021 | |
|--|---|-----------------|--------------|-----------------|--------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | | | |
| | Net Profit/(Loss) before tax, Exceptional / Extraordinary Items From | | | | |
| | Continuing Operations | | 2,000,675.57 | | 164,561.11 |
| | Adjustment for : | | | | |
| | Finance Costs | 39,288.82 | | 18,586.81 | |
| | Depreciation Expenses | - | | - | |
| | Interest Received | (66,133.34) | | (16,331.79) | |
| | Loss on Disposal/Discard of Property, Plant and Equipment | - | (26,844.52) | - | 2,255.02 |
| | Operating profit before working capital changes | | 1,973,831.05 | | 166,816.13 |
| | Adjustment for : | | | | |
| | (Increase)/decrease in trade receivables | 1,778.22 | | (1,778.22) | |
| | (Increase)/decrease in other financial assets | 161,774.10 | | (174,833.43) | |
| | (Increase)/decrease in other non financial assets | (9.51) | | 79.97 | |
| | (Increase)/decrease in bank balance other than cash and cash equivalents | - | | (280,000.00) | |
| | Increase/(decrease) in trade payables | 165.41 | | - | |
| | Increase/(decrease) in other payables | 12,390.01 | | (1,714.43) | |
| | Increase/(decrease) in other financial liabilities | (103.90) | | (151.44) | |
| | Increase/(decrease) in provisions | 1,856.54 | | 1,188.60 | |
| | Increase/(decrease) in other non financial liabilities | 419,522.69 | | (728.06) | |
| | Share in Loss from Associates | 196.47 | 597,570.03 | - | (457,937.01) |
| | Cash Generated from operations | | 2,571,401.08 | | (291,120.88) |
| | Direct taxes (Paid)/Refund | | (253,654.10) | | (16,001.19) |
| | Cash flow before extraordinary items | | 2,317,746.98 | | (307,122.07) |
| | Extraordinary items | | - | | |
| | Net Cash from / (used in) Operating Activities | | 2,317,746.98 | | (307,122.07) |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | | | |
| | Interest Received | 66,133.34 | 66,133.34 | 16,331.79 | 16,331.79 |
| | Net Cash from/(used in) Investing Activities | | 66,133.34 | | 16,331.79 |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | | | |
| | Proceeds from Issue of Equity shares | - | | 25,000.00 | |
| | Redemption of Preference shares | - | | (25,000.00) | |
| | Investments made | (625.00) | | - | |
| | Interim Dividends Paid | (170,000.00) | | - | |
| | Finance Costs | (39,288.82) | (209,913.82) | - | - |
| | Net Cash from/(used in) Financing Activities | | (209,913.82) | | - |
| | Net Increase/(Decrease) in Cash and Cash equivalents - Continued Operations | | 2,173,966.50 | | (290,790.28) |

CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in hundreds)

| Particulars | 31st March 2022 | 31st March 2021 |
|---|---------------------|--------------------|
| D. CASH FLOW FROM DISCONTINUED OPERATIONS | | |
| Net Profit/(Loss) before tax, Discontinued Operations | (6,210.06) | (1,601.43) |
| Operating profit before working capital changes | (6,210.06) | (1,601.43) |
| Adjustment for : | | |
| (Increase)/decrease in other financial assets | - | 827.55 |
| Increase/(decrease) in trade payables | (4,769.77) | (14,117.33) |
| Increase/(decrease) in other payables | 1,112.02 | 781.58 |
| Increase/(decrease) in other financial liabilities | - | (103.90) |
| Increase/(decrease) in other non financial liabilities | 259.17 | 778.50 |
| Net Cash from / (used in) discontinued Operating Activities | (9,608.64) | (13,435.03) |
| Net Increase/(Decrease) in Cash and Cash equivalents -Dis-continued Operations | (9,608.64) | (13,435.03) |
| Continued Operations | 2,173,966.50 | (290,790.28) |
| Dis-continued Operations | (9,608.64) | (13,435.03) |
| | 2,164,357.86 | (304,225.31) |
| Cash and Cash equivalents at the beginning of the year | 189,687.83 | 493,913.14 |
| Cash and Cash equivalents at the close of the year | 2,354,045.69 | 189,687.83 |
| Notes : | | |
| 1. Cash and Cash equivalents comprise of : | | |
| Balances with Banks | | |
| - Current Accounts | 2,353,962.20 | 189,661.44 |
| Cash on Hand | 83.49 | 26.39 |
| | - 2,354,045.69 | 189,687.83 |
| 2. Consolidated Cash flow statement has been prepared under the Indirect Method as set out in the Indian Accounting Standard - 7 (Ind AS-7) "Statement of Cash Flow." | | |
| 3. Previous year's figures are re-grouped/recasted/re-arranged wherever considered necessary. | | |

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our Report of even date

For-B.L. Sarda & Associates

Chartered Accountants

Firm Registration No.109266W

By the order of the Board

EMKAY COMMOTRADE LIMITED

(CA B. L. Sarda)

Partner

Membership No. 014568

Rajesh Sharma

Director

DIN: 01239871

Saket Agrawal

Director

DIN: 06960186

Place : Mumbai

Dated : 23rd May 2022

Place : Mumbai

Dated : 23rd May 2022

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2022

1 CORPORATE INFORMATION

Emkay Commotrade Limited ('the Company') is a company domiciled in India and was incorporated under the Companies Act, 1956 vide Certificate of Incorporation (CIN) U51110MH2006PLC158675, dated 5th January, 2006. The Company is the wholly owned subsidiary company of the Emkay Global Financial Services Limited (the Parent). The company's registered office is situated at the Ruby, 7th Floor, Senapati Bapat Marg, Dadar (West), Mumbai-400028. The Company was engaged in the business of Commodity Exchanges Broking which was discontinued from 13th February 2019. However, it continues to hold certificate of registration issued by Securities and Exchange Board of India (SEBI) for broking. The Company has commenced dealing in derivative instruments and securities during last year.

During the year, the company has become designated partner in AES Trading and Consultants LLP (AES) having 25% share in profit / (loss), formed with the object of acting as financial, management and investment consultants, advisory services, investment management services and to provide advice, service, consultancy in various fields like administrative, secretarial, commercial, economic, financial, quality control and data processing and also to render ancillary services related to business. In view of significant influence over AES, the said AES is an associates of the company which has been consolidated in these consolidated financial statements.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

(i) Statement of Compliance

These consolidated financial statements comprise the Consolidated Balance Sheets

as at March 31, 2022 and March 31, 2021, the Consolidated Statements of Profit and Loss, the Consolidated Statements of Cash Flows and the Consolidated Statements of Changes in Equity for the year ended March 31, 2022 and for the year ended March 31, 2021, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as consolidated financial statements').

These consolidated 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) Rules, 2015 as amended and other relevant provisions of the Act.

These consolidated financial statements have been prepared in accordance with Division III of Schedule III to the Act on going concern basis using the significant accounting policies and measurement bases summarized as below. . These accounting policies have been applied consistently over all the periods presented in these consolidated financial statements.

(ii) Principles of Consolidation:

- (a) Entity consolidated as an Associate in accordance with Ind AS-28 – Investments in Associates and Joint Ventures in these consolidated financial statements.

| Name of Associate | Date of Incorporation | Country of Incorporation | Proportion of Ownership Interest | | Nature of Business |
|---------------------------------|-----------------------|--------------------------|--|--|---|
| | | | As at 31 st March, 2022 (%) | As at 31 st March, 2021 (%) | |
| AES Trading and Consultants LLP | 13.12.2021 | India | 25% | - | To act as financial, management and investment consultants, advisory services, and investment management services and to provide advice, service, consultancy in various filed. |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(b) Investment in associate

Associate is an entity over which the Company has significant influence but not control or joint control. This is generally the case where the Company holds 25% of the voting rights or the Company has power to participate in the financial and operating policy decision of the investee. Investment in associate are accounted for using equity method of accounting.

The results and assets and liabilities of associate are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105.

Under the equity method, an investment in an associate is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Company's share of the profit or loss and other comprehensive income of the associate.

On acquisition of the investment in an associate, any excess of the cost of the investment over the Company's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

Distributions received from an associate reduce the carrying amount of the investment. Unrealised gains on transactions between the Company and its associate are eliminated to the extent of the Company's interest in these entities. Unrealised losses are also eliminated unless the transactions provides evidence of an impairment of the assets transferred.

When the Company's share of losses of an associate exceeds the Company's interest in that associate (which includes any long-term

interests that, in substance, form part of the Company's net investment in the associate), the Company discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

- (c) Accounting policies of equity accounted investee have been changed wherever necessary to ensure consistency with the policies adopted by the Company.
- (d) The carrying amount of equity accounted investments are tested for impairment in accordance with the Accounting Policy no.2.4(a)(ii) below.

(iii) Historical Cost Convention

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

- certain financial instruments which are measured at fair value (refer Accounting Policy no.2.3 below);and
- defined benefit plan- plan assets measured at fair value (refer Accounting Policy no.2.9(ii)(A)(b) below).

(iv) Functional and Presentation Currency

These consolidated financial statements are presented in Indian Rupees ('INR'), which is also the Company's functional currency and all values are rounded to the nearest hundred except Earnings Per Share (EPS) which are in rupees.

(v) Preparation of consolidated financial statements

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. As per the format prescribed under Division III of Schedule III to the Act on 11 October 2013, the Company presents the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Statement of Changes in Equity in the order of liquidity. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in note no.34.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(vi) **Use of Estimates and Judgments**

The preparation of the consolidated financial statements requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the consolidated financial statements is made relying on these estimates.

The estimates and judgements used in the preparation of the consolidated financial statements are continuously evaluated and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future period.

Areas involving critical estimates and Judgements are:

- Estimation of useful lives and residual values of property, plant and equipment.
- Estimation of defined benefit obligations
- Estimation of tax expenses
- Provisions and contingent liabilities
- Measurement of fair values
- Allowance for impairment of financial and non-financial instruments

(vii) **Fair Value Measurement**

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 economic best interest.

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

The 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.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

2.2 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.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

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 written down value (WDV) method to write down the cost of PPE to their residual values over their estimated useful lives which are in line with the estimated useful life as specified in Schedule II of the Act.

The estimated useful lives are as follows:

| Particulars | Useful life estimated by Company |
|------------------------|----------------------------------|
| Furniture and Fixtures | 10 years |
| Office Equipments | 5 years |
| Computers | 3 years |

Derecognition

An item of PPE is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on recognition 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.

2.3 Financial Instruments

(i) Initial Recognition and Measurement

The Company recognizes financial assets and liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition.

(ii) Subsequent Measurement

a. Financial Assets Carried at Amortized Cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows

that are solely payments of principal and interest on the principal amount outstanding.

b. Financial Assets at Fair Value Through Other Comprehensive Income(FVOCI)

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

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

c. Financial Assets at Fair Value Through Profit or Loss(FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Items at fair value through profit or loss comprise:

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

Financial instruments held at fair value through profit or loss are initially 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

short-term profit taking, or it is a derivative not designated in a qualifying hedge relationship.

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

d. Investment in Associate

Investment in Associate are carried in accordance with equity method of accounting as per point no.2.1(ii)(b) less impairment loss, if any as per point no. 2.4 (a)(ii) below

e. Derivatives

The Company enters into derivative transactions being equity derivative transactions in the nature of Futures and Options in Equity Stock/Index 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.

f. Financial Liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(iii) Derecognition of Financial Instruments

The Company derecognizes a financial asset when the contractual right to receive the cash flows from the financial asset expire or it transfers the financial asset.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires.

(iv) 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 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.

2.4 Impairment

a. Financial Assets

(i) The Company recognizes loss allowances using the expected credit losses (ECL) model for the financial assets which are not fair valued through statement of profit and loss. For trade receivables with no significant financing component, the Company provides for ECL by way of Provision for doubtful debts based on the probability of defaults that are possible over the life of the asset. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is done so as an impairment gain or loss in statement of profit and loss.

(ii) Investment in Associate

Investment in Associate is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable and impairment loss is recognized for the amount by which the carrying amount of the investment exceeds its recoverable amount.

b. Non-Financial Assets

Property, Plant and Equipment

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

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.

2.5 Compound Financial Instruments

Compound Financial Instruments are separated into liability and equity components based on the terms of the instrument.

At the time of issuance of the compound financial instruments, the liability component is measured at amortised cost using effective interest rate (EIR) and classified as 'Liability component of compound financial instrument'. It is measured at amortized cost till the consolidated financial statements of the Company were prepared on "going concern" basis and thereafter at fair value through profit and loss (FVTPL) using Company's incremental borrowing rate for similar term. The same is extinguished on conversion or redemption.

The remainder of the proceeds is recognised and included in equity and classified as 'Equity component of compound financial instrument' and is not remeasured in subsequent years.

The unwinding interest expense on the liability component is charged to the statement of profit and loss as interest on compound financial instruments under finance costs.

2.6 Financial Guarantee

The parent company has given corporate guarantee to a bank on behalf of the company without charging any commission. The same has been fair valued and measured at amortized cost. On transition date the unwinding interest cost on financial guarantee is recognised under other equity as Financial Guarantee from Parent Company and in subsequent year, the unwinding interest expense on financial guarantee is

charged to the statement of profit and loss under finance costs.

The Company derecognise the accumulated amount of finance cost under financial guarantee from parent company shown under 'Other Equity' by transferring to retained earnings on closure.

2.7 Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand and balances with banks (other than earmarked) and fixed deposits with bank (free from encumbrances) that are readily convertible to known amounts of cash with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.8 Revenue Recognition

Revenue is recognized to the extent it is possible that economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue is measured at fair value of the consideration received or receivable.

(i) Net gain on Fair value changes

Any realised gain or loss on sale of financial assets being investments, securities and derivative instruments held for trading measured on the trade date at FVTPL is recognised in net gain / loss on fair value changes.

Similarly, Any differences between the fair values of financial assets being investments, securities and derivative instruments held for trading classified as 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 in "Net gains 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.

(ii) Interest Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

2.9 Employee Benefits

(i) Short Term Benefits

All employee benefits including short term 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.

(ii) Long Term Benefits

A. Post-employment Benefits

a) Defined Contribution Schemes

Retirement/ Employee benefits in the form of Provident Fund is considered as defined contribution plan and contributions to the fund administered by the Government are charged to the statement of profit and loss of the year when the contribution to the said fund is 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 recognised 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.

B. Other Long Term Benefits

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

2.10 Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.11 Operating Leases

For leases with a term of twelve months or less (short-term leases) and leases of low value assets, the Company elects to exercise recognition exemption as prescribed under Ind AS 116 –Leases for the same and recognises the lease payments as an operating expense on accrual basis in accordance with the respective Lease and License agreements.

2.12 Other Income and Expenses

(i) 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: (i) 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, (ii) by considering all the contractual terms of the financial instrument in estimating the cash flows, and (iii) including all fees paid between parties to the contract that are an integral part of the

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

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 the Statements of Profit and Loss with the corresponding adjustment to the carrying amount of the assets.

- (ii) All other income and expenses are recognized in the period they occur.

2.13 Taxes

(i) 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 for the relevant year.

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).

(ii) 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.

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.

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).

(iii) 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:

- 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
- 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.

2.14 Discontinued Operations

A discontinued operation is a component of the company's business, the operations and cash flows of which can be clearly distinguished from those of the rest of the company and which represent a separate major line of business.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative Statement of Profit and Loss is represented as if the operation had been discontinued from the start of the comparative period.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

2.15 Earnings Per Share (EPS)

The Company reports basic and diluted EPS in accordance with Ind AS 33 on Earnings per share. Net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) is divided by the weighted average number of equity shares outstanding during the year for calculating basic EPS and by the weighted average number of shares outstanding during the year adjusted for the effects of all dilutive potential equity shares for calculating diluted EPS.

2.16 Foreign Currency Transactions

Initial recognition:

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

Conversion:

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

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

2.17 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 consolidated financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

2.18 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 consolidated 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.

2.19 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and there is no impact on its consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH 2022

3 CASH AND CASH EQUIVALENTS

(₹ in hundreds)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|-----------------------|--------------------------|--------------------------|
| Cash on hand | 83.49 | 26.39 |
| Balances with Banks | | |
| - in current accounts | 2,353,962.20 | 189,661.44 |
| Total | 2,354,045.69 | 189,687.83 |

4 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in hundreds)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|--|--------------------------|--------------------------|
| Fixed deposits with bank (with original maturity of more than 12 months) * | 280,000.00 | 280,000.00 |
| Total | 280,000.00 | 280,000.00 |

* Fixed deposits lien marked as security against bank overdraft facility.

5 DERIVATIVE FINANCIAL INSTRUMENTS

(₹ in hundreds)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|--|--------------------------|--------------------------|
| Part I | | |
| - Equity Linked Derivatives | - | - |
| Total Derivative financial instruments | - | - |
| Part II | | |
| Included in above (Part I) are derivatives held for hedging and risk management purpose as follows | | |
| - Fair value hedging | - | - |
| - Cash flow hedging | - | - |
| Total Derivative financial instruments | - | - |

Note

The Company enters into derivative transactions being equity derivative transactions in the nature of Options in Equity Stock/ Index for trading purposes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31ST MARCH 2022**6 TRADE RECEIVABLES**

(₹ in hundreds)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|--|--------------------------|--------------------------|
| Trade Receivables - Secured | - | - |
| Total (A) | - | - |
| Trade Receivables - Unsecured | | |
| - Considered good * | - | 1,778.22 |
| - Considered doubtful | 3,528.11 | 3,528.11 |
| Total (B) | 3,528.11 | 5,306.33 |
| Total(A+B) | 3,528.11 | 5,306.33 |
| Less: Provision for doubtful debts | 3,528.11 | 3,528.11 |
| Total | - | 1,778.22 |
| * Above includes due from holding company, a related party | - | 1,778.22 |

Trade Receivable ageing schedule as at 31st March, 2022

| Particulars | Outstanding for following periods from the date of transaction | | | | | Total |
|---|--|------------|-------------|-------------|-------------------|----------|
| | Less than 6 months | 6 month -1 | 1 - 2 Years | 2 - 3 Years | More than 3 Years | |
| Undisputed trade receivables -credit impaired | - | - | - | | 3,528.11 | 3,528.11 |
| Total | - | - | - | - | 3,528.11 | 3,528.11 |

Trade Receivable ageing schedule as at 31st March, 2021

| Particulars | Outstanding for following periods from the date of transaction | | | | | Total |
|--|--|------------|-------------|-------------|-------------------|----------|
| | Less than 6 months | 6 month -1 | 1 - 2 Years | 2 - 3 Years | More than 3 Years | |
| Undisputed trade receivables - considered good | 1,778.22 | - | - | | - | 1,778.22 |
| Undisputed trade receivables - credit impaired | - | - | - | | 3,528.11 | 3,528.11 |
| Total | 1,778.22 | - | - | - | 3,528.11 | 5,306.33 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH 2022

7 INVESTMENTS

(₹ in hundreds)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|--------------------------|--------------------------|
| At amortised cost | | |
| Investments in Associate | | |
| Balance in Capital Account with AES Trading and Consultants LLP | 125.00 | - |
| Current Capital contribution | 500.00 | - |
| Share in Loss from Associates | (196.47) | - |
| Balance in Current Account with AES Trading and Consultants LLP | 303.53 | - |
| Total | 428.53 | - |
| Out of Above: | | |
| Investment in India | 428.53 | - |
| Investment outside India | - | - |
| Total | 428.53 | - |

Note:

Summarised aggregated financial information of the Company's share in associate: M/s AES Trading and Consultants LLP

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|--------------------------|--------------------------|
| Cash and cash equivalents | 273.16 | - |
| Losses | 785.88 | - |
| Total Assets | 1,059.04 | - |
| Other Liability | | |
| Statutory Liability | (59.04) | - |
| Credit balance in Partner's Current Account | (500.00) | - |
| Total Liability | (559.04) | - |
| Net Assets | 500.00 | - |
| Proportion of the Company's Share | 0.25 | - |
| Company's share of net assets / Carrying amount of interest in associate | 125.00 | - |

| | For the Year Ended 31st March 2022 | For the Year Ended 31st March 2021 |
|--|---------------------------------------|---------------------------------------|
| Revenue | - | - |
| (Loss) before Tax | (785.88) | - |
| Tax Expenses | - | - |
| (Loss) after Tax | (785.88) | - |
| Company's Share in loss from Associates | (196.47) | - |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31ST MARCH 2022**8 OTHER FINANCIAL ASSETS**

(₹ in hundreds)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|--|--------------------------|--------------------------|
| Deposit with Exchanges | 35,000.00 | 35,000.00 |
| Deposits with Professional Clearing Members | 2,000.00 | 2,000.00 |
| Margin Deposit for Derivative Transactions with Holding Company, a related party | - | 175,000.00 |
| Deposits Others | 250.00 | 250.00 |
| Advances recoverable | 13,437.66 | 979.29 |
| Interest Receivable from Holding Company, a related party | - | 385.85 |
| Total | 50,687.66 | 213,615.14 |

9 CURRENT TAX ASSETS (NET)

(₹ in hundreds)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|--------------------------|--------------------------|
| Advance income tax (net of provision for tax) | 28,046.79 | 854.85 |
| Total | 28,046.79 | 854.85 |

10 PROPERTY, PLANT AND EQUIPMENT

(₹ in hundreds)

| | Furniture & Fixtures | Office Equipments | Computers | Total |
|---------------------------------|-------------------------|----------------------|---------------|---------------|
| Gross carrying amount | | | | |
| As at 1st April 2020 | 8.05 | 4.50 | 682.19 | 694.74 |
| Additions | - | - | - | - |
| Disposals | - | - | - | - |
| As at 31 March 2021 | 8.05 | 4.50 | 682.19 | 694.74 |
| Additions | - | - | - | - |
| Disposals | - | - | - | - |
| As at 31 March 2022 | 8.05 | 4.50 | 682.19 | 694.74 |
| Accumulated depreciation | | | | |
| As at 1st April 2020 | 2.71 | - | 59.10 | 61.81 |
| Charge for the year | - | - | - | - |
| Disposals | - | - | - | - |
| As at 31 March 2021 | 2.71 | - | 59.10 | 61.81 |
| Charge for the year | - | - | - | - |
| Disposals | - | - | - | - |
| As at 31 March 2022 | 2.71 | - | 59.10 | 61.81 |
| Net carrying amount | | | | |
| As at 31 March 2021 | 5.34 | 4.50 | 623.09 | 632.93 |
| As at 31 March 2022 | 5.34 | 4.50 | 623.09 | 632.93 |

Notes:

There is no (i) acquisition through business combinations, (ii) revaluation of property, plant and equipment and (iii) impairment losses and its reversal during the year/previous year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH 2022

11 OTHER FINANCIAL ASSETS

(₹ in hundreds)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|-------------------------------------|--------------------------|--------------------------|
| Prepaid expenses | 19.48 | 9.97 |
| Balance with Goods and Services Tax | 4.64 | 4.64 |
| Total | 24.12 | 14.61 |

12 (A) TRADE PAYABLES

(₹ in hundreds)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|--------------------------|--------------------------|
| (i) total outstanding dues of micro enterprises and small enterprises | - | - |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises * | 748.38 | 5,352.74 |
| Total | 748.38 | 5,352.74 |
| * Above includes due to holding company, a related party | 165.41 | - |

Trade Payables ageing schedule as at 31st March, 2022

| Particulars | Outstanding for following periods 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 | 165.41 | - | 582.97 | - | 748.38 |

Trade Payables ageing schedule as at 31st March, 2021

| Particulars | Outstanding for following periods 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 | - | - | 4,969.93 | 382.82 | 5,352.75 |

12 (B) OTHER PAYABLES

(₹ in hundreds)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|--------------------------|--------------------------|
| (i) total outstanding dues of micro enterprises and small enterprises | - | - |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises * | 16,448.62 | 2,946.59 |
| Total | 16,448.62 | 2,946.59 |
| * Above includes due to holding company, a related party | 6,053.91 | 6,053.91 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31ST MARCH 2022

Notes:

1. The details of amount outstanding to Micro, Small and Medium Enterprises defined under "Micro, Small and Medium Enterprises Development Act, 2006" (as identified based on information available with the company and relied upon by the Auditors) is as under -

| | | |
|--|---|---|
| Principal amount due and remaining unpaid | - | - |
| Interest due on above and the unpaid interest | - | - |
| Interest paid | - | - |
| Payment made beyond the appointed day during the year | - | - |
| Interest due and payable for the period of delay | - | - |
| Interest accrued and remaining unpaid | - | - |
| Amount of further interest remaining due and payable in succeeding years | - | - |

13 OTHER FINANCIAL LIABILITIES

(₹ in hundreds)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|-------------------|--------------------------|--------------------------|
| Other liabilities | - | 103.90 |
| Total | - | 103.90 |

14 CURRENT TAX LIABILITIES (NET)

(₹ in hundreds)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|--------------------------|--------------------------|
| Provision for Taxation (Net of Tax paid) | 35,345.90 | 2,108.06 |
| Total | 35,345.90 | 2,108.06 |

15 PROVISIONS

(₹ in hundreds)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---------------------------------|--------------------------|--------------------------|
| Provision for employee benefits | | |
| - Compensated absences | 214.93 | - |
| - Bonus | 2,241.41 | 1,229.00 |
| - Gratuity | 629.20 | - |
| Total | 3,085.54 | 1,229.00 |

16 OTHER NON FINANCIAL LIABILITIES

(₹ in hundreds)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|------------------------|--------------------------|--------------------------|
| Statutory dues payable | 421,102.34 | 1,320.48 |
| Total | 421,102.34 | 1,320.48 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH 2022

17 EQUITY

(₹ in hundreds)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|--|--------------------------|--------------------------|
| EQUITY SHARE CAPITAL | | |
| Authorised: | | |
| 8,500,000 (As at 31st March, 2021: 8,500,000) Equity Shares of Rs.10/- each | 850,000.00 | 850,000.00 |
| 2,500,000 (As at 31st March, 2021: 2,500,000 9% Redeemable Preference Shares of Rs.10/- each) | 250,000.00 | 250,000.00 |
| | 1,100,000.00 | 1,100,000.00 |
| Issued, subscribed and fully paid up | | |
| Equity shares | | |
| 8,500,000 (As at 31st March 2021: 8,500,000) Equity Shares of Rs.10/- each | 850,000.00 | 850,000.00 |
| Total Equity | 850,000.00 | 850,000.00 |

During the previous year, 2,500,000 9% Redeemable Non-Cumulative Preference Shares of Rs.10/- each aggregating to Rs.25,000,000/- which were non-convertible and hence being compound financial instrument, equity component shown as other equity and liability component as borrowings in accordance with Ind AS 109 on Financial Instruments. Out of the said Preference Shares 1,000,000 Redeemable Preference Shares have been redeemed on June 28,2020 and balance 1,500,000 Redeemable Preference Shares have been redeemed on June 29,2020 from the proceeds of a fresh issue of 2,500,000 equity shares of Rs.10/- each at par aggregating to Rs. 25,000,000/- made on rights basis to existing shareholder.

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

i) Equity Shares

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|--|----------------------|------------|----------------------|------------|
| | No of shares | Amount | No of shares | Amount |
| At the beginning of the reporting period | 8,500,000 | 850,000.00 | 6,000,000 | 600,000.00 |
| Add: Shares issued during the reporting period | - | - | 2,500,000 | 250,000.00 |
| Outstanding at the end of the reporting period | 8,500,000 | 850,000.00 | 8,500,000 | 850,000.00 |

ii) 9% Redeemable Non-Cumulative Preference Shares

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|--|----------------------|--------|----------------------|------------|
| | No of shares | Amount | No of shares | Amount |
| At the beginning of the reporting period | - | - | 2,500,000 | 250,000.00 |
| Less: Redemption of Shares during the reporting period | - | - | 2,500,000 | 250,000.00 |
| Outstanding at the end of the reporting period | - | - | - | - |

b. Terms/rights attached to

i) Equity Shares:

The company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pay dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting except interim dividend.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH 2022

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.

ii) Preference Shares:

During the previous year, the company had only one class of preference shares i.e. Redeemable Non-Cumulative Preference Shares of Rs.10 per share.

- Such shares conferred on the holders thereof, the non cumulative right to a fixed preferential dividend from the date of allotment at 9% per annum, on the capital for the time being paid up or credited as paid up thereon.
- Such shares had the priority with respect to payment of dividend or repayment of capital vis-à-vis equity shares; and that these preference shares were entitled to the participation in surplus fund as well as the participation in surplus assets and profits on winding-up which may remain after the entire capital has been repaid.
- The preference shares were redeemable at par on expiry of five years from the date of issue.i.e.1,000,000 shares on 28/06/2020 and 1,500,000 shares on 29/06/2021 .During the previous year , the Company redeemed 1,000,000 shares on 28/06/2020 as stipulated and 1,500,000 shares on 29/06/2020 as against stipulated redemption date of 29/06/2021 with the consent of holder of the same for variation in terms of issue .

c. Shares held by holding company

The entire 8,500,000 (31st March, 2021: 8,500,000) equity shares of Rs.10/- each fully paid) are held by Emkay Global Financial Services Limited, the holding company.

d. Details of shareholders holding more than 5% shares in the company:

| Name of the Shareholders | As at March 31, 2022 | | As at March 31, 2021 | |
|---|----------------------|--------------|----------------------|--------------|
| | No of shares | % of holding | No of shares | % of holding |
| Equity Shares | | | | |
| Emkay Global Financial Services Limited (Holding Company) | 8,500,000 | 100 | 8,500,000 | 100 |
| and its nominees | | | | |

e. Details of shares held by promoters

| as at 31 March 2022 | | | |
|---|------------------|-------------------|--------------------------|
| Promoter name | No of shares | % of total shares | % Change during the year |
| Equity Shares of Rs. 10/- each fully paid | | | |
| Emkay Global Financial Services Limited (Holding Company) and its Nominees. | 8,500,000 | 100 | - |
| Total | 8,500,000 | 100 | - |
| as at 31 March 2021 | | | |
| Promoter name | No of shares | % of total shares | % Change during the year |
| Equity Shares of Rs. 10/- each fully paid | | | |
| Emkay Global Financial Services Limited (Holding Company) and its Nominees. | 8,500,000 | 100 | - |
| Total | 8,500,000 | 100 | - |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH 2022

18 OTHER EQUITY

(₹ in hundreds)

| Particulars | As at 31st March 2022 | As at 31st March 2021 |
|---|--------------------------|--------------------------|
| A) Reserves and Surplus | | |
| i) Retained earnings | | |
| Balance at the beginning of the Reporting Period | (217,818.64) | (443,373.57) |
| Add: Profit for the year | 1,735,250.77 | 135,743.42 |
| Add: Transferred during the year from Equity component of Redeemable Non Convertible Preference Share Capital | - | 89,811.51 |
| Less: Interim Dividend Paid | 170,000.00 | - |
| Balance at the end of the Reporting Year | 1,347,432.13 | (217,818.64) |
| ii) General Reserve | | |
| Balance at the beginning of the Reporting Year | 42,145.86 | 42,145.86 |
| Less Transferred during the year | - | - |
| Balance at the end of the Reporting Year | 42,145.86 | 42,145.86 |
| iii) Equity component of Redeemable Non Convertible Preference Share Capital | | |
| Balance at the beginning of the Reporting Year | - | 89,811.51 |
| Less: Transferred to retained earnings on redemption of Non Convertible Preference Share Capital | - | 89,811.51 |
| Balance at the end of the Reporting Year | - | - |
| iv) Other Comprehensive Income | | |
| Balance at the beginning of the Reporting Year | (804.41) | (1,222.41) |
| Add: Movement in Other Comprehensive Income (Net) during the year | (778.64) | 418.00 |
| Balance at the end of the Reporting Year | (1,583.05) | (804.41) |
| Total | 1,387,994.94 | (176,477.19) |

Nature and purpose of reserve

i) Retained earnings

Retained earnings are the profits/(losses) that the Company has earned/(incurred) till date, less any transfers to general reserve, dividends or other distributions paid to shareholders and addition made of Equity component of Redeemable Non Convertible Preference Share Capital on redemption of the same during the year.

ii) General reserve

Under the erstwhile Companies Act, 1956, general reserve was created through transfer from net profit complying with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

iii) Equity component of Redeemable Non Convertible Preference Share Capital

It represent Equity component on Separation of compound financial instrument that is redeemable non convertible preference share. The same has been transferred to retained earnings on redemption of the same during the previous year.

iv) Other comprehensive income

Other comprehensive income consist of remeasurement gains/losses on employees defined benefit plan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31ST MARCH 2022**19 INTEREST INCOME**

(₹ in hundreds)

| Particulars | For the Year Ended 31st March 2022 | For the Year Ended 31st March 2021 |
|--|---------------------------------------|---------------------------------------|
| Interest on Fixed Deposit given for Margin for Derivative Transactions | 50,911.88 | 2,255.55 |
| | 50,911.88 | 2,255.55 |

20 NET GAIN ON FAIR VALUE CHANGES

(₹ in hundreds)

| Particulars | For the Year Ended 31st March 2022 | For the Year Ended 31st March 2021 |
|---|---------------------------------------|---------------------------------------|
| Net gain on financial instruments at fair value through profit or loss | | |
| - Derivatives | 6,801,127.28 | 180,895.09 |
| - Investments | 14,211.41 | 2,666.93 |
| - Stock in trade | - | 3,314.12 |
| Total Net gain on fair value changes | 6,815,338.69 | 186,876.14 |
| Fair Value changes: | | |
| - Realised - Derivatives | 6,801,127.28 | 186,876.14 |
| - Investments | 14,211.41 | - |
| Total Net gain on fair value changes | 6,815,338.69 | 186,876.14 |

21 OTHER INCOME

(₹ in hundreds)

| Particulars | For the Year Ended 31st March 2022 | For the Year Ended 31st March 2021 |
|---|---------------------------------------|---------------------------------------|
| Liability No Longer Payable | - | 40.40 |
| Interest on deposits with bank | 14,907.52 | 12,725.83 |
| Interest on Income Tax Refund | 183.80 | 439.45 |
| Interest on loan to Holding Company | 109.59 | 910.96 |
| Interest on loan to fellow subsidiary | 20.55 | - |
| Foreign Exchange Rate Fluctuations Gain (Net) | 26,368.61 | - |
| Total | 41,590.07 | 14,116.64 |

22 FINANCE COSTS

(₹ in hundreds)

| Particulars | For the Year Ended 31st March 2022 | For the Year Ended 31st March 2021 |
|--|---------------------------------------|---------------------------------------|
| On Instruments measured at fair value through profit or loss | | |
| Interest on compound financial instruments | - | 18,586.81 |
| Interest on borrowings from Bank | 4,116.20 | - |
| Interest on borrowings from Holding Company | 8,315.08 | - |
| Interest on borrowings from fellow subsidiary | 26,857.54 | - |
| Total | 39,288.82 | 18,586.81 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH 2022

23 EMPLOYEE BENEFIT EXPENSE

| (₹ in hundreds) | | |
|--|---------------------------------------|---------------------------------------|
| Particulars | For the Year Ended 31st March 2022 | For the Year Ended 31st March 2021 |
| Salaries and other benefits | 13,447.74 | 10,870.40 |
| Contributions to Provident and Other Funds | 60.00 | 60.00 |
| Gratuity [Refer Note No.28(b)] | 225.20 | 212.60 |
| Staff Welfare Expenses | (0.04) | 20.37 |
| Total | 13,732.90 | 11,163.37 |

24 DEPRECIATION EXPENSES

| (₹ in hundreds) | | |
|---------------------------------|---------------------------------------|---------------------------------------|
| Particulars | For the Year Ended 31st March 2022 | For the Year Ended 31st March 2021 |
| Depreciation of Tangible Assets | - | - |
| | - | - |

25 OTHER EXPENSES:

| (₹ in hundreds) | | |
|--|---------------------------------------|---------------------------------------|
| Particulars | For the Year Ended 31st March 2022 | For the Year Ended 31st March 2021 |
| Consultancy Fees | 661,510.15 | - |
| Exchange Rack & Connectivity Charges | 234,191.22 | - |
| Royalty | 3,911,810.60 | - |
| Communication, Postage and Courier Charges | 20.63 | 52.32 |
| Fees & Stamp Expenses | 80.90 | - |
| Depository Charges | 17.46 | 11.92 |
| Electricity Charges | 154.36 | 375.92 |
| Insurance | 1.29 | 1.15 |
| Printing and Stationery | 38.55 | 55.20 |
| Legal and Professional fees | 38,121.66 | 1,322.66 |
| Auditor's fees (refer note below) # | 5,717.10 | 2,584.20 |
| Rent | 625.63 | 1,009.26 |
| Share Issue Expenses | - | 2,625.00 |
| Others | 1,657.33 | 899.41 |
| Total | 4,853,946.88 | 8,937.04 |

| | | | (₹ in hundreds) |
|---|--|---------------------------------------|---------------------------------------|
| # | Particulars | For the Year Ended 31st March 2022 | For the Year Ended 31st March 2021 |
| | a) for audit fees | 4,248.00 | 1,268.50 |
| | b) for tax audit fees | 295.00 | 295.00 |
| | c) for taxation matters | 820.10 | 607.70 |
| | d) for Limited Review and Certificates | 354.00 | 413.00 |
| | Total | 5,717.10 | 2,584.20 |

*inclusive of Goods and Service Tax.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31ST MARCH 2022**26 DISCONTINUED OPERATIONS**

(A) The Board of Directors of the Company at its meeting held on 5th February, 2019 had decided to discontinue the business of commodity broking in view of substantial accumulated losses and not been able to generate enough revenues and scale up its operations and accordingly the Company has discontinued the said business w.e.f. 13th February, 2019.

(B) Financial Performances:**a. Profit/(Loss) from Discontinued Operations**

| (₹ in hundreds) | | |
|--------------------------------------|-----------------------------|-----------------------------|
| Particulars | Year ended 31st March, 2022 | Year ended 31st March, 2021 |
| Other Income | | |
| - Liability No Longer Payable | 4,769.78 | 13,050.09 |
| - Miscellaneous Income | 103.90 | 259.98 |
| Total | 4,873.68 | 13,310.07 |
| Expenses | | |
| - Contribution/Payments to Exchanges | - | 102.66 |
| - Membership and Subscription | 590.00 | 590.00 |
| - Insurance Charges | - | 67.10 |
| - Legal and Professional fees | 10,493.74 | 14,151.74 |
| Total | 11,083.74 | 14,911.50 |
| Profit/(Loss) Before Tax | (6,210.06) | (1,601.43) |
| Tax Expenses | - | - |
| Profit/(Loss) After Tax | (6,210.06) | (1,601.43) |

b. Cash Out Flow from Discontinued Operations of Rs. 9,608.64 hundreds (P.Y. 13,435.03 hundreds).

c. Book Value of Assets and Liabilities

| (₹ in hundreds) | | |
|--|-----------------------------|-----------------------------|
| Particulars | Year ended 31st March, 2022 | Year ended 31st March, 2021 |
| Assets | | |
| Financial assets | | |
| Cash and cash equivalents | - | - |
| Trade Receivables | - | - |
| Other Financial assets | 37,250.00 | 37,250.00 |
| Total Financial assets | 37,250.00 | 37,250.00 |
| Non-financial Assets | | |
| Other non financial assets | - | - |
| Total Non-financial Assets | - | - |
| Total Assets | 37,250.00 | 37,250.00 |
| Liabilities | | |
| Financial Liabilities | | |
| Trade Payable | 582.97 | 5,352.74 |
| Other Payable | - | 781.58 |
| Other financial liabilities | - | 103.90 |
| Total Financial Liabilities | 582.97 | 6,238.22 |
| Non-financial Liabilities | | |
| Other non-financial liabilities | 1,037.67 | 778.50 |
| Total Non-financial Liabilities | 1,037.67 | 778.50 |
| Total Liabilities | 1,620.64 | 7,016.72 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH 2022

d. i) Contingent Liabilities

(₹ in hundreds)

| Sr. No. | Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---------|---|------------------------|------------------------|
| 1 | Claims against the Company not acknowledged as debt | 3,750.00 | 3,750.00 |

- ii) SEBI has issued a Show Cause Notice dated 17th September, 2019 under regulation 28(1) of the SEBI (Intermediaries) Regulations, 2008 (SEBI Intermediaries Regulations) in the matter of paired contacts transacted at National Spot Exchange Limited (NSEL) in which the Company has acted as broker as to why appropriate action should not be taken against the company as per regulation 28(2) of the SEBI Intermediaries Regulations by not treating it as a fit and proper person and cancelling certificate of registration granted to it. The Company has submitted a detailed reply in the matter denying all allegations and requested to grant an opportunity for personal hearing which is awaited and matter is pending for disposal. The Management do not expect any impact of the same on the Company since it has already discontinued its broking business operation in view of reasons stated in Note No.26 (A) here-in-above.

- e) Other liabilities under Other financial liabilities includes Rs. Nil (P.Y. Rs.103.90 hundreds) being aggregate amount of deposits in Company's bank accounts made directly by Clients whose details are awaited.

27 EARNINGS PER SHARE:

(₹ in hundreds)

| Sl. No. | Particulars | Year Ended March, 2022 | Year Ended March, 2021 |
|---------|---|------------------------|------------------------|
| a) | Net Profit/(Loss) after tax from continuing operations available for Equity Shareholders (₹) | 1,741,460.83 | 137,344.85 |
| b) | Net Profit/(Loss) after tax from discontinued operations available for Equity Shareholders (₹) | (6,210.06) | (1,601.43) |
| c) | Net Profit/(Loss) after tax available from continuing & discontinued operations for Equity Shareholders (₹) | 1,735,250.77 | 135,743.42 |
| d) | Weighted average number of Equity Shares of ₹.10/- each outstanding during the period (No. of Shares) | | |
| | - For Basic Earnings | 8,500,000 | 7,910,959 |
| | - For Diluted Earnings | 8,500,000 | 7,917,808 |
| e) | Earnings per Equity Share for continuing operations (in rupees). | | |
| | - Basic | 20.49 | 1.74 |
| | - Diluted | 20.49 | 1.73 |
| f) | Earnings per Equity Share for discontinuing operations (in rupees). | | |
| | - Basic | (0.07) | (0.02) |
| | - Diluted | (0.07) | (0.02) |
| g) | Earnings per Equity Share for continuing & discontinued operations (in rupees). | | |
| | - Basic | 20.41 | 1.72 |
| | - Diluted | 20.41 | 1.71 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31ST MARCH 2022

28 THE DISCLOSURES AS PER IND AS 19 - EMPLOYEE BENEFITS ARE AS FOLLOWS

a. Defined Contribution Plan

Expenses recognized in Statement of Profit and Loss towards the Defined Contribution Plans are as under:

(₹ in hundreds)

| Particulars | Year Ended 31 st March 2022 | Year Ended 31 st March 2021 |
|--------------------------------|---|---|
| Contribution to Provident Fund | 60.00 | 60.00 |
| Total | 60.00 | 60.00 |

b. Defined Benefit Plan

The company has a 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 company in the form of a qualifying insurance policy. The following tables 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:

(₹ in hundreds)

| Sr. No | Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|--------|--|------------------------|------------------------|
| I | Changes in present value of obligations | | |
| | Present value of obligation as at the beginning | 5,703.71 | 5,527.52 |
| | Current service cost | 269.01 | 238.12 |
| | Interest expense or cost | 333.43 | 306.56 |
| | Re-measurement (or Actuarial) (Gain)/Loss arising from:- | | |
| | -change in financial assumptions | 575.26 | (97.25) |
| | -change in demographic assumptions | - | 86.04 |
| | -experience variance (i.e. Actual experience vs assumptions) | 419.13 | (357.28) |
| | Benefits Paid | - | - |
| | Acquisition Adjustment | - | - |
| | Present value of obligation as at the end | 7,300.54 | 5,703.71 |
| II | Changes in fair value of plan assets | | |
| | Fair value of plan asset as at the beginning | 6,453.09 | 5,987.76 |
| | Employer contributions | - | - |
| | Investment income | 377.24 | 332.08 |
| | Return on plan assets, excluding amount recognized in net interest expense | (158.99) | 133.25 |
| | Benefits paid | - | - |
| | Acquisition adjustment | - | - |
| | Fair value of plan asset as at the end | 6,671.34 | 6,453.09 |
| III | Reconciliation of net liability/asset | | |
| | Net defined benefit liability/(asset) as at the beginning | (749.38) | (460.24) |
| | Expenses charged to statement of profit and loss | 225.20 | 212.60 |
| | Amount recognized in other comprehensive income | 1,153.38 | (501.74) |
| | Employer contribution | - | - |
| | Net defined benefit liability/(asset) as at the end | 629.20 | (749.38) |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31ST MARCH 2022

| (₹ in hundreds) | | | |
|-----------------|---|------------------------|------------------------|
| Sr. No | Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
| IV | Expenses charged to the statement of profit & loss | | |
| | Current Service Cost | 269.01 | 238.12 |
| | Net Interest Cost / (Income) on the net defined benefit liability/ (Asset) | (43.81) | (25.52) |
| | Expenses recognized in the statement of profit & loss | 225.20 | 212.60 |
| V | Movement in asset ceiling | | |
| | Effect of asset ceiling at the beginning | - | - |
| | Interest on opening balance of asset ceiling | - | - |
| | Re measurements due to change in surplus/deficit | - | - |
| | Value of asset ceiling as at the end | - | - |
| VI | Re measurement (gains)/losses in other comprehensive income | | |
| | Actuarial (gains)/losses | | |
| | -Change in financial assumptions | 575.26 | (97.25) |
| | -Change in demographic assumptions | - | 86.04 |
| | -Experience adjustments | 419.13 | (357.28) |
| | Return on plan assets, excluding amount recognized in net interest expense | 158.99 | (133.25) |
| | Components of defined benefit costs recognized in other comprehensive income | 1,153.38 | (501.74) |
| VII | Amount recognized in Balance Sheet | | |
| | Present value of obligation | 7,300.54 | 5,703.71 |
| | Fair value of plan assets | 6,671.34 | 6,453.09 |
| | Surplus/(Deficit) | (629.20) | 749.38 |
| | Effects of asset ceiling, if any | - | - |
| | Net Asset / (Liability) | (629.20) | 749.38 |
| VIII | Key actuarial assumptions | | |
| | Discount Rate (p.a.) | 6.20% | 5.85% |
| | Salary growth rate (p.a.) | 12.00% | 10.00% |
| | Attrition/Withdrawal rates, based on age(p.a.) | | |
| | -Upto 45 years | 25.00% | 25.00% |
| | -Above 45 years | 15.00% | 15.00% |
| | Mortality rate | 100% of IALM 2012-14 | 100% of IALM 2012-14 |
| IX | Categories of plan asset | | |
| | Fund managed by insurer | 98.90% | 98.86% |
| | Bank balance | 1.10% | 1.14% |
| X | Sensitivity analysis for significant assumptions is as shown below | | |
| | Discount Rate (- 1%) : % Change compared to base due to sensitivity | 6.20% | 6.30% |
| | Discount Rate (+ 1%) : % Change compared to base due to sensitivity | -5.70% | -5.70% |
| | Salary Growth (- 1%) : % Change compared to base due to sensitivity | -4.60% | -5.60% |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31ST MARCH 2022

| (₹ in hundreds) | | | |
|-----------------|--|------------------------|------------------------|
| Sr. No | Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
| | Salary Growth (+ 1%) : % Change compared to base due to sensitivity | 3.50% | 6.00% |
| | Attrition Rate (- 50% of attrition rates): (% change compared to base due to sensitivity) | 10.90% | 9.70% |
| | Attrition Rate (+ 50% of attrition rates): (% change compared to base due to sensitivity) | -7.00% | -5.80% |
| | Mortality Rate (- 10%) : % Change compared to base due to sensitivity | 0.10% | 0.00% |
| | Mortality Rate (+ 10%) : % Change compared to base due to sensitivity | -0.10% | 0.00% |
| XI | Expected Contribution during the next annual reporting period | | |
| | The Company's best estimate of Contribution during the next year | 840.44 | Nil |
| XII | Maturity Profile of Defined Benefit Obligation | | |
| | Weighted average duration (based on discounted cash flows) | 6 years | 6 years |
| | Expected cash flows over the next (valued on undiscounted basis): | | |
| | 1 year | 925.49 | 763.34 |
| | 2 to 5 years | 3,270.87 | 2,583.26 |
| | 6 to 10 years | 3,241.58 | 2,367.66 |
| | more than 10 years | 3,546.49 | 2,721.71 |

29 RELATED PARTY DISCLOSURES**A. List of Directors**

| Sr. No. | Name of Related Party | Nature of Relationship |
|---------|--|---|
| (i) | Directors a) Rajesh Sharma b) Saket Agrawal c) Devang Desai |  Directors |
| (ii) | Individuals having control or significant influence a) Krishna Kumar Karwa b) Prakash Kacholia |  Individual having significant influence |
| (iii) | Holding Company Emkay Global Financial Services Ltd. | Holding Company |
| (iv) | Fellow Subsidiary Company Emkay Fincap Ltd. | Fellow Subsidiary Company |
| (v) | Associate AES Trading & Consultants LLP | Having significant influence |
| (vi) | Emkay Commotrade Ltd. Employees Group Gratuity Assurance Fund | Others |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH 2022

B. Transactions with related parties:

(₹ in hundreds)

| Sr No | Particulars | Holding Company | | Fellow Subsidiary Company | | Associates | | Others | |
|-------|---|-----------------|------------|---------------------------|---------|------------|---------|---------|---------|
| | | 2021-22 | 2020-21 | 2021-22 | 2020-21 | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| I | Expenditure | | | | | | | | |
| A | Depository Charges | | | | | | | | |
| | Emkay Global Financial Services Ltd. | 17.46 | 11.92 | - | - | - | - | - | - |
| B | Brokerage Paid | | | | | | | | |
| | Emkay Global Financial Services Ltd. | 401,690.56 | 2,158.62 | - | - | - | - | - | - |
| C | Exchange Rack & Connectivity Charges | | | | | | | | |
| | Emkay Global Financial Services Ltd. | 234,191.22 | - | - | - | - | - | - | - |
| D | Interest paid on Loan Taken | | | | | | | | |
| | Emkay Global Financial Services Ltd | 8,315.08 | - | - | - | - | - | - | - |
| | Emkay Fincap Ltd | - | - | 26,857.54 | - | - | - | - | - |
| E | Interim Dividend Paid | | | | | | | | |
| | Emkay Global Financial Services Ltd | 170,000.00 | - | - | - | - | - | - | - |
| F | Interest on compound financial instruments | | | | | | | | |
| | Emkay Global Financial Services Ltd. | | 18,586.81 | - | - | - | - | - | - |
| G | Gratuity | | | | | | | | |
| | Emkay Comtrade Ltd Emp Gr Gratuity Ass Fund | - | - | - | - | - | - | 225.20 | 212.60 |
| H | Share of Loss in Associate | | | | | | | | |
| | AES Trading & Consultants LLP | - | - | - | - | 196.47 | - | - | - |
| II | Income | | | | | | | | |
| A | Interest Received | | | | | | | | |
| | Emkay Global Financial Services Ltd. | 51,021.47 | 3,166.51 | - | - | - | - | - | - |
| | Emkay Fincap Ltd | - | - | 20.55 | - | - | - | - | - |
| III | Others | | | | | | | | |
| A | Expenses Reimbursed | | | | | | | | |
| | Emkay Global Financial Services Ltd. | 808.83 | 1,453.96 | - | - | - | - | - | - |
| B | Expenses Recovered | | | | | | | | |
| | AES Trading and Consultants LLP. | - | - | - | - | 701.60 | - | - | - |
| C | Loan Given | | | | | | | | |
| | Emkay Global Financial Services Ltd. | 400,000.00 | 475,000.00 | - | - | - | - | - | - |
| | Emkay Fincap Limited. | - | - | 75,000.00 | - | - | - | - | - |
| D | Loan Received Back | | | | | | | | |
| | Emkay Global Financial Services Ltd. | 400,000.00 | 475,000.00 | - | - | - | - | - | - |
| | Emkay Fincap Limited.. | - | - | 75,000.00 | - | - | - | - | - |
| E | Loan Taken | | | | | | | | |
| | Emkay Global Financial Services Ltd. | 500,000.00 | - | - | - | - | - | - | - |
| | Emkay Fincap Limited. | - | - | 3,695,000.00 | - | - | - | - | - |
| F | Loan Returned Back | | | | | | | | |
| | Emkay Global Financial Services Ltd. | 500,000.00 | - | - | - | - | - | - | - |
| | Emkay Fincap Limited. | - | - | 3,695,000.00 | - | - | - | - | - |
| G | Margin Deposit Given | | | | | | | | |
| | Emkay Global Financial Services Ltd. | 11,393,000.00 | 525,000.00 | - | - | - | - | - | - |
| H | Margin Deposit Received Back | | | | | | | | |
| | Emkay Global Financial Services Ltd. | 13,856,000.00 | 350,000.00 | - | - | - | - | - | - |
| I | Equity shares Allotted | | | | | | | | |
| | Emkay Global Financial Services Ltd. | - | 250,000.00 | - | - | - | - | - | - |
| J | Preference shares redeemed | | | | | | | | |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH 2022

(₹ in hundreds)

| Sr No | Particulars | Holding Company | | Fellow Subsidiary Company | | Associates | | Others | |
|-------|--|-----------------|------------|---------------------------|---------|------------|---------|---------|---------|
| | | 2021-22 | 2020-21 | 2021-22 | 2020-21 | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| | Emkay Global Financial Services Ltd. | - | 250,000.00 | - | - | - | - | - | - |
| K | Contribution towards | | | | | | | | |
| | AES Trading and Consultants LLP. | - | - | - | - | - | - | - | - |
| | Fixed Capital | - | - | - | - | 125.00 | - | - | - |
| | Current Capital | - | - | - | - | 500.00 | - | - | - |
| IV | Outstandings | | | | | | | | |
| A | Trade Receivable | | | | | | | | |
| | Emkay Global Financial Services Ltd. | - | 1,778.22 | - | - | - | - | - | - |
| B | Interest Receivable | | | | | | | | |
| | Emkay Global Financial Services Ltd. | | 385.85 | - | - | - | - | - | - |
| C | Trade Payable | | | | | | | | |
| | Emkay Global Financial Services Ltd. | 165.41 | - | - | - | - | - | - | - |
| D | Other Payable | | | | | | | | |
| | Emkay Global Financial Services Ltd. | 6,053.91 | - | - | - | - | - | - | - |
| | Emkay Commotrade Ltd Emp Gr Gratuity Ass Fund | - | - | - | - | - | - | 629.20 | - |
| E | Equity Share Capital | | | | | | | | |
| | Emkay Global Financial Services Ltd. | 850,000.00 | 850,000.00 | - | - | - | - | - | - |
| F | Investment in Associates towards capital contribution | | | | | | | | |
| | AES Trading and Consultants LLP | | | | | | | | |
| | Fixed Capital | - | - | - | - | 125.00 | - | - | - |
| | Current Capital | - | - | - | - | 303.53 | - | - | - |
| G | Margin Deposit | | | | | | | | |
| | Emkay Global Financial Services Ltd. | - | 175,000.00 | - | - | - | - | - | - |
| H | Advance Recoverable | | | | | | | | |
| | Emkay Commotrade Ltd Emp Gr Gratuity Ass Fund | | - | - | - | - | - | - | 749.38 |

- C) Related Parties are identified by the management and relied upon by the Auditors.
- D) No balances in respect of related parties have been written off.
- E) Name of the related party and nature of the related party relationship where control exists have been disclosed irrespective of whether or not there have been transactions and in case of other related parties, the said disclosure has been made wherever transactions have taken place.

30 SEGMENT INFORMATION

(a) Business Segment

- (i) The Company has commenced dealing in derivative instruments and shares during the year and hence operated only in one segment namely "Trading in securities /derivative instruments" and hence business segment disclosure as per Ind As -108 segment reporting is not applicable.
- (ii) The Company's discontinued operations pertains to Commodity Broking business which was discontinued w.e.f. 13th February, 2019.

(b) Geographical Segment

The company operated in India and hence there is no reportable geographical segment

31 OPERATING LEASE

The company is occupying part of a premise taken on operating lease by its parent company to whom rent aggregating to ₹ 625.63 hundreds (P.Y. ₹ 1,009.26 hundreds) has been reimbursed to them.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH 2022

32 FINANCIAL INSTRUMENTS:

I. The carrying value and financial instruments by categories as of March 31, 2022 is as follows:

(₹ in hundreds)

| Particulars | Measured at | | | Total Carrying Value |
|---|---------------------|------------------------|------------------------|----------------------|
| | Amortised Cost | Fair value through P&L | Fair value through OCI | |
| Financial assets | | | | |
| Cash and cash equivalents | 2,354,045.69 | - | - | 2,354,045.69 |
| Bank Balance other than cash and cash equivalents | 280,000.00 | - | - | 280,000.00 |
| Trade Receivables | - | - | - | - |
| Investment (excluding associate) | - | - | - | - |
| Other Financial assets | 50,687.66 | - | - | 50,687.66 |
| Total | 2,684,733.35 | - | - | 2,684,733.35 |
| Financial liabilities | | | | |
| (I) Trade Payables | 748.38 | - | - | 748.38 |
| (II) Other Payables | 16,448.62 | - | - | 16,448.62 |
| Other Financial liabilities | - | - | - | - |
| Total | 17,197.00 | - | - | 17,197.00 |

II. The carrying value and financial instruments by categories as of March 31, 2021 is as follows:

(₹ in hundreds)

| Particulars | Measured at | | | Total Carrying Value |
|---|-------------------|------------------------|------------------------|----------------------|
| | Amortised Cost | Fair value through P&L | Fair value through OCI | |
| Financial assets | | | | |
| Cash and cash equivalents | 189,687.83 | - | - | 189,687.83 |
| Bank Balance other than cash and cash equivalents | 280,000.00 | - | - | 280,000.00 |
| Trade Receivables | 1,778.22 | - | - | 1,778.22 |
| Other Financial assets | 213,615.14 | - | - | 213,615.14 |
| Total | 685,081.19 | - | - | 685,081.19 |
| Financial liabilities | | | | |
| (I) Trade Payables | 5,352.74 | - | - | 5,352.74 |
| (II) Other Payables | 2,946.59 | - | - | 2,946.59 |
| Other Financial liabilities | 103.90 | - | - | 103.90 |
| Total | 8,403.23 | - | - | 8,403.23 |

III. 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 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 trade and other payables, deposits and other financial liabilities are not measured at FVTPL, whose carrying amounts approximate fair value, because of their short-term nature.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH 2022

33 DISCLOSURE AS PER IND AS 107 OF NATURE AND EXTENT OF RISKS FROM FINANCIAL INSTRUMENTS AND ITS MANAGEMENT:

The Company has exposure to the following risks arising from financial instruments:

- a) Credit risk
- b) Liquidity risk
- c) Market risk

a) Credit risk

It is risk that the Company will incur a loss because its customers or counter parties to financial instruments fail to meet its contractual obligation.

The Company's financial assets comprises of cash and bank balances, trade receivables, and other financial assets comprising of deposits with exchanges, clearing members, etc and advances.

In case of bank balances and deposits with bank, the Company is banking with top rated banks. Credit risk for deposit with exchanges and clearing members are very low. In case of trade receivable, deposit with others and advances, the amount involved is not material.

Movement in Expected Credit Loss (Discontinued operations) :

(₹ in hundreds)

| Particulars | Year ended 31st March, 2022 | Year ended 31st March, 2021 |
|--|--------------------------------|--------------------------------|
| Opening Balance | 3,528.11 | 3,528.11 |
| Add: Provided During The Year | - | - |
| Less : Amounts written back-due to recovery | - | - |
| Less : Amounts written back-due to written off | - | - |
| Closing Balance | 3,528.11 | 3,528.11 |

b) Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by invests its surplus funds in bank deposits. The Company manages liquidity risk by investing its surplus funds in bank deposits and in various liquid/debt fund schemes of Mutual Funds.

Refer note no. 34 for analysis of maturities of financial assets and financial liabilities.

c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's exposure to market risk is primarily on account of interest rates risk. The objective of market risk management is to maintain an acceptable level of market risk exposure while aiming to maximize returns.

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 its parent company. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH 2022

34 MATURITY ANALYSIS

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled.

(₹ in hundreds)

| PARTICULARS | As at March 31, 2022 | | |
|--|----------------------|---------------------|-------------------|
| | Total | Within 12 months | After 12 Months |
| Assets | | | |
| Financial Assets | | | |
| Cash and cash equivalents | 2,354,045.69 | 2,354,045.69 | - |
| Bank Balance other than cash and cash equivalent | 280,000.00 | - | 280,000.00 |
| Investments | 428.53 | 303.53 | 125.00 |
| Other Financial assets | 50,687.66 | 13,437.66 | 37,250.00 |
| | 2,685,161.88 | 2,367,786.88 | 317,375.00 |
| Non-Financial Assets | | | |
| Current tax assets (net) | 28,046.79 | 28,046.79 | - |
| Deferred tax assets (net) | 860.00 | 860.00 | - |
| Property, Plant and Equipment | 632.93 | - | 632.93 |
| Other non-financial assets | 24.12 | 19.48 | 4.64 |
| | 29,563.84 | 28,926.27 | 637.57 |
| Total Assets | 2,714,725.72 | 2,396,713.15 | 318,012.57 |
| Liabilities | | | |
| Financial Liabilities | | | |
| Trade Payables | 748.38 | 748.38 | - |
| Other Payable | 16,448.62 | 16,448.62 | - |
| Other Financial Liabilities | - | - | - |
| | 17,197.00 | 17,197.00 | - |
| Non-financial Liabilities | | | |
| Current tax liabilities (net) | 35,345.90 | 35,345.90 | - |
| Provisions | 3,085.54 | 3,085.54 | - |
| Other non-financial liabilities | 421,102.34 | 421,102.34 | - |
| | 459,533.78 | 459,533.78 | - |
| Total Liabilities | 476,730.78 | 476,730.78 | - |
| Net | 2,237,994.94 | 1,919,982.37 | 318,012.57 |

(₹ in hundreds)

| PARTICULARS | As at March 31, 2021 | | |
|---|----------------------|-------------------|-------------------|
| | Total | Within 12 months | After 12 Months |
| Assets | | | |
| Financial Assets | | | |
| Cash and cash equivalents | 189,687.83 | 189,687.83 | - |
| Bank Balance other than cash and cash equivalents | 280,000.00 | 85,000.00 | 195,000.00 |
| Trade Receivables | 1,778.22 | 1,778.22 | - |
| Other Financial assets | 213,615.14 | 176,365.14 | 37,250.00 |
| | 685,081.19 | 452,831.19 | 232,250.00 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31ST MARCH 2022

(₹ in hundreds)

| PARTICULARS | As at March 31, 2021 | | |
|----------------------------------|----------------------|-------------------|-------------------|
| | Total | Within 12 months | After 12 Months |
| Non-Financial Assets | | | |
| Current tax assets (net) | 854.85 | - | 854.85 |
| Property, Plant and Equipment | 632.93 | - | 632.93 |
| Other non-financial assets | 14.61 | 9.97 | 4.64 |
| | 1,502.39 | 9.97 | 1,492.42 |
| Total Assets | 686,583.58 | 452,841.16 | 233,742.42 |
| Liabilities | | | |
| Financial Liabilities | | | |
| Trade Payables | 5,352.74 | 5,352.74 | - |
| Other Payable | 2,946.59 | 2,946.59 | - |
| Other Financial Liabilities | 103.90 | 103.90 | - |
| | 8,403.23 | 8,403.23 | - |
| Non-financial Liabilities | | | |
| Current tax liabilities (net) | 2,108.06 | 2,108.06 | - |
| Provisions | 1,229.00 | 1,229.00 | - |
| Other non-financial liabilities | 1,320.48 | 1,320.48 | - |
| | 4,657.54 | 4,657.54 | - |
| Total Liabilities | 13,060.77 | 13,060.77 | - |
| Net | 673,522.81 | 439,780.39 | 233,742.42 |

35 DISCLOSURE AS PER IND-AS 1 ON CAPITAL MANAGEMENT

The Company has commenced dealing in derivative instruments and securities during the year. Therefore Capital Management involves managing funds for the same in addition to funds required to meet its administrative and other expenses. The funding requirements are met through equity and earnings from surplus funds parked with the Parent Company as and when needed by them or in liquid fund or banks deposits.

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 under SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992. The management ensures that this is complied at all times.

36 TAX RECONCILIATION DISCLOSURE:**a. Income tax expense consists of the followings:**

(₹ in hundreds)

| Particulars | Year ended 31st March, 2022 | Year ended 31st March, 20201 |
|-----------------------------------|--------------------------------|---------------------------------|
| Current Income Tax | 287,291.00 | 27,216.26 |
| Deferred Tax | (860.00) | - |
| Total tax for current year | 286,431.00 | 27,216.26 |
| Earlier years adjustments | (27,216.26) | - |
| Tax expense for the year | 259,214.74 | 27,216.26 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH 2022

b. Amounts recognised in other comprehensive income

(₹ in hundreds)

| Particulars | Year ended 31st March, 2022 | Year ended 31st March, 2021 |
|--|--------------------------------|--------------------------------|
| Items that will not be reclassified to profit or loss | | |
| Actuarial gain/(loss) on defined benefit plans | (1,153.38) | 501.74 |
| Current Income (Tax)/Benefit | 291.00 | (83.74) |
| Earlier years adjustments | 83.74 | - |
| | (778.64) | 418.00 |

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 hundreds)

| Particulars | Year ended 31st March, 2022 | Year ended 31st March, 2021 |
|--|--------------------------------|--------------------------------|
| Profit/(loss) before tax from before discontinuing operations | 2,000,675.57 | 164,561.11 |
| Enacted Tax Rate in India (%) | 25.168% | 27.82% |
| Expected Income Tax Expenses | 503,530.03 | 45,780.90 |
| Tax Effects of: | | |
| Deductible Expenses for Tax Purpose | (13.90) | (29.35) |
| Non Deductible Expenses for Tax Purpose | 298.03 | 733.62 |
| Fair Value Changes of Investments | - | (738.63) |
| Business Loss and Unabsorbed Depreciation Brought Forward From Earlier Years is Adjusted | (215,735.11) | (50,611.45) |
| Ind As Adjustments | (85.10) | 5,310.43 |
| Loss From Discontinued Operations | (1,562.95) | (445.52) |
| Tax Payable at Normal Rates (A) | 286,431.00 | - |
| Tax Payable Under Section 115JB (MAT) (B) | - | 27,216.26 |
| Total Income Tax Expenses (Higher of A and B) | 286,431.00 | 27,216.26 |

- d. The Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 (the Act) of lower Income Tax rate during the current year while filing return of income for preceding year 2020-2021. Accordingly, provision for tax of Rs.27,216.26 which was made during preceding year 2020-2021 based on book profit u/s 115JB of the Act has been reversed during the current year and provision for tax for the current year has been made accordingly.

e. Movement of deferred tax assets and liabilities:

(₹ in hundreds)

| Particulars | Provisions | Depreciation | Total |
|---------------------------------------|------------|--------------|--------|
| As at 31st March, 2020 | - | - | - |
| Credited/(Charged) to Profit and Loss | 76.00 | (76.00) | - |
| As at 31st March, 2021 | - | - | - |
| Credited/(Charged) to Profit and Loss | 942.00 | (82.00) | 860.00 |
| As at 31st March, 2022 | 942.00 | (82.00) | 860.00 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH 2022

f. Amounts for Which Deferred Tax Asset is Not Recognised

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits there from:

(₹ in hundreds)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|--|---------------------------|---------------------------|
| Impairment gain on financial instruments | - | 981.52 |
| Unused Tax Losses/Depreciation | - | 289,002.98 |
| Total Deferred Tax Asset | - | 289,984.50 |

37 CONTINGENT LIABILITIES

(₹ in hundreds)

| Sr. No. | Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|------------|---|---------------------------|---------------------------|
| 1 | Income Tax and Fringe Benefits Tax matters in dispute | 613.30 | 613.30 |

38 Disclosure regarding loans given, investments made and guarantee given pursuant to section 186(4) of the Companies Act, 2013:

Loans Given - NIL

Investments made - NIL

Guarantee given - NIL

39 Additional regulatory information:

- The Company has not granted any loan or advance in the nature of loan to its promoters, directors, KMPs and the related parties, either severally or jointly with any other person, during the year which are repayable on demand or without specifying any terms or period of repayment.
- 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.
- The Company is not declared willful defaulter by any bank or financial institution or other lender.
- There are no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company does not have any subsidiary and hence provision of clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules 2017 are not applicable to the Company.
- 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 a SEBI registered broker and not an NBFC registered under section 45-IA of Reserve bank of India Act, 1934.
- 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-
 - 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 TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH 2022

- i) 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-
- 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 to or on behalf of the Ultimate Beneficiaries.
- j) 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.
- k) The provisions of section 135 of the Companies Act, 2013 pertaining to expenditure on Corporate Social Responsibility are not applicable to the Company.
- l) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

40 Additional disclosure pertaining to Associate required under part III of division III of Schedule III to the Companies Act, 2013.

(₹ in hundreds)

| As at | Name of the entity | Net Assets i.e. Total Assets minus Total Liabilities | | Share in Profit or (Loss) | | Share in other comprehensive income | | Share in total comprehensive income | |
|-------------------|--------------------------------|--|---------------------|-------------------------------------|---------------------|---|-----------------|---|---------------------|
| | | As % of Consolidated Net Assets | ₹ | As % of Consolidated Profit or Loss | ₹ | As % of Consolidated Other Comprehensive income | ₹ | As % of Consolidated Total Comprehensive income | ₹ |
| | Parent | | | | | | | | |
| | Emkay Comtrade Limited | 99.98% | 2,237,566.41 | 100.01% | 1,735,447.24 | 100.00% | (778.64) | 100.01% | 1,734,668.60 |
| | Associate | | | | | | | | |
| | AES Trading and Consultant LLP | 0.02% | 428.53 | (-) 0.01% | (196.47) | - | - | (-) 0.01% | (196.47) |
| 31/03/2022 | Total | 100.00% | 2,237,994.94 | 100.00% | 1,735,250.77 | 100.00% | (778.64) | 100.00% | 1,734,472.13 |

41 Salient features of Financial Statements of Subsidiaries/Associates/Joint Ventures as per Companies Act, 2013 (AOC-1) :-

Part – A: Subsidiaries – This part is not applicable to the Company.

Part – B: Associate

(₹ in hundreds)

| Name of associate | Latest unaudited balance sheet date | The date on which the associate was acquired or was associated | Shares of the Associate held by the Company on the year end | | | Net worth attributable to shareholding as per latest audited balance sheet (₹) | Profit/(loss) for the year |
|--------------------------------|-------------------------------------|--|---|---------------------------------------|---------------------|--|----------------------------|
| | | | Nos. | Amount of investment in associate (₹) | Extent of holding % | | |
| AES Trading and Consultant LLP | 31/03/2022 | 13/12/2021 | N.A. | 125.00 | 25% | 428.53 | (196.47) |

There has been a significant influence due to percentage (%) of voting power.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH 2022

Note:

1. The said Associate has not commenced its operation till 31st March, 2022.
2. There are no subsidiaries/associates which were liquidated or sold off during the under review.

42 Other additional and regulatory information required pursuant to Part II of Division III to Schedule III of the Companies Act, 2013 are not applicable to the Company.

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

44 Figures of the previous year have been regrouped, recasted and rearranged wherever necessary to make them comparable with the figures of the current year.

45 Figures in brackets represents for previous year.

46 COVID-19 outbreak was declared a pandemic by the World Health Organization on 11 March, 2020. Management has assessed the potential impact of COVID 19 based on the current circumstances and expects no impact on the continuity of operations of the business and on useful life of the assets/ on carrying values of Property, Plant and Equipment and recoverable values of its financial and non-financial assets as at 31 March 2022. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these consolidated financial statements. The actual results may differ from such estimates depending on future developments. There has been no material change in the controls or processes followed in the closing of the consolidated financial statements of the Company.

As at March 31, 2022, based on facts and circumstances existing as of that date, the Company does not anticipate any material uncertainties, which affect its liquidity position; and its ability to continue as a going concern.

47 EVENTS AFTER REPORTING DATE

There have been no events after the reporting date that require disclosure in these consolidated financial statements.

48 APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved for the issue by the Board of Directors at their meeting held on May 23rd, 2022.

As per our Report of even date
For-**B.L. Sarda & Associates**
Chartered Accountants
Firm Registration No.109266W

(CA B. L. Sarda)
Partner
Membership No. 014568

Place : Mumbai
Dated : 23rd May 2022

By the order of the Board
EMKAY COMMOTRADE LIMITED

Rajesh Sharma
Director
DIN: 01239871

Place : Mumbai
Dated : 23rd May 2022

Saket Agrawal
Director
DIN: 06960186

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EMKAY COMMOTRADE LIMITED

Registered Office: The Ruby, 7th Floor, Senapati Bapat Marg, Dadar (West), Mumbai-400028

CIN- U51110MH2006PLC158675

ATTENDANCE SLIP

I hereby record my presence at the 17th Annual General Meeting of the Company held on Friday, August 05, 2022 at 11.00 a.m. at the Registered Office of the Company situated at The Ruby, 7th Floor, Senapati Bapat Marg, Dadar (West), Mumbai – 400 028.

Folio No. DP ID No..... Client ID No.....

Name of Member

Name of Proxyholder

No. of Share(s) Held:.....

Signature of Member/Proxy

Notes:

- (1) Members/Proxy holders are requested to produce the attendance slip duly signed for admission to the Meeting hall.
- (2) Members are requested to bring their copy of Annual Report for reference at the Meeting.

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Your success is our success

EMKAY COMMOTRADE LIMITED
CIN No. U51110MH2006PLC158675

Registered office: The Ruby, 7th Floor, Senapati Bapat Marg, Dadar (West), Mumbai-400028
Website: www.emkayglobal.com T: 022-66299299 Email: compliance@emkayglobal.com

PROXY FORM

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

Name of the Member (s): _____

Registered Address: _____

E-mail ID: _____

Folio No./ Client ID: _____

DP ID: _____

I/We, being the member(s) of Emkay Commotrade Limited holding _____ equity shares of the above named company, hereby appoint.

1. Name: _____
Address: _____
E-mail ID: _____
Signature: _____ or failing him _____
2. Name: _____
Address: _____
E-mail ID: _____
Signature: _____ or failing him _____
3. Name: _____
Address: _____
E-mail ID: _____
Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 17th Annual General Meeting of the Company, to be held on Friday, August 05, 2022 at 11.00 a.m. at the Registered Office of the Company situated at The Ruby, 7th Floor, Senapati Bapat Marg, Dadar (West), Mumbai – 400 028 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Sr. No. | Resolutions |
|---------|--|
| 1 | To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2022 together with the reports of the Board of Directors and Auditors thereon. |
| 2 | To confirm the payment of Interim dividends on Equity Shares to the members of the Company, amounting to Rs. 1.70 crores for the financial year ended on March 31, 2022. |
| 3 | To appoint a Director in place of Mr. Devang Desai (DIN:08677261), who retires by rotation and being eligible, offers himself for re-appointment. |
| 4 | To appoint Dr. Bharat Kumar Singh (DIN: 00274435) as an Independent Director. |
| 5 | Approval of Grant of Loans, Guarantee or Security under section 185 of the Companies, 2013. |

Signed this _____ day of _____ 2022

Signature of the Shareholder: _____

Signature of the Proxy Holder(s): _____

Affix
Revenue
Stamp of
Re.1/-

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

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Your success is our success

Emkay Commotrade Limited

CIN: U51110MH2006PLC158675

**Registered Office: The Ruby, 7th Floor,
Senapati Bapat Marg,**

Dadar West, Mumbai 400 028.

Tel: +91 22 66121212