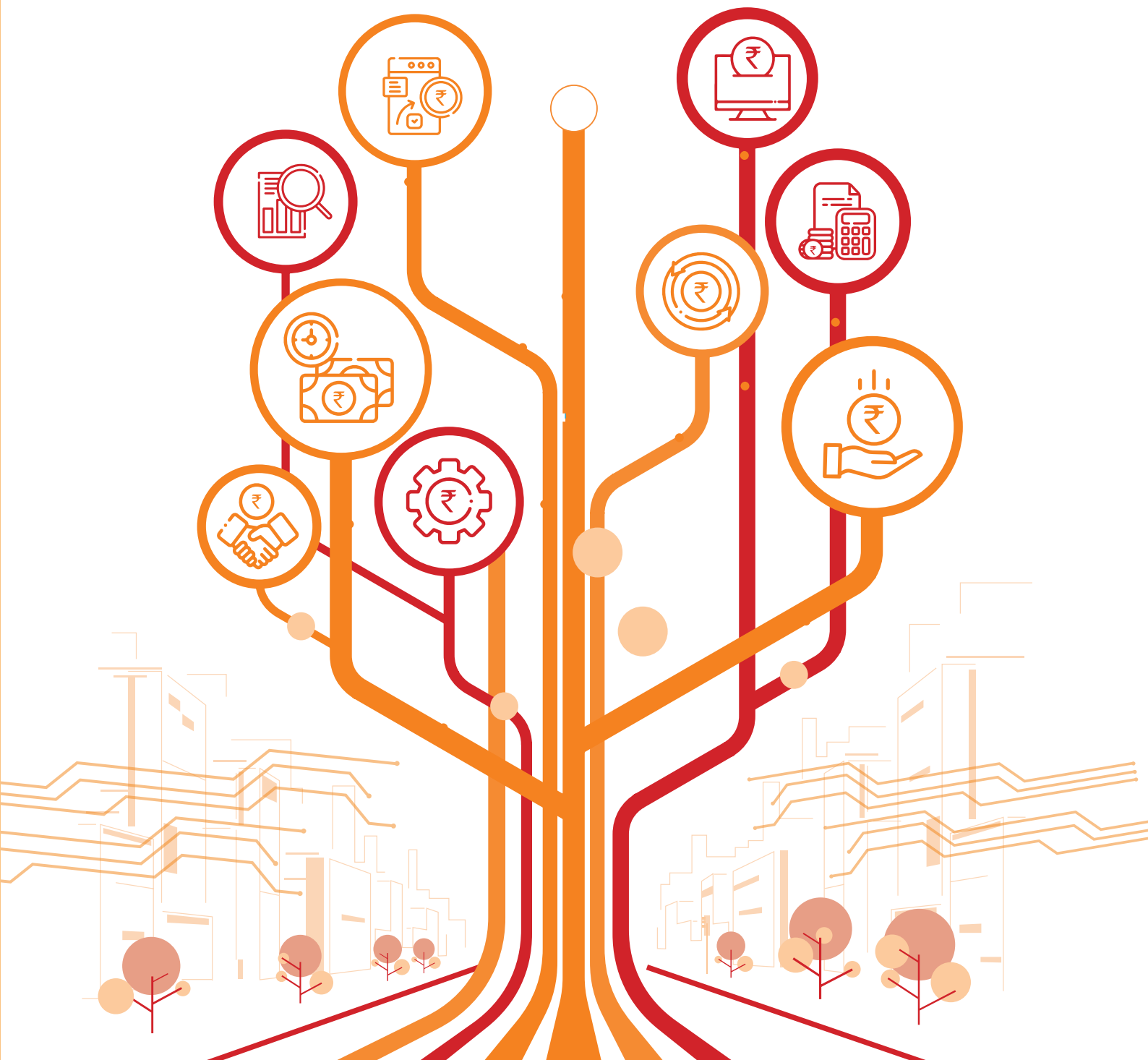


Annual Report **2022-23**

EMKAY FINCAP LIMITED

*Emkay*<sup>®</sup>

Your success is our success



**REIMAGINING INVESTMENTS  
WITH TECHNOLOGY**



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Krishna Kumar Karwa	Whole-Time Director & CFO	(DIN: 00181055)
Mr. Prakash Kacholia	Whole-Time Director	(DIN: 00002626)
Mr. R. K. Krishnamurthi	Independent Director	(DIN: 00464622)
Mr. G. C. Vasudeo	Independent Director	(DIN: 00021772)

### COMPANY SECRETARY

Mr. Himanshu Katore  
(Appointed w.e.f. 5<sup>th</sup> December, 2022)

### STATUTORY AUDITORS

S. K. Loonker & Co., Chartered Accountants  
304, Kakkad Chambers, 132, Dr. Annie Beasant Road,  
Worli, Mumbai – 400018

### SECRETARIAL AUDITORS

Parikh & Associates, Company Secretaries  
11<sup>th</sup> Floor, Sai-Dwar CHS Ltd.,  
Opp Laxmi Industrial Estate, Off Link Road,  
Andheri (West), Mumbai - 400 053

### BANKERS

HDFC Bank Limited  
Kotak Mahindra Bank Limited  
State Bank of India  
Axis Bank Limited

### REGISTERED OFFICE

The Ruby, 7<sup>th</sup> 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 IDENTITY NUMBER

**U65990MH2005PLC153310**

## NOTICE

Notice is hereby given that the Eighteenth Annual General Meeting of the Members of Emkay Fincap Limited will be held on Wednesday, August 09, 2023 at 10.00 a.m. at the Registered Office of the Company situated at The Ruby, 7<sup>th</sup> Floor, Senapati Bapat Marg, Dadar (West), Mumbai – 400028 to transact the following business:

### Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company including Audited Consolidated financial statements of the Company for the financial year ended March 31, 2023 together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Krishna Kumar Karwa (DIN: 00181055) who retires by rotation and being eligible, offers himself for re-appointment.

To consider and if though fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** Mr. Krishna Kumar Karwa, who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as the Director of the Company, liable to retire by rotation.”

**By Order of the Board of Directors  
For Emkay Fincap Limited**

**Himanshu Katare  
Company Secretary**

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

**Place : Mumbai  
Date : 12<sup>th</sup> May 2023**

### 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 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 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, duly 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 Fincap Limited**

**Himanshu Katare  
Company Secretary**

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

**Place : Mumbai  
Date : 12<sup>th</sup> May 2023**

# REPORT OF THE BOARD OF DIRECTORS

Dear Members,

Your Directors present the Eighteenth Annual Report of your Company and the Audited Financial Statements for the year ended March 31, 2023.

## 1. FINANCIAL RESULTS

An overview of the financial performance of the Company for Financial Year 2022-23 is as under:

(₹ In Lakhs)

Particulars	31.03.2023 (Standalone) 01.04.2022 to 31.03.2023	31.03.2022 (Standalone) 01.04.2021 to 31.03.2022	31.03.2023 (Consolidated) 01.04.2022 to 31.03.2023	31.03.2022 (Consolidated) 01.04.2021 to 31.03.2022
Revenue from Operations	808.83	1294.46	808.83	1294.46
Other Revenue	9.98	1.01	9.98	1.01
Profit Before Tax	<b>273.66</b>	<b>1078.99</b>	<b>591.05</b>	<b>1078.99</b>
Less: Provision for Taxation	152.93	255.91	152.93	255.92
Less: Deferred Tax Charge /(Benefit)	0.31	6.80	0.31	6.80
Share of Profit/ (Loss) from Associates	--	--	(80.18)	(119.29)
Profit After Tax	<b>119.84</b>	<b>821.10</b>	<b>357.04</b>	<b>701.80</b>
Other Comprehensive Income /(Loss) (net of tax)	3.18	0.24	3.61	(0.70)
Total Comprehensive Income	<b>123.02</b>	<b>821.34</b>	<b>360.65</b>	<b>701.10</b>

## 2. REVIEW OF OPERATIONS AND BUSINESS HIGHLIGHTS

During the year under review, your Company recorded a total income of ₹ 818.81 Lakhs as compared to ₹ 1295.48 Lakhs in the previous financial year, decrease of 36.79%. The Company had recorded net profit of ₹ 119.84 Lakhs as compared to previous year profit of ₹ 821.10 Lakhs marking a decrease of 85.40% over previous year.

The Company is a Non-Banking Financial Company (NBFC) registered with Reserve Bank of India and continues to hold its membership under NBFC-Investment and Credit Company (NBFC-ICC) categorization. The Company is mainly into an Investing activities and also extends Margin Funding facilities to stock broking clients registered with holding Company, M/s Emkay Global Financial Services Limited.

## 3. RESERVES AND SURPLUS

During the year, the Company had transferred ₹ 23.97 Lakhs to Special Reserve u/s 45-IC of RBI Act, 1934.

## 4. SHARE CAPITAL

The Authorized Share Capital of the Company is ₹ 27,00,00,000/- divided into 2,70,00,000 equity shares. The Paid-up Share Capital was ₹ 22,00,00,000 comprises of 2,20,00,000 equity shares, each of ₹ 10/- per share at the beginning of the year.

During the year under review, the Board, at its meeting held on January 09, 2023, approved the Buyback of 54,97,800 equity shares, from the existing shareholders amounting to ₹ 5,49,78,000/- at a price of ₹ 10/- per share, subject to shareholders' approval in the Extra-Ordinary General Meeting (EOGM).

The shareholders approved the proposal of Buyback of Equity Shares recommended by the Board of Directors in the EOGM held on 24th January, 2023.

Post Completion of the Buyback, the Company extinguished 54,97,800 equity shares and subsequently the Paid-up share capital of the Company stands at ₹ 16,50,22,000/- of 1,65,02,200 Equity Shares at ₹ 10/- each.

## 5. DIVIDEND

In order to conserve the resources for future business growth, your Directors do not recommend any dividend for the Financial Year 2022-23.

## 6. SUBSIDIARIES AND ASSOCIATE COMPANY:

The Company has one Associate Company as on 31st March, 2023. During the year under review, the Company had subscribed to entire 19,20,000 Preference shares each of ₹ 10/- (Partly paid up basis on which ₹ 5/- was paid as First Call) per share offered by Finlearn Edutech Private Limited, the Associate Company to its members on Right Offer basis.

As on 31st March, 2023 the Company does not have any Subsidiary or Joint Venture.

## 7. 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 2022-23 and the date of this report, adversely affecting the financial position of the Company.

## 8. DIRECTORS & KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014 and Articles of Association of the Company, Mr. Krishna Kumar Karwa, Whole Time Director & CFO of the Company is liable to retire by rotation and being eligible, offers himself for re-appointment. The Board recommends his reappointment to the shareholders.

## REPORT OF THE BOARD OF DIRECTORS

During the year under review, Company Secretary Mrs. Abhishree Vajapurkar has resigned from the Company with effect from June 30, 2022 and Mr. Himanshu Katare was appointed as a Company Secretary & Key Managerial Personnel of the Company with effect from December 05, 2022.

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

- Mr. Krishna Kumar Karwa – Whole-Time Director & CFO
- Mr. Prakash Kacholia – Whole-Time Director
- Mr. Himanshu Katare – Company Secretary

### 9. INDEPENDENT DIRECTORS

The Company has appointed two Independent Directors on the Board, Mr. G.C. Vasudeo and Mr. R.K. Krishnamurthi, for the second consecutive term of 5 years from August 13, 2019 upto August 12, 2024 in its Fourteenth Annual General Meeting held on August 12, 2019.

The Company has received declaration of Independence from both the Independent Directors in accordance with the relevant provisions of Section 149(6) of Companies Act, 2013 stating that they meet the criteria of Independence and are not disqualified from continuing as Independent Directors.

### 10. CORPORATE GOVERNANCE

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

During the Financial Year 2022-23, 14 meetings of the Board of Directors were held i.e. on April 26<sup>th</sup>, 2022, May 13<sup>th</sup> 2022, May 23<sup>rd</sup> 2022, June 06<sup>th</sup>, 2022, July 26<sup>th</sup>, 2022, August 5<sup>th</sup>, 2022, August 8<sup>th</sup>, 2022, September 16<sup>th</sup>, 2022, November 4<sup>th</sup>, 2022, December 5<sup>th</sup>, 2022, January 9<sup>th</sup>, 2023, January 27<sup>th</sup>, 2023, March 16<sup>th</sup>, 2023 and March 24<sup>th</sup>, 2023.

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

Name of the Director	Category	Board Meetings held during Financial Year 2022-23	
		Held	Attended
Mr. Krishna Kumar Karwa	Whole Time Director & CFO	14	14
Mr. Prakash Kacholia	Whole Time Director	14	13
Mr. G. C. Vasudeo	Director	14	10
Mr. R. K. Krishnamurthi	Director	14	14

#### B. AUDIT COMMITTEE

The Audit Committee of the company was reconstituted in the Board meeting held on 13<sup>th</sup> May, 2022. Mr. Krishna Kumar Karwa, Whole Time Director & CFO was appointed as the Member of the Audit Committee in place of Mr. Prakash Kacholia, Whole Time Director.

After reconstitution, the new composition of Audit Committee w.e.f 13<sup>th</sup> May, 2022 is as follows.

1. Mr. R. K. Krishnamurthi Chairman
2. Mr. G. C. Vasudeo Member
3. Mr. Krishna Kumar Karwa Member

The Audit Committee comprises of two Independent Director and one Whole Time Director & CFO. The Chairman and the members of the Committee are financially literate. Mr. R. K. Krishnamurthi, Independent Director is the Chairman of the Committee. The Statutory Auditors, Internal Auditors of the Company are invited to the Audit Committee Meetings. The meeting of the Committee is held at least once in every quarter to review the financial results of the Company or any other matter as may be required as per Companies Act 2013 and Rules framed thereunder. During the Financial Year 2022-23, 5 meetings of the Audit Committee were held i.e. on May 13<sup>th</sup>, 2022, May 23<sup>rd</sup> 2022, August 08<sup>th</sup> 2022, November 04<sup>th</sup>, 2022 and January 27<sup>th</sup> 2023.

The details of the attendance of each member at the meetings are as under:

Name of the Committee Member	No. of Meetings Attended
Mr. R. K. Krishnamurthi	5
Mr. G. C. Vasudeo	4
Mr. Prakash Kacholia (Member till 13.05.2022)	1
Mr. Krishna Kumar Karwa	4

#### C. NOMINATION AND REMUNERATION COMMITTEE

The Company has constituted Nomination and Remuneration Committee in compliance with Section 178 of the Companies Act, 2013.

The composition of the Committee is as under:

1. Mr. G. C. Vasudeo Chairman
2. Mr. R. K. Krishnamurthi Member
3. Mr. Prakash Kacholia Member

Mr. G. C. Vasudeo, Independent Director is the Chairman of the Committee.

During the year, five meetings of the NRC Committee

## REPORT OF THE BOARD OF DIRECTORS

were held on May 13th, 2022, May 23rd, 2022, July 26th, 2022, December 5th, 2022 and March 24th, 2023 which were attended by the Members. The Committee stands dissolved w.e.f March 24<sup>th</sup>, 2023 as approved by the Board because of its non-applicability as per Section 178 and relevant rules of Companies Act, 2013.

The details of the attendance of each member at the meetings are as under:

Name of the Committee Member	No. of Meetings Attended
Mr. G. C. Vasudeo	4
Mr. R. K. Krishnamurthi	5
Mr. Prakash Kacholia	4

#### D. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Company has constituted Corporate Social Responsibility (CSR) Committee in compliance with Section 135 of the Companies Act, 2013.

The composition of the Committee is as under:

1. Mr. G. C. Vasudeo Chairman
2. Mr. Krishna Kumar Karwa Member
3. Mr. Prakash Kacholia Member

Mr. G. C. Vasudeo, an Independent Director is the Chairman of the Committee.

During the year, two meetings of the CSR Committee were held on May 23, 2022 and March 24, 2023 which were attended by the Members.

The details of the attendance of each member at the meetings are as under:

Name of the Committee Member	No. of Meetings Attended
Mr. G. C. Vasudeo	2
Mr. Krishna Kumar Karwa	2
Mr. Prakash Kacholia	1

#### 11. 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-returns>

The Company is not having a separate website.

#### 12. DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures.
- b) 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.
- c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The directors have prepared the annual accounts on a going concern basis.
- e) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) The directors had laid down systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate & operating effectively.

#### 13. PUBLIC DEPOSITS

The Company is a Non-Banking Financial Company, non-deposit accepting, non-systemically important (NBFC-ND-NSI) registered with RBI. During the year, your Company has not accepted and/or renewed any public deposits in terms of the provisions of Section 73 and 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

#### 14. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

#### 15. 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 2022-23. All the directors have disclosed their interest in Form MBP-1 pursuant to Section 184 of the Companies Act, 2013 and as and when any changes



## REPORT OF THE BOARD OF DIRECTORS

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**”.

### 16. CORPORATE SOCIAL RESPONSIBILITY

The requirements of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014 was applicable to the Company in FY 2018-19. The Company in the meeting of the Board held on May 28, 2018 had constituted a Corporate Social Responsibility Committee comprising three Directors of the Company including one Independent Director. The members of the Committee are Mr. G. C. Vasudeo, Mr. Krishna Kumar Karwa and Mr. Prakash Kacholia. The Company has evolved a Corporate Social Responsibility Policy and is actively practicing the same. The objectives of the CSR Policy are to contribute to social and economic development of the communities in which the Company operates, to improve the quality of life of the communities through long term value creation for stakeholders and to generate, through its CSR initiatives, a community goodwill for the Company and help reinforce a positive and socially responsible image of the Company as a corporate entity.

During the year 2022-2023 the Company was required to spend ₹ 11,62,253/- on CSR activities as per the computation of 2% of average net profit.

During FY 2022-23 the Company had spent ₹ 12,00,000 by making donation of ₹ 2,00,000/- towards Omkar Andh Apang Samajik Sansthan, Mumbai and ₹ 10,00,000/- towards Jan Jagrati Sevarath Sansthan, Mathura as per schedule VII of the Companies Act, 2013. The Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is provided in “**Annexure B**” and forms an integral part of this report.

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

Conservation of Energy, Technology Absorption do not have much relevance to the activities of the Company since it does not own any manufacturing facility and hence the disclosure of 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 are not given.

There were no foreign exchange earnings and outgo, during the year under review.

## 18. REGULATORY UPDATES

### a. RBI Guidelines

The Company continues to comply with various circulars, notifications and guidelines issued by Reserve Bank of India from time to time.

### b. Significant and Material Orders passed by the regulators or courts

During the financial year 2022-23 under review there were no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations. Further, no penalties have been levied by RBI/any other Regulators during the financial year under review.

## 19. 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.

## 20. AUDITORS AND AUDITORS' REPORT

### A. STATUTORY AUDITORS' REPORT

There is no qualification, disclaimer and adverse remarks by the Statutory Auditor of the Company for the end of financial year 2022-23.

### B. SECRETARIAL AUDITORS' REPORT

Pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 [as inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 effective from March 31, 2019], the Company being a material unlisted subsidiary of Emkay Global Financial Services Limited (Listed Holding Company) was required to obtain a Secretarial Audit Report from the Practicing Company Secretary.

There is no qualification, disclaimer and adverse remarks by the Secretarial Auditor of the Company for the end of financial year 2022-23 and the report has been attached as “**Annexure C**”.

### C. STATUTORY AUDITORS

Pursuant to the provisions of Section 139 and all other applicable provisions 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)



## REPORT OF THE BOARD OF DIRECTORS

M/s S. K. Loonker, Chartered Accountants bearing Firm Registration No. 105653W with the Institute of Chartered Accountants of India (ICAI) were appointed as the Statutory Auditors of the Company at the 16th Annual General Meeting (AGM) held on 05th August, 2021 for a period of three years commencing from the conclusion of the 16th Annual General Meeting (AGM) till the conclusion of the 19th Annual General Meeting of the Company to be held for the Financial Year 2023-24.

M/s. S. K. Loonker, 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.

### D. SECRETARIAL AUDITORS

As required under Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Board hereby appointed M/s. Parikh and Associates, Practicing Company Secretaries as the Secretarial Auditor of the Company for the Financial Year 2022-23.

### E. 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 are not applicable for the business activities carried out by the Company.

### F. REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Statutory Auditor have not reported to the Audit Committee, or the board under Section 143(12) of the Companies Act, 2013, 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.

### G. 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 2022-23.

### 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 the Section 197.

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

During the year 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.

#### C. ACKNOWLEDGEMENT

Your Directors would like to take this opportunity to express sincere gratitude towards the customers, 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.

**On behalf of the Board of Directors  
For Emkay Fincap Limited**

**Krishna Kumar Karwa**  
**Whole Time Director & CFO**  
**DIN: 00181055**

**G C Vasudeo**  
**Director**  
**DIN - 00021772**

Place : Mumbai

Date : 12<sup>th</sup> May 2023

## 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 third 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	Reimbursement of Rent, Electricity, Water Charges, Telephone Expenses, Building Maintenance etc. for the use of office premises of the Holding Company
c	Duration of the contracts / arrangements / transactions	From 1st April, 2022 to 31st March, 2023
d	Salient terms of the contracts or arrangements or transactions including the value, if any	Reimbursement of certain common expenses such as Rent, Electricity, Water Charges, Telephone Expenses, Building Maintenance etc to the Holding Company on the basis of cost incurred by the Holding Company and dividing the same by the total number of employees sitting in the premises to arrive at cost per employee and paying this to the Holding Company on the basis of number of employees of the Company.
e	Justification for entering into such contracts or arrangements or transactions	The Company is not having its own office premises. Hence, it is using office premises of its Holding Company.
f	Date(s) of approval by the Board	24.01.2022
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<sup>th</sup> proviso to section 188(1) of the Companies Act, 2013 passing of shareholders resolution under 1<sup>st</sup> 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 in its meeting dated January 24, 2022 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**  
**Emkay Fincap Limited**

**Krishna Kumar Karwa**  
**Whole Time Director & CFO**  
**DIN: 00181055**

**G. C Vasudeo**  
**Director**  
**DIN: 00021772**

Place : Mumbai  
Date : 12<sup>th</sup> May, 2023

## REPORT OF THE BOARD OF DIRECTORS

## ANNEXURE "B"

## ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2022-23

## 1. Brief outline of CSR Policy of the Company -

Corporate Social Responsibility (CSR) forms an important part of the Company's philosophy of giving back to the society. The objective of the CSR Policy of the Company is to contribute to social and economic development of the communities in which the Company operates and to generate through its CSR initiatives, a community goodwill for the Company and help reinforce a positive and socially responsible image of the Company as a corporate entity.

## 2. Composition of CSR Committee:

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

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company - **Separate website not available.**
4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable - **Not Applicable.**
5. (a) Average net profit of the company as per sub-section (5) of section 135: ₹ **5,81,12,638/-**  
 (b) Two percent of average net profit /(Loss) of the company as per section 135(5): ₹ **11,62,253/-**  
 (c) Surplus arising out of the CSR projects or programmes or activities of the Previous financial years: **NIL**  
 (d) Amount required to be set off for the financial year, if any : **NIL**  
 (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ **11,62,253/-**
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). ₹ **12,00,000/-**  
 (b) Amount spent in Administrative Overheads.- **Nil**  
 (c) Amount spent on Impact Assessment, if applicable.- **Nil**  
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)] - ₹ **12,00,000/-**  
 (e) CSR amount spent or unspent for the financial year: **2022-23**

Total Amount Spent for the Financial Year (in ₹ )	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount Unspent (in ₹ ) Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
10,00,000	-	-	-	-	-
2,00,000	-	-	-	-	-

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

Sr. No.	Particular	Amount (in ₹ )
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	11,62,253
(ii)	Total amount spent for the Financial Year	12,00,000
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	37,747
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Nil

## REPORT OF THE BOARD OF DIRECTORS

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

(1)	(2)	(3)	(4)	(5)	(5)	(6)	(7)
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any Amount (in Rs)      Date of Transfer	Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any

NIL

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

If Yes, enter the number of Capital assets created/acquired - **Not Applicable**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **Not Applicable**

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

Not Applicable

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

**Krishna Kumar Karwa**  
Whole Time Director & CFO  
DIN: 00181055

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

Place : Mumbai  
Date : May 12, 2023

## REPORT OF THE BOARD OF DIRECTORS

### ANNEXURE- "C"

#### FORM No. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2023

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

To,  
The Members,

#### **EMKAY FINCAP LIMITED**

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information to the extent provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by The Ministry of Corporate Affairs warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31st March, 2023, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March, 2023 according to the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not applicable to the Company during the audit period)
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (Not applicable to the Company during the audit period)
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; (Not applicable to the Company during the audit period)
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the Company during the audit period)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable to the Company during the audit period)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)

## REPORT OF THE BOARD OF DIRECTORS

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the Company during the audit period) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)
- (vi) Other laws applicable specifically to the Company namely:-
  - a) Master Direction - Non-Banking Financial Company –Non-Systemically Important Non- Deposit taking Company (Reserve Bank) Directions, 2016.
  - b) Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016.
  - c) Relevant Sections of Reserve Bank of India Act, 1934.

We have also examined compliance with the applicable clauses of the following: (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

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

We further report that:

The Board of Directors of the Company is duly constituted. There have been no change in the composition of the Board of Directors during the period under review were carried out in compliance with the provisions of the Act.

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

Decisions at the Board Meetings were taken unanimously.

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

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

- i. The Company at its Extra Ordinary General Meeting held on October 03, 2022 had approved the borrowing limits under Section 180(1)(a) of the Companies Act, 2013.
- ii. The Company has completed buyback of 54,97,800 (Fifty Four Lakh Ninety Seven Thousand Eight Hundred) fully paid-up equity shares of face value of ₹ 10 (Rupee Ten) each on March 21, 2023 at a price of ₹ 10 (Rupees Ten only) per Equity Share.

**For Parikh & Associates**  
Company Secretaries

Sd/-

**Akruti Shah**

ACS No: 43371 CP No: 22955

UDIN: A043371E000299242

PR No.: 1129/2021

**Place : Mumbai**

**Date : May 12, 2023**

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

## REPORT OF THE BOARD OF DIRECTORS

### ‘Annexure A’

To,  
The Members  
**EMKAY FINCAP LIMITED**

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

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

**For Parikh & Associates**  
Company Secretaries

Sd/-

**Akruti Shah**

ACS No: 43371 CP No: 22955

UDIN: A043371E000299242

PR No.: 1129/2021

**Place : Mumbai**

**Date : May 12, 2023**



## INDEPENDENT AUDITOR'S REPORT

### To The Members of EMKAY FINCAP LIMITED

#### Report on the Audit of Standalone Financial Statements

##### OPINION

We have audited the accompanying Standalone Financial Statements of **EMKAY FINCAP LIMITED** ("the Company"), which comprises of Balance Sheet as at March 31, 2023, 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 then Standalone 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 (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, 2023, its profit, total comprehensive income, 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 Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the 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 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 management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud

## INDEPENDENT AUDITOR'S REPORT (Contd.)

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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

### 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 and 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 Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - (e) On the basis of the written representation received from the directors as on March 31, 2023 taken on records by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a Director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the

## INDEPENDENT AUDITOR'S REPORT (Contd.)

requirements of Sec 197(16) of the Act, as amended:

In our opinion and according to the information and explanation given to us, the remuneration paid/provided by the Company to its director by way of commission during the current year is in accordance with the provisions of Section the Act, as amended, 197 of the Act. The remuneration paid to any director by the Company is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

- (h) With respect to the other 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 does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note no.50(p) to the Standalone Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (b) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note

no.50(q) to the Standalone Financial Statements, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) of Rule 11(e) of The Companies (Audit and Auditors) Rules, 2014, as provided under (iv) (a) and (b) above, contains any material misstatement.
- v. The Company has not declared or paid any dividend during the year hence compliance with section 123 of the Act is not applicable to the Company.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

**For S. K. Loonker & Co.**  
Chartered Accountants  
Firm Registration No.105653W

**(CA. S. K. Loonker)**  
Proprietor  
Membership No.032130  
UDIN : 23032130BGXVAO3422

Place : Mumbai  
Dated : 12<sup>th</sup> May, 2023

## ANNEXURE “A” TO INDEPENDENT AUDITOR’S REPORT

### **Annexure “A” to Independent Auditor’s report of even date to the members of EMKAY FINCAP LIMITED on the standalone Financial Statements as at and for the year ended March 31, 2023**

- (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 any of 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 stock of securities held for trading have been confirmed with the statement of holding of depository at the end of the year. In our opinion, the coverage and procedures of verification of the stock of securities held for trading followed by the Management is appropriate. As per the information and explanations given to us and on the basis of our examination of the records, no discrepancies were noticed on verification of stock of securities held for trading with statement of holding of depository as compared to book records.
- (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 been sanctioned working capital limits in excess of five crore rupees, in aggregate, from a bank on the basis of the security of fixed deposits with the bank during the year. In our opinion and according to the information and explanations given to us, in view of nature of security provided by the Company for availing said working capital loan, no quarterly returns or statements are required to be filed by the company with the said bank. 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) 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 any security during the year.
  - (b) 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 except in case of loan against share facilities granted where the repayment of principal and payment of interest has not been stipulated and therefore we are unable to offer our comments on whether repayments or receipts have been regular or not.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no



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

overdue amount for more than ninety days in respect of loans given. In respect of loan against share facilities granted as referred in para (iii)(b) above, we are unable to comment about overdue amount.

- (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 granted loan against share facilities without specifying any terms or period of repayment as below:

In ₹ Hundreds

	All Parties	Promoters	Related Parties
Aggregate amount of loans - Agreement does not specify any terms or period of repayment	46,99,970.78	Nil	Nil
Percentage of loans to the total loans	100%	Nil	Nil

- (e) In our opinion, and according to the information and explanations given to us, the company being a Non-Banking finance company (NBFC) registered with Reserve Bank of India whose principal business is to give loans, clause 3(iii) (a) and (e) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company being a Non-Banking finance company (NBFC) registered with Reserve Bank of India, the provisions of section 185 and section 186 of the Act are not applicable to the Company in respect of loans given 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 during the year.
- (v) In our opinion, and according to the information and explanations given to us, the company being a non-deposit taking Non-Banking finance company (NBFC) registered with Reserve Bank of India, is not required to comply with the provisions of 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed there under regarding accepting any deposits or amounts which are deemed to be deposits. 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, income tax, cess and other statutory dues applicable to it. 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, 2023 for a period of more than six months from the date they became payable. As explained to us, the Company did not have any dues on account of provident fund, employees' state insurance, sales-tax, service tax, duty of customs, duty of excise and value added tax.
- (b) As at March 31, 2023, 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.
- (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.
- (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,

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

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) According to the information and explanations given to us and on an overall examination of the standalone Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associate company (as defined in the Act). The Company does not hold investment in any subsidiary or joint venture (as defined in the Act) during the year ended 31st March, 2023.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its associate company (as defined under the Act).
- (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 36 of the standalone 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 required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained certificate of registration from Reserve Bank of India.
- (b) The Company is a Non-Banking finance company (NBFC) registered with Reserve Bank of India. Accordingly, clause 3(xvi)(b) of the order is not applicable to the Company.
- (c) Our opinion and according to the information and explanations given to us, the Company

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

is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the order is not applicable to the Company.

- (d) In our opinion and according to the information and explanations given to us, there is no core investment company within the "Companies in 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 resignation of the statutory auditors during the year. In our opinion and according to the information and explanations given to us, no issues, objections or concerns were raised by the outgoing auditors.
- (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 standalone 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) (a) There are no unspent amounts towards Corporate Social Responsibility ('CSR') on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Act in compliance with second proviso to sub-section (5) of section 135 of the Act. Accordingly, clause 3(xx) (a) of the Order is not applicable to the Company
- (b) According to the information and explanations given to us, there are no ongoing projects in accordance with its CSR policy adopted. Accordingly, clause 3(xx) (b) of the Order is not applicable to the Company

**For S. K. Loonker & Co.**

Chartered Accountants  
Firm Registration No.105653W

**(CA. S.K.LOONKER)**

Proprietor  
Membership No.032130  
UDIN : 23032130BGXVAO3422

Place : Mumbai

Dated: 12<sup>th</sup> May, 2023



## ANNEXURE “B” TO INDEPENDENT AUDITOR’S REPORT

**Annexure “B” to Independent Auditor’s report of even date to the members of EMKAY FINCAP LIMITED on the standalone Financial Statements for the year ended March 31, 2023**

**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 FINCAP LIMITED** (“the Company”) as of March 31, 2023 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 standalone 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 standalone 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.

### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

7. Because of the inherent limitations of internal financial controls over financial reporting, including

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

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, 2023 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 S. K. Loonker & Co.**

Chartered Accountants  
Firm Registration No.105653W

**(CA. S.K.LOONKER)**

Proprietor  
Membership No.032130  
UDIN : 23032130BGXVAO3422

Place : Mumbai  
Dated: 12<sup>th</sup> May, 2023

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## STANDALONE BALANCE SHEET

AS AT 31ST MARCH, 2023

(₹ in hundreds)

Particulars	Note No.	As at 31st March, 2023, current reporting period	As at 31st March, 2022, previous reporting period
<b>I ASSETS</b>			
<b>1 Financial assets</b>			
Cash and cash equivalents	3	11,554.58	392,544.56
Bank Balance other than Cash and cash equivalents	4	1,903,814.66	1,811,146.93
Derivative financial instruments	5	-	-
Securities held for trading	6	71,500.00	-
Trade Receivables	7	11,020.17	10,531.30
Loans	8	4,688,220.85	3,926,618.10
Investments	9	246,812.83	309,725.00
Other Financial assets	10	71,875.13	4,372.67
<b>Total Financial Assets</b>		<b>7,004,798.22</b>	<b>6,454,938.56</b>
<b>2 Non-financial Assets</b>			
Current tax assets (net)	11	14,292.65	10,487.30
Deferred tax Assets (net)	43(D)	84,036.00	84,343.00
Property, Plant and Equipment	12	18,117.86	29,712.53
Other non financial assets	13	1,846.28	1,786.00
<b>Total Non -financial Assets</b>		<b>118,292.79</b>	<b>126,328.83</b>
<b>Total assets</b>		<b>7,123,091.01</b>	<b>6,581,267.39</b>
<b>II LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>1 Financial Liabilities</b>			
Derivative financial instruments	5	-	-
Payables			
(I) Trade Payables	14(I)		
(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	14(II)		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		5,731.24	11,620.24
Borrowings (Other than Debt Securities)	15	2,096,913.89	1,099,076.30
Other financial liabilities	16	26.45	3,526.61
<b>Total Financial liabilities</b>		<b>2,102,671.58</b>	<b>1,114,223.15</b>
<b>2 Non-Financial Liabilities</b>			
Current tax liabilities (net)	17	-	9,122.01
Provisions	18	11,572.85	24,707.15
Other non-financial liabilities	19	5,439.66	3,050.81
<b>Total Non- financial liabilities</b>		<b>17,012.51</b>	<b>36,879.97</b>
<b>Total liabilities</b>		<b>2,119,684.09</b>	<b>1,151,103.12</b>
<b>EQUITY</b>			
Equity share capital	20	1,650,220.00	2,200,000.00
Other Equity	21	3,353,186.92	3,230,164.27
<b>Total equity</b>		<b>5,003,406.92</b>	<b>5,430,164.27</b>
<b>Total Liabilities and Equity</b>		<b>7,123,091.01</b>	<b>6,581,267.39</b>

The accompanying notes forms an integral part of these standalone financial statements.

As per our Report of even date  
For S. K. LOONKER & COMPANY  
CHARTERED ACCOUNTANTS  
Firm Registration No.105653W

(CA S. K. Loonker)  
Proprietor  
Membership No: 032130

For and on behalf of the Board of  
EMKAY FINCAP LIMITED

Krishna Kumar Karwa  
Whole Time Director and Chief Financial Officer  
DIN - 00181055

Himanshu Katare  
Company Secretary  
Membership No: ACS49584

Prakash Kacholia  
Whole Time Director  
DIN - 00002626

Place : Mumbai  
Dated : 12th May, 2023

Place : Mumbai  
Dated : 12th May, 2023

**STANDALONE STATEMENT OF PROFIT AND LOSS**

FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in hundreds)

Particulars	Note No.	For the current year ended 31st March, 2023	For the previous year ended 31st March, 2022
<b>Revenue from operations</b>			
(i) Interest income	22	585,996.14	358,627.38
(ii) Dividend income	23	1,840.00	280.00
(iii) Fee and commission income	24	8,800.01	14,659.77
(iv) Net gain on fair value changes	25	212,197.53	920,901.20
<b>(I) Total Revenue from operations</b>		<b>808,833.68</b>	<b>1,294,468.35</b>
<b>(II) Other Income</b>	26	9,981.00	1,016.17
<b>(III) Total Income (I + II)</b>		<b>818,814.68</b>	<b>1,295,484.52</b>
<b>Expenses</b>			
(i) Finance costs	27	126,601.50	29,674.25
(ii) Fee and commission expense	28	28,141.37	77,554.11
(iii) Impairment of financial instruments	29	1,462.27	6,624.30
(iv) Employee benefits expenses	30	19,853.84	53,120.75
(v) Depreciation expenses	31	11,594.67	6,754.75
(vi) Other expenses	32	40,113.52	42,759.18
<b>(IV) Total Expenses (IV)</b>		<b>227,767.17</b>	<b>216,487.34</b>
<b>(V) Profit before exceptional items and tax (III- IV)</b>		<b>591,047.51</b>	<b>1,078,997.18</b>
<b>(VI) Exceptional items</b>	33	317,382.17	-
<b>(VII) Profit before tax (V-VI)</b>		<b>273,665.34</b>	<b>1,078,997.18</b>
<b>(VIII) Tax Expense:</b>			
(1) Current tax		152,931.00	255,918.00
(2) Deferred tax		307.00	6,804.00
(3) Excess Provision for Tax of earlier years		582.40	(4,826.20)
<b>Total Tax Expense</b>		<b>153,820.40</b>	<b>257,895.80</b>
<b>(IX) Profit/(Loss) for the year</b>		<b>119,844.94</b>	<b>821,101.38</b>
<b>(X) Other Comprehensive Income/(loss)</b>			
A (i) Items that will not be reclassified to profit or loss			
- Actuarial Gain/(Loss) on Defined Benefit Plan		4,246.71	325.28
(ii) Income tax relating to items that will not be reclassified to profit or loss		(1,069.00)	(82.00)
<b>Sub total (A)</b>		<b>3,177.71</b>	<b>243.28</b>
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		-	-
<b>Sub total (B)</b>		<b>-</b>	<b>-</b>
<b>Other Comprehensive Income/(loss) (A + B)</b>		<b>3,177.71</b>	<b>243.28</b>
<b>(XI) Total Comprehensive Income/(loss) for the year</b>		<b>123,022.65</b>	<b>821,344.66</b>
Earnings per Equity Share of Nominal Value of ₹ 10 each			
- Basic	34	<b>0.55</b>	<b>3.73</b>
- Diluted		<b>0.55</b>	<b>3.73</b>
<b>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</b>	2		

The accompanying notes forms an integral part of these standalone financial statements.

As per our Report of even date  
For **S. K. LOONKER & COMPANY**  
CHARTERED ACCOUNTANTS  
Firm Registration No.105653W

(CA S. K. Loonker)  
Proprietor  
Membership No: 032130

For and on behalf of the Board of  
**EMKAY FINCAP LIMITED**

Krishna Kumar Karwa  
Whole Time Director and Chief Financial Officer  
DIN - 00181055

Himanshu Katara  
Company Secretary  
Membership No: ACS49584

Prakash Kacholia  
Whole Time Director  
DIN - 00002626

Place : Mumbai  
Dated : 12th May, 2023

Place : Mumbai  
Dated : 12th May, 2023

## STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH, 2023

### 1 EQUITY SHARE CAPITAL

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

(₹ in hundreds)

Particulars	Equity Share Capital	
	No. of Shares	Amount
<b>As at 1st April, 2022</b>		
<b>Balance at the beginning of the previous reporting period</b>	<b>22,000,000</b>	<b>2,200,000.00</b>
Changes in Equity Share Capital due to prior year errors	-	-
Restated balance at the beginning of the previous reporting period	<b>22,000,000</b>	<b>2,200,000.00</b>
Changes in equity share capital during the previous year	-	-
<b>Balance at the end of the previous reporting period</b>	<b>22,000,000</b>	<b>2,200,000.00</b>
<b>As at 31st March, 2023</b>		
<b>Balance at the beginning of the current reporting period</b>	<b>22,000,000</b>	<b>2,200,000.00</b>
Changes in Equity Share Capital due to prior year errors	-	-
Restated balance at the beginning of the current reporting period	<b>22,000,000</b>	<b>2,200,000.00</b>
Changes in equity share capital during the current year due to buyback of shares (Refer note no. 20 (g))	<b>5,497,800</b>	<b>549,780.00</b>
<b>Balance at the end of the current reporting period</b>	<b>16,502,200</b>	<b>1,650,220.00</b>

### 2 OTHER EQUITY

(₹ in hundreds)

Particulars	Reserves and Surplus				Other Comprehensive Income	Total
	Retained Earnings	Special Reserve under section 45-IC of the RBI Act 1934	Capital Redemption Reserve	Equity settled share based payment reserve	Items that will not be Reclassified to Profit or Loss - Actuarial gains/(losses) on Defined Benefit Plan	
<b>As at 1st April, 2022</b>						
<b>Balance at the beginning of the previous reporting period</b>	1,407,351.78	725,141.31	500,000.00	5,184.30	(3,673.48)	2,634,003.91
Changes in accounting policy or prior period errors	-	-	-	-	-	-
<b>Restated balance at the beginning of the previous reporting period</b>	<b>1,407,351.78</b>	<b>725,141.31</b>	<b>500,000.00</b>	<b>5,184.30</b>	<b>(3,673.48)</b>	<b>2,634,003.91</b>
Share based payments to Employees	-	-	-	(5,184.30)	-	(5,184.30)
Transfer to Special Reserve under section 45-IC of the RBI Act, 1934 during previous year	(164,220.28)	164,220.28	-	-	-	-
Dividend paid during the previous year	(220,000.00)	-	-	-	-	(220,000.00)
Profit for the previous year	821,101.38	-	-	-	-	821,101.38
Other Comprehensive Income/(loss) (Net) for the previous year	-	-	-	-	243.28	243.28
Total Comprehensive Income/(loss) for the previous year						821,344.66
<b>Balance at the end of the previous reporting period</b>	<b>1,844,232.88</b>	<b>889,361.59</b>	<b>500,000.00</b>	<b>-</b>	<b>(3,430.20)</b>	<b>3,230,164.27</b>

# STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

(₹ in hundreds)

Particulars	Reserves and Surplus				Other Comprehensive Income	Total
	Retained Earnings	Special Reserve under section 45-IC of the RBI Act 1934	Capital Redemption Reserve	Equity settled share based payment reserve	Items that will not be Reclassified to Profit or Loss - Actuarial gains/ (losses) on Defined Benefit Plan	
<b>As at 31st March, 2023</b>						
<b>Balance at the beginning of the current reporting period</b>	1,844,232.88	889,361.59	500,000.00	-	(3,430.20)	3,230,164.27
Changes in accounting policy or prior period errors	-	-	-	-	-	-
<b>Restated balance at the beginning of the current reporting period</b>	<b>1,844,232.88</b>	<b>889,361.59</b>	<b>500,000.00</b>	<b>-</b>	<b>(3,430.20)</b>	<b>3,230,164.27</b>
Transfer to Special Reserve under section 45-IC of the RBI Act, 1934 during current period	(23,968.99)	23,968.99	-	-	-	-
Transfer to Capital Redemption Reserve from Retained Earnings upon buyback of equity shares during the year (Refer note no. 20 (g))	(549,780.00)	-	549,780.00	-	-	-
Profit for the current year	119,844.94	-	-	-	-	119,844.94
Other Comprehensive Income/(loss) (Net) for the current year	-	-	-	-	3,177.71	3,177.71
Total Comprehensive Income/(loss) for the current year						123,022.65
<b>Balance at the end of the current reporting period</b>	<b>1,390,328.83</b>	<b>913,330.58</b>	<b>1,049,780.00</b>	<b>-</b>	<b>(252.49)</b>	<b>3,353,186.92</b>

\*on resignation of the employee consequent upon transfer to Parent Company.

The accompanying notes forms an integral part of these standalone financial statements.

**As per our Report of even date**  
For **S. K. LOONKER & COMPANY**  
CHARTERED ACCOUNTANTS  
Firm Registration No.105653W

**(CA S. K. Loonker)**  
Proprietor  
Membership No: 032130

**For and on behalf of the Board of**  
**EMKAY FINCAP LIMITED**

**Krishna Kumar Karwa**  
Whole Time Director and Chief Financial Officer  
DIN - 00181055

**Himanshu Katare**  
Company Secretary  
Membership No: ACS49584

**Prakash Kacholia**  
Whole Time Director  
DIN - 00002626

**Place : Mumbai**  
**Dated : 12th May, 2023**

**Place : Mumbai**  
**Dated : 12th May, 2023**



## STANDALONE STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in hundreds)

	31st March, 2023	31st March, 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	273,665.34	1,078,997.18
Add: (less) : Adjustment for :		
Depreciation Expense	11,594.67	6,754.75
Impairment on financial instruments	1,462.27	6,624.30
Net (gain) / loss on fair value changes	2,642.40	-
Interest on deposit with Bank	(102,964.15)	(91,063.29)
Interest on Income Tax Refund	-	(1,014.27)
	<b>(87,264.81)</b>	<b>(78,698.51)</b>
<b>Operating profit before working capital changes</b>	<b>186,400.53</b>	<b>1,000,298.67</b>
Add: (less) : Adjustment for changes in working capital:		
Increase/(decrease) in bank balance other than cash and cash equivalents	(92,667.73)	(81,956.96)
(Increase)/decrease in securities held for trading	(71,949.73)	-
(Increase)/decrease in trade receivables	6,365.80	12,378.51
(Increase)/decrease in Loans	(763,511.53)	(1,174,841.22)
(Increase)/decrease in other financial assets	(67,502.46)	211.86
(Increase)/decrease in other non financial assets	(60.28)	(1,168.98)
Increase/(decrease) in other payables	(5,889.00)	(21,689.48)
Increase/(decrease) in other financial liabilities	(3,500.16)	3,526.61
Increase/(decrease) in provisions	(8,441.08)	6,530.41
Increase/(decrease) in other non financial liabilities	2,388.85	(5,492.95)
	<b>(1,004,767.32)</b>	<b>(1,262,502.20)</b>
<b>Cash Generated from operations</b>	<b>(818,366.79)</b>	<b>(262,203.53)</b>
Income tax (Paid)/Refund	(167,509.76)	(239,315.35)
<b>Cash flow before exceptional / extraordinary items</b>	<b>(985,876.55)</b>	<b>(501,518.88)</b>
Exceptional items	317,382.17	-
<b>Net cash (used in) / generated from operating activities (A)</b>	<b>(668,494.38)</b>	<b>(501,518.88)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale/(Purchase) of Investments	(263,517.34)	242,399.55
Sale/(Purchase) of Fixed Assets	-	(35,582.00)
Interest on deposit with Bank	102,964.15	91,063.29
Interest on Income Tax Refund	-	1,014.27
	<b>(160,553.19)</b>	<b>298,895.11</b>
<b>Net cash (unused in)/generated from investing activities (B)</b>	<b>(160,553.19)</b>	<b>298,895.11</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
(Repayment)/Proceeds from Borrowings	997,837.59	99,064.66
Dividend paid	-	(220,000.00)
Increase/(decrease) in Other Equity - Equity-settled Share Based Payment Reserve	-	(5,184.30)
Buyback of Equity shares	(549,780.00)	-
	<b>448,057.59</b>	<b>(126,119.64)</b>
<b>Net cash (unused in)/generated from financing activities (C)</b>	<b>448,057.59</b>	<b>(126,119.64)</b>

**STANDALONE STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)**

(₹ in hundreds)

	31st March, 2023	31st March, 2022
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(380,989.98)</b>	<b>(328,743.41)</b>
<b>Cash and Cash Equivalents at the beginning of the year (Opening Balance)</b>	<b>392,544.56</b>	<b>721,287.97</b>
<b>Cash and Cash Equivalents at the close of the year (Closing Balance)</b>	<b>11,554.58</b>	<b>392,544.56</b>
<b>Note:</b>		
1. Cash and cash equivalents comprise of :		
Balances with Scheduled Banks		
- In Current Accounts	11,535.03	392,370.86
Cash on hand	19.55	173.70
	<b>11,554.58</b>	<b>392,544.56</b>

- The above standalone cash flow statement has been prepared under the "Indirect method" as set out on the Indian Accounting Standard (Ind AS-7) Statement of Cash Flow.
- Previous year's figures are re-grouped/ recasted/ re-arranged wherever considered necessary.

**The accompanying notes forming part of these standalone financial statements.**

**As per our Report of even date**  
For **S. K. LOONKER & COMPANY**  
CHARTERED ACCOUNTANTS  
Firm Registration No.105653W

**For and on behalf of the Board of**  
**EMKAY FINCAP LIMITED**

**(CA S. K. Loonker)**  
Proprietor  
Membership No: 032130

**Krishna Kumar Karwa**  
Whole Time Director and Chief Financial Officer  
DIN - 00181055

**Prakash Kacholia**  
Whole Time Director  
DIN - 00002626

**Himanshu Katore**  
Company Secretary  
Membership No: ACS49584

**Place : Mumbai**  
**Dated : 12th May, 2023**

**Place : Mumbai**  
**Dated : 12th May, 2023**

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31ST MARCH 2023

### 1. CORPORATE INFORMATION

Emkay Fincap Limited (the 'Company') is a public limited company domiciled in India and was incorporated under the provisions of the Companies Act, 1956 vide Certificate of Incorporation (CIN) U65990MH2005PLC153310 dated 16th May, 2005. The Company is a wholly owned subsidiary of Emkay Global Financial Services Limited ('the parent'). The registered office of the Company is situated at The Ruby, 7th Floor, Senapati Bapat Marg, Dadar (West), Mumbai-400028.

The Company is a Non-Banking Financial Company ('NBFC') without accepting public deposits registered with Reserve Bank of India vide Certificate of Registration No.N-13.01809 dated October 8, 2005 and engaged in financing and investment activities. The Company is classified as NBFC-Investment and Credit Company (NBFC-ICC) in terms of circular – 'Harmonisation of different categories of NBFCs' issued by RBI on 22 February, 2019. Further in terms of circular – 'Scale Based regulation (SBR): A Revised Regulatory Framework for NBFCs' issued by RBI on 22 October, 2021 which is effective from October 01, 2022, the company falls under the category of NBFC-Base Layer (NBFC-BL).

### 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, 2023 (for current reporting period) and March 31, 2022 (for previous reporting period), the standalone Statements of Profit and Loss, the standalone Statements of Cash Flows and the Statements of Changes in Equity for the year ended March 31, 2023 (for current reporting period) and for the year ended March 31, 2022 (for previous reporting period), and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as '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 and Master Direction-Non-Banking Financial Company – Non -Systemically Important Non- Deposit taking Company (Reserve Bank) Directions, 2016 (RBI NBFC Directions) .

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);
- defined benefit plans- plan assets measured at fair value (refer Accounting Policy no.2.7(ii)(A) below); and
- share-based payment obligations (refer Accounting Policy no.2.8 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 Financial Statements

The standalone financial statements of the Company are prepared in order of liquidity and in accordance with Division III of Schedule III to the Act applicable to NBFC's as notified by the Ministry of Corporate Affairs. 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 45.

##### (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

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

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 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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

### Depreciation

Depreciation is calculated using the written down value (WDV) method to write down the cost of Property, Plant and Equipment 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
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 derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the Statement of Profit and Loss in the year the asset is derecognised.

## 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. 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. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in the Statement of Profit and Loss.

### (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)

#### Debt Instruments

Investment in debt 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 where they have (i) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and (ii) are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Gains and losses arising from changes in fair value are included in Statement of Profit and Loss. Impairment losses or reversals and interest revenue are recognised in Statement of Profit and Loss.

#### Equity Instruments

Investment in equity instruments are always 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.

#### Derivative Instruments

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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

Changes in the fair value of derivatives are included in net gain on fair value changes

### 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.

### 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)(iii) below.

### e. **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 Assets and Liabilities**

The Company derecognizes a financial asset when the contractual right to receive the cash flows from the financial asset expires 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.

### (v) **Financial assets held for trading**

The Company classifies financial assets as held for trading when they have been purchased or sold primarily for trading activities. Held-for-trading assets are recorded and measured in the Balance Sheet at fair value.

## 2.4 Impairment

### a. **Financial Assets**

#### (i) **Loans**

The Company recognises loss allowances (provisions) for expected credit losses on loans (including non-fund exposures) that are measured at amortized costs. The Company applies a three-stage approach to measuring expected credit losses (ECLs) on loans.

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

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

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether credit risk of loan has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the loan. The Company does the assessment of significant increase in credit risk at a borrower level.

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

#### **Stage 1**

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

under this stage. The Company classifies all standard loans upto 30 days default under this category. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

### Stage 2

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

### Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

### Loan Commitments

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

The final ECL allowance arrived as above is subject to the minimum provisioning requirement as per RBI NBFC Directions.

### The mechanics of ECL:

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

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

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

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

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

### (ii) **Trade Receivables and Other Financial Assets**

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. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. 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.

### (iii) **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.



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

### 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 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 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.

### 2.6 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) Interest Income

Interest income on financial assets (other than credit impaired) is recognised on a time proportion basis taking into account the amount outstanding

and the contractual rate. The contractual rate after netting off the fees received and cost incurred, if any, approximates the effective interest rate method of return. The future cash flows are estimated taking into account all the contractual terms of the instrument and any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets. For credit-impaired financial assets the interest income is recognized on receipt basis and interest income recognized before the assets became credit-impaired and remained unrealised is reversed.

#### (ii) Fees & Commission Income

Client Referral Fees is recognised when the performance obligation is completed.

#### (iii) Dividend Income

Dividend income is recognised when the right to receive the payment is established.

#### (iv) Net gain on Fair value changes

Any realised gain or loss on sale of financial assets being investments, equity derivatives and securities 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, equity derivatives and securities 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.

In case of securities held for trading being debt instruments, accrued interest component comprised in fair value is bifurcated and such accrued interest is netted and reckoned as expense/income.

### 2.7 Employee Benefits

#### (i) Short Term Benefits

All employee benefits including short term non vesting compensated absences and statutory bonus/ performance bonus/incentives payable

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

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

##### Defined Benefit Plan

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.

### 2.8 Share Based Payments

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments/option at the grant date.

The fair value at the grant date of the equity settled share-based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. The fair value of options is determined under Black-Scholes-Merton Model by an Independent Valuer. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options outstanding reserve.

### 2.9 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.

### 2.10 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.

### 2.11 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

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

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.

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

### 2.12 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.

### 2.13 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 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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

### 2.14 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.

### 2.15 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.

### 2.16 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.

### 2.17 Dividends on ordinary shares

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

### 2.18 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 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below-

#### Ind AS 1 – Presentation of Financial Statements –

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

#### Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors –

This amendment has introduced a definition of accounting estimates and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

#### Ind AS 12 – Income Taxes –

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
AS AT 31ST MARCH, 2023

**3 CASH AND CASH EQUIVALENTS**

(₹ in hundreds)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Cash on hand	19.55	173.70
Balances with Banks		
- In current accounts	11,535.03	392,370.86
<b>Total</b>	<b>11,554.58</b>	<b>392,544.56</b>

**4 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS**

(₹ in hundreds)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balances with Banks		
- In deposit accounts (with original maturity of more than 3 months but upto 12 months)*	1,903,814.66	1,811,146.93
<b>Total</b>	<b>1,903,814.66</b>	<b>1,811,146.93</b>
* Includes lien marked as security against bank overdraft facility .	1,700,000.00	1,700,000.00

**5 DERIVATIVE FINANCIAL INSTRUMENTS**

(₹ in hundreds)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Part I		
- Equity Linked Derivatives	-	-
<b>Total Derivative financial instruments</b>	<b>-</b>	<b>-</b>
Part II		
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows	-	-
- Fair value hedging	-	-
- Cash flow hedging	-	-
<b>Total Derivative financial instruments</b>	<b>-</b>	<b>-</b>

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.

**6 SECURITIES HELD FOR TRADING**

(₹ in hundreds)

Particulars	As at 31st March, 2023	As at 31st March, 2022
At fair value through profit or loss		
- Equity shares - Unquoted	71,500.00	-
<b>Total</b>	<b>71,500.00</b>	<b>-</b>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
AS AT 31ST MARCH, 2023

**7 TRADE RECEIVABLES**

(₹ in hundreds)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Receivables considered good - Unsecured	11,020.17	10,531.30
<b>Total</b>	<b>11,020.17</b>	<b>10,531.30</b>

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

**Trade Receivables ageing schedule as at 31st March, 2023**

(₹ in hundreds)

Particulars	Outstanding for following periods from the date of transaction					Total
	Less than 6 months	6 months - 1 year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Undisputed Trade receivables - considered good	11,020.17	-	-	-	-	11,020.17

**Trade Receivables ageing schedule as at 31st March, 2022**

(₹ in hundreds)

Particulars	Outstanding for following periods from the date of transaction					Total
	Less than 6 months	6 months - 1 year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Undisputed Trade receivables - considered good	10,531.30	-	-	-	-	10,531.30

**8 LOANS**

(₹ in hundreds)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Others - Loan against share facility</b>		
<b>At amortised cost</b>		
Secured		
- Secured by Tangible assets (Securities)	4,699,970.78	3,936,425.10
<b>Total (I) - Gross</b>	<b>4,699,970.78</b>	<b>3,936,425.10</b>
Less : Impairment loss allowance	(11,749.93)	(9,841.06)
<b>Total (I) - Net</b>	<b>4,688,220.85</b>	<b>3,926,584.04</b>
Un-secured		
i) Others	-	34.15
<b>Total (II) - Gross</b>	<b>-</b>	<b>34.15</b>
Less : Impairment loss allowance	-	(0.09)
<b>Total (II) - Net</b>	<b>-</b>	<b>34.06</b>
<b>Loans in India</b>	<b>4,688,220.85</b>	<b>3,926,618.10</b>
i) Public Sector	-	-
ii) Others	4,699,970.78	3,936,459.25
<b>Total - Gross</b>	<b>4,699,970.78</b>	<b>3,936,459.25</b>
Less: Impairment loss allowance	(11,749.93)	(9,841.15)
<b>Total - Net</b>	<b>4,688,220.85</b>	<b>3,926,618.10</b>
<b>Loans outside India</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>4,688,220.85</b>	<b>3,926,618.10</b>



NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
AS AT 31ST MARCH, 2023

**9 INVESTMENTS**

(₹ in hundreds)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>(A) At Fair value through Profit &amp; Loss</b>		
In Equity instruments	108,470.00	-
<b>Total (A)</b>	<b>108,470.00</b>	<b>-</b>
<b>(B) At Cost</b>		
<b>Investment in Equity instruments</b>	50,049.96	50,049.96
Less: Impairment loss allowance	50,049.96	50,049.96
<b>Net Investment in Equity instruments (i)</b>	<b>-</b>	<b>-</b>
<b>Investment in associate</b>		
- Equity Shares	359,725.00	309,725.00
Less: Impairment loss allowance	317,382.17	-
	42,342.83	309,725.00
- Preference Shares	96,000.00	-
<b>Net Investment in Associate(ii)</b>	<b>138,342.83</b>	<b>309,725.00</b>
<b>Total (B)=(i+ii)</b>	<b>138,342.83</b>	<b>309,725.00</b>
<b>Total (A+B)</b>	<b>246,812.83</b>	<b>309,725.00</b>
i) Investments in India	246,812.83	309,725.00
ii) Investments outside India	-	-
<b>Total</b>	<b>246,812.83</b>	<b>309,725.00</b>

Notes:

(a) Disclosure under Ind AS 27 for Investment in Associates

Name of Associate	% of ownership interest	% of ownership interest
	As at 31.03.2023	As at 31.03.2022
Finlearn Edutech Private Limited	44.97000%	47.65000%

- (b) Method used to account for Investment in Associate At Cost                      At Cost
- (c) (i) Company had made an investments in Equity shares of Prothom Industries Private Limited. (PIPL) in prior years and during the financial year 2017-18, provision for diminution for the entire investment amount of ₹ 50,049.96 hundreds was made since PIPL closed its business operations due to continued losses.
- (c) (ii) Finlearn Edutech Private Limited. (FEPL) being an associate, continues to incur losses and hence based on FEPL's networth as at 31st March, 2023, the management of the company has made impairment provision during the period ended 31st March, 2023 of ₹ 317,382.17 hundreds (P.Y. ₹ Nil).

**10 OTHER FINANCIAL ASSETS**

(₹ in hundreds)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Margin Deposit for Derivatives Transaction	65,420.60	-
Other Advances	4,646.29	907.10
Income Receivable	1,808.24	3,465.57
<b>Total</b>	<b>71,875.13</b>	<b>4,372.67</b>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
AS AT 31ST MARCH, 2023

**11 CURRENT TAX ASSETS (NET)**

(₹ in hundreds)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Income tax paid (net of provision for tax)	14,292.65	10,487.30
<b>Total</b>	<b>14,292.65</b>	<b>10,487.30</b>

**12 PROPERTY, PLANT AND EQUIPMENT**

(₹ in hundreds)

	Computers	Total
As at 1st April 2021	4,352.00	4,352.00
Additions	35,582.00	35,582.00
Disposals	-	-
<b>As at 31st March, 2022</b>	<b>39,934.00</b>	<b>39,934.00</b>
Additions	-	-
Disposals	-	-
<b>As at 31st March, 2023</b>	<b>39,934.00</b>	<b>39,934.00</b>
<b>Accumulated depreciation</b>		
As at 1st April 2021	3,466.72	3,466.72
Charge for the year	6,754.75	6,754.75
Disposals	-	-
<b>As at 31st March, 2022</b>	<b>10,221.47</b>	<b>10,221.47</b>
Charge for the year	11,594.67	11,594.67
Disposals	-	-
<b>As at 31st March, 2023</b>	<b>21,816.14</b>	<b>21,816.14</b>
<b>Net Block</b>		
<b>As at 31st March, 2022</b>	<b>29,712.53</b>	<b>29,712.53</b>
<b>As at 31st March, 2023</b>	<b>18,117.86</b>	<b>18,117.86</b>

Note:

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.

**13 OTHER NON FINANCIAL ASSETS**

(₹ in hundreds)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deposits - Others	1,600.00	1,600.00
Prepaid expenses	246.28	186.00
<b>Total</b>	<b>1,846.28</b>	<b>1,786.00</b>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
AS AT 31ST MARCH, 2023

**14 PAYABLES**

(₹ in hundreds)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>(I) Trade Payables</b>		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>(II) Other Payables</b>		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	5,731.24	11,620.24
<b>Total</b>	<b>5,731.24</b>	<b>11,620.24</b>

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	-	-

**Trade Payables ageing schedule as at 31st March, 2023**

(₹ in hundreds)

Particulars	Outstanding for following periods from the date of transaction				
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
(I) MSME - undisputed	-	-	-	-	-
(II) Others - undisputed	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Trade Payables ageing schedule as at 31st March, 2022**

(₹ in hundreds)

Particulars	Outstanding for following periods from the date of transaction				
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
(I) MSME - undisputed	-	-	-	-	-
(II) Others - undisputed	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
AS AT 31ST MARCH, 2023

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

(₹ in hundreds)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>At Amortised Cost</b>		
<b>Loan from related parties</b>		
- Fellow Subsidiary - Emkay Investment Managers Limited	600,000.00	-
<b>Loan Repayable on Demand</b>		
- Overdraft from Bank - Secured by lien on deposit with bank	1,496,913.89	1,099,076.30
<b>Total</b>	<b>2,096,913.89</b>	<b>1,099,076.30</b>
(A) Out of above		
Borrowings in India	2,096,913.89	1,099,076.30
Borrowings outside India	-	-
	<b>2,096,913.89</b>	<b>1,099,076.30</b>
(B) Out of above		
Secured (against Deposit with Bank)	1,496,913.89	1,099,076.30
Unsecured	600,000.00	-
<b>Total</b>	<b>2,096,913.89</b>	<b>1,099,076.30</b>

**16 OTHER FINANCIAL LIABILITIES**

(₹ in hundreds)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advances received	26.45	3,526.61
<b>Total</b>	<b>26.45</b>	<b>3,526.61</b>

**17 CURRENT TAX LIABILITIES(NET)**

(₹ in hundreds)

Particulars	As at 31st March, 2023	As at 31st March, 2022
For taxation (net of taxes paid)	-	9,122.01
<b>Total</b>	<b>-</b>	<b>9,122.01</b>

**18 PROVISIONS**

(₹ in hundreds)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Provision for Employees Benefits</b>		
- Gratuity	-	520.08
- Compensated absences	177.54	417.86
- Bonus and Incentive	1,750.00	9,547.39
<b>Others</b>		
- Provision for Non-fund based Exposure	7,285.31	7,731.82
- Provision for Expenses	2,360.00	6,490.00
<b>Total</b>	<b>11,572.85</b>	<b>24,707.15</b>

**19 OTHER NON FINANCIAL LIABILITIES**

(₹ in hundreds)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Statutory dues payable	5,439.66	3,050.81
<b>Total</b>	<b>5,439.66</b>	<b>3,050.81</b>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
AS AT 31ST MARCH, 2023

**20 EQUITY**

(₹ in hundreds)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>EQUITY SHARE CAPITAL</b>		
<b>Authorised:</b>		
22,000,000 ( P.Y. 22,000,000 ) Equity Shares of ₹ 10/- each	2,200,000.00	2,200,000.00
5,000,000 ( P.Y. 5,000,000 ) 9% Non-convertible Reedemable Preference shares of ₹ 10/- each	500,000.00	500,000.00
	<b>2,700,000.00</b>	<b>2,700,000.00</b>
<b>Issued, subscribed and fully paid up</b>		
Equity shares		
16,502,200 ( P.Y. 22,000,000 ) Equity Shares of ₹ 10/- each fully paid up *	1,650,220.00	2,200,000.00
<b>Total Equity</b>	<b>1,650,220.00</b>	<b>2,200,000.00</b>

\* Net of buyback of equity shares (Refer note no. 20 (g))

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

(₹ in hundreds)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No of Shares	₹ in hundreds	No of Shares	₹ in hundreds
<b>Equity Shares</b>				
At the beginning of the year	22,000,000	2,200,000.00	22,000,000	2,200,000.00
Add: Shares issued during the year	-	-	-	-
Less: Buyback of equity shares during the reporting period (Refer note no. 20 (g))	5,497,800	549,780.00	-	-
<b>At the end of the year</b>	<b>16,502,200</b>	<b>1,650,220.00</b>	<b>22,000,000</b>	<b>2,200,000.00</b>

**b. Terms/rights attached to issued, subscribed and paid-up equity shares**

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

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

**c. Shares held by holding company**

The entire 16,502,200 (P.Y. 22,000,000) equity shares of ₹ 10 each fully paid up are held by Holding Company Emkay Global Financial Services Limited and its nominees

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

Name of the shareholder	As at 31st March, 2023		As at 31st March, 2022	
	No of Shares	% held	No of Shares	% held
<b>Equity Shares of ₹ 10 each fully paid</b>				
Emkay Global Financial Services Limited (Holding Company) and its nominees.	16,502,200	100	22,000,000	100

**e. The Company maintains and actively managed capital base to cover risks inherent in the business and meets the Net Owned Fund (NOF) requirements of the Reserve Bank of India (RBI). The adequacy of the company's capital is monitored using among other measures, the regulations issued by RBI. The company has complied in full with all**

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2023

its externally imposed capital requirements over the reported period. The primary objectives of the company's capital management policy are to ensure that the company complies with externally imposed capital requirements and maintains healthy capital ratios in order to support its business and to maximize shareholder value. The funding requirements are met through equity, and borrowings. The company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. No changes have been made to the objectives, policies and processes from the previous years. However they are under constant review by the Board.

### f. Details of shares held by promoters as at 31st March, 2023

Name of the Promoters	No. of shares	% of total shares	% change during the year
Emkay Global Financial Services Limited (Holding Company) and its nominees *	16,502,200	100	-
<b>Total</b>	<b>16,502,200</b>	<b>100</b>	<b>-</b>

\* Changes in number of shares held due to buyback of equity shares during the year by the company (Refer note no. 20 (g))

### Details of shares held by promoters as at 31st March, 2022

Name of the Promoters	No. of shares	% of total shares	% change during the year
Emkay Global Financial Services Limited (Holding Company) and its nominees	22,000,000	100	-
<b>Total</b>	<b>22,000,000</b>	<b>100</b>	<b>-</b>

- g. Pursuant to special resolution passed at Extra Ordinary General Meeting of the members of the Company held on 24th January, 2023, the Company has bought back its 54,97,800 fully paid up Equity shares of ₹ 10/- each (representing 24.99 % of the total issued and paid-up equity share capital of the Company ) at a price of ₹ 10/- per equity share for an aggregate consideration of ₹ 549,780.00 hundreds sourced out of its retained earnings during the year. Formalities pertaining to extinguishment of the shares bought back were completed on March 21st, 2023.

In terms of provisions of section 69 of the Companies Act, 2013, an amount of ₹ 549,780.00 hundreds (representing the nominal value of the shares bought back) have been transferred from Retained Earnings to Capital Redemption Reserve Account.

Consequent to above buyback, Issued, Subscribed and paid up Equity Share capital of the Company has reduced by 54,97,800 fully paid up Equity shares of ₹ 10/- each amounting to ₹ 549,780.00 hundreds.

## 21 OTHER EQUITY

(₹ in hundreds)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Retained Earnings</b>		
Balance at the Beginning of the Reporting Period	1,844,232.88	1,407,351.78
Add: Profit for the year	119,844.94	821,101.38
Amount Available for Appropriation	<b>1,964,077.82</b>	<b>2,228,453.16</b>
Less: Appropriations		
Less: Amount transferred to Special Reserve u/s 45-IC of the Reserve Bank of India Act, 1934	23,968.99	164,220.28
Less: Dividend paid	-	220,000.00
Less: Transfer to Capital Redemption Reserve during the year pursuant to buyback of equity shares (Refer note no. 20 (g))	549,780.00	-
Balance at the End of the Reporting Period	<b>1,390,328.83</b>	<b>1,844,232.88</b>



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2023

Continue..

(₹ in hundreds)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Special Reserve u/s 45-IC of the RBI Act 1934</b>		
Balance at the Beginning of the Reporting Period	889,361.59	725,141.31
Add: Transfer from Retained Earnings	23,968.99	164,220.28
Balance at the End of the Reporting Period	<b>913,330.58</b>	<b>889,361.59</b>
<b>Capital Redemption Reserve</b>		
Balance at the Beginning of the Reporting Period	500,000.00	500,000.00
Add: Transferred from Retained earnings during the year pursuant to buyback of equity shares (Refer note no. 20 (g))	549,780.00	-
Balance at the End of the Reporting Period	<b>1,049,780.00</b>	<b>500,000.00</b>
<b>Equity-settled Share Based Payment Reserve</b>		
Balance at the Beginning of the Reporting Period	-	5,184.30
Less: Amount Paid to Holding Company on transfer of employee*	-	5,184.30
Balance at the End of the Reporting Period	-	-
<b>Other Comprehensive Income</b>		
Balance at the Beginning of the Reporting Period	(3,430.20)	(3,673.48)
Add: Movement in Other Comprehensive Income (Net) during the year	3,177.71	243.28
Balance at the End of the Reporting Period	<b>(252.49)</b>	<b>(3,430.20)</b>
<b>Total</b>	<b>3,353,186.92</b>	<b>3,230,164.27</b>

\*on resignation of the employee consequent upon transfer to Parent Company.

## Nature and purpose of reserve

### a) Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, special reserve under RBI Act 1934, capital redemption reserve, dividends or other distributions paid to shareholders.

### b) Special reserve under u/s 45-IC of the RBI Act 1934

The Company creates a reserve fund in accordance with the provisions of section 45-IC of the Reserve Bank of India Act, 1934 and transfer therein an amount of equal to / more than twenty percent of its net profit of the year. Appropriation shall only be made for the purposes as may be specified by RBI from time to time and the reporting of the same to RBI shall also be made within the prescribed twenty one days from the date of such withdrawal.

### c) Capital redemption reserve

Capital redemption reserve is created on redemption of preference shares and buyback of equity shares in accordance with provisions of the Act and shall be utilised in accordance with the Act.

### d) Equity-settled share-based payment reserve

This reserve is created by debiting the statement of profit and loss with value of share options granted to the employees of the Company by the Parent Company.

### e) Other comprehensive income

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
AS AT 31ST MARCH, 2023

**22 INTEREST INCOME**

(₹ in hundreds)

	For the year ended 31st March, 2023	For the year ended 31st March, 2022
On financial assets measured at amortised cost:		
- On loans	474,357.50	242,404.27
- On deposits with Banks	102,964.15	91,063.29
- On others		
- margin deposits for derivative transactions	7,779.47	24,954.85
- Securities -Bonds Trading	895.02	204.97
<b>Total</b>	<b>585,996.14</b>	<b>358,627.38</b>

**23 DIVIDEND INCOME**

(₹ in hundreds)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Dividend on Investments	1,840.00	280.00
<b>Total</b>	<b>1,840.00</b>	<b>280.00</b>

**24 FEE AND COMMISSION INCOME**

(₹ in hundreds)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Referral fees	8,800.01	14,659.77
<b>Total</b>	<b>8,800.01</b>	<b>14,659.77</b>

**25 NET GAIN ON FAIR VALUE CHANGES**

(₹ in hundreds)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>(A) Net gain on financial instruments at fair value through profit or loss</b>		
<b>(i) On trading portfolio</b>		
- Investments	(10,510.67)	75,959.19
- Securities	163,678.58	329,148.92
- Equity Derivatives - Index/Stock	59,029.62	515,793.09
<b>Total Net gain on fair value changes (A)</b>	<b>212,197.53</b>	<b>920,901.20</b>
Fair Value changes:		
<b>- Realised</b>		
- Investments	(1,463.33)	75,959.19
- Securities	164,128.31	329,148.92
- Equity Derivatives - Index/Stock	52,174.95	515,793.09
	214,839.93	920,901.20
<b>- Unrealised</b>		
- Investments	(9,047.34)	-
- Securities	(449.73)	-
- Equity Derivatives - Index/Stock	6,854.67	-
	(2,642.40)	-
<b>(B) Total Net gain on fair value changes to tally with (A)</b>	<b>212,197.53</b>	<b>920,901.20</b>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
AS AT 31ST MARCH, 2023

**26 OTHER INCOME**

(₹ in hundreds)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Other Interest Income	-	1,014.27
Liability No Longer Payable	9,981.00	-
Foreign Exchange rate fluctuations gain	-	1.90
<b>Total</b>	<b>9,981.00</b>	<b>1,016.17</b>

**27 FINANCE COSTS**

(₹ in hundreds)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
On financial liabilities measured at amortised cost:		
- On borrowings other than debt securities	126,601.50	29,674.25
<b>Total</b>	<b>126,601.50</b>	<b>29,674.25</b>

**28 FEE AND COMMISSION EXPENSE**

(₹ in hundreds)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Brokerage and Commission Paid	28,141.37	77,554.11
<b>Total</b>	<b>28,141.37</b>	<b>77,554.11</b>

**29 IMPAIRMENT OF FINANCIAL INSTRUMENTS**

(₹ in hundreds)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
At amortised cost		
- On Loans	1,462.27	6,624.30
<b>Total</b>	<b>1,462.27</b>	<b>6,624.30</b>

**30 EMPLOYEE BENEFIT EXPENSE**

(₹ in hundreds)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Salaries and Other Benefits	18,937.44	51,572.14
Gratuity	347.87	845.36
Staff Welfare Expenses	568.53	703.25
<b>Total</b>	<b>19,853.84</b>	<b>53,120.75</b>

**31 DEPRECIATION EXPENSE**

(₹ in hundreds)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Depreciation on Property, Plant & Equipment	11,594.67	6,754.75
<b>Total</b>	<b>11,594.67</b>	<b>6,754.75</b>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
AS AT 31ST MARCH, 2023

**32 OTHER EXPENSES:**

(₹ in hundreds)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Electricity	1,011.86	1,079.73
Rent	4,582.20	5,155.71
Repairs and Maintenance		
- Others	7,729.83	6,369.37
Communication Expenses	99.70	214.14
Travelling and Conveyance	11.83	479.99
Printing and Stationery	185.51	79.42
Advertisement and business promotion	200.00	-
Legal and Professional Fees	4,130.01	10,639.44
Membership and Subscription	118.00	177.00
Payments to Statutory Auditors (inclusive of GST)		
- As auditors		
Audit fee	2,360.00	2,360.00
- In other Capacity		
Limited Review and Certification	1,982.40	1,392.40
Commision to Independent Directors	2,360.00	6,490.00
Loss in Share Trading	-	187.86
Miscellaneous Expenses	1,458.63	2,224.72
Corporate Social Responsibility	13,287.00	5,000.00
Depository Charges	96.05	164.40
Fees & Stamps (Net)	500.50	745.00
<b>Total</b>	<b>40,113.52</b>	<b>42,759.18</b>

**33 EXCEPTIONAL ITEMS**

(₹ in hundreds)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Provision for diminution in value of Investment	317,382.17	-
<b>Total</b>	<b>317,382.17</b>	<b>-</b>

As at 31st March, 2023, the company has an aggregate investment of ₹ 359,725.00 hundreds (P.Y. ₹ 309,725.00 hundreds) in equity shares of Finlearn Edutech Private Limited (FEPL), as an Associate. FEPL is mainly engaged in the business of conducting and managing online and classroom courses for financial markets. The Company is also engaged in the business of sub-broking for capital markets. As at 31st March 2023, it has accumulated losses (including other comprehensive losses) of ₹ 705,832.88 hundreds (P.Y. ₹ 498,702.99 hundreds). Based on FEPL's net worth as at 31st March 2023, the management of the company has made provision for diminution in value of invesmtent of ₹ 317,382.17 hundreds (P.Y. ₹ Nil)

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2023

## 34 EARNINGS PER SHARE

Sl. No.	Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
a)	Net Profit after tax available for Equity Shareholders (₹ in hundreds)	119,844.94	821,101.38
b)	Weighted average number of Equity Shares of ₹ 10/- each outstanding during the period (No. of Shares)		
	- For Basic Earnings	21,834,313	22,000,000
	- For Diluted Earnings	21,759,001	22,000,000
c)	Basic Earnings per Equity Share (in rupees)	0.55	3.73
d)	Diluted Earnings per Equity Share (in rupees)	0.55	3.73

## 35 THE DISCLOSURES AS PER IND AS 19 - EMPLOYEE BENEFITS ARE AS FOLLOW:

### 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, 2023	As at 31st March, 2022
<b>I</b>	<b>Changes in present value of obligations</b>		
	Present Value of Obligations at beginning of the period	<b>5,906.59</b>	<b>14,827.42</b>
	Current Service Cost	316.43	706.22
	Interest Expense or Cost	357.09	829.75
	Re-measurement (or Actuarial) (Gain)/Loss arising from:-		
	-change in demographic assumptions	-	-
	-change in financial assumptions	79.19	397.69
	-experience variance (i.e. Actual experience vs assumptions)	(4,475.72)	(882.50)
	Benefits Paid	-	(872.40)
	Transfer In / (out)	-	(9,099.59)
	Present Value of Obligations at end of the period	<b>2,183.58</b>	<b>5,906.59</b>
<b>II</b>	<b>Changes in fair value of plan assets</b>		
	Fair Value of Plan Assets at beginning of the period	<b>5,386.51</b>	<b>12,341.14</b>
	Investment Income	325.65	690.61
	Employer's Contribution	520.08	2,486.28
	Transfer In / (out)	-	(9,099.59)
	Benefits Paid	-	(872.40)
	Return on plan assets, excluding amount recognized in net interest expense	(149.82)	(159.53)
	<b>Fair Value of Plan Assets at end of the period</b>	<b>6,082.42</b>	<b>5,386.51</b>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
AS AT 31ST MARCH, 2023

Continue..

(₹ in hundreds)

Sr. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>III</b>	<b>Reconciliation of net liability/asset</b>		
	Net defined benefit liability/(asset) as at the beginning	(520.08)	(2,486.28)
	Expenses charged to statement of profit and loss	347.87	845.36
	Amount recognized in other comprehensive income	(4,246.71)	(325.28)
	Employer contribution	520.08	2,486.28
	<b>Net defined benefit liability/(asset) as at the end</b>	<b>(3,898.84)</b>	<b>520.08</b>
<b>IV</b>	<b>Expenses recognized in Statement of Profit and Loss</b>		
	Current Service Cost	316.43	706.22
	Net Interest Cost / (Income) on the net defined benefit liability/(Asset)	31.44	139.14
	<b>Expenses recognized in Statement of Profit and Loss</b>	<b>347.87</b>	<b>845.36</b>
<b>V</b>	<b>Change in the Effect of Asset Ceiling</b>		
	<b>Effect of Asset Ceiling at the beginning</b>	-	-
	Interest Expense or Cost (to the extent not recognized in net interest expense)	-	-
	Re-measurements (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
	<b>Effect of Asset Ceiling as at the end</b>	-	-
<b>VI</b>	<b>Other Comprehensive Income</b>		
	Actuarial (gains)/losses	-	-
	-change in demographic assumptions	-	-
	-change in financial assumptions	79.19	397.69
	-experience variance (i.e. actual experience vs assumptions)	(4,475.72)	(882.50)
	Return on plan assets, excluding amount recognized in net interest expense	149.82	159.53
	<b>Components of defined benefit costs recognized in other comprehensive income</b>	<b>(4,246.71)</b>	<b>(325.28)</b>
<b>VII</b>	<b>Amount recognized in Balance Sheet</b>		
	Present value of obligation	2,183.58	5,906.59
	Fair value of plan assets	6,082.42	5,386.51
	<b>Surplus/(Deficit)</b>	<b>3,898.84</b>	<b>(520.08)</b>
	Effects of asset ceiling, if any	-	-
	<b>Net Asset / ( Liability )</b>	<b>3,898.84</b>	<b>(520.08)</b>
<b>VIII</b>	<b>Key actuarial assumptions</b>		
	Discount rate (p.a.)	7.25%	6.05%
	Salary growth rate (p.a.)	14.00%	12.00%
	Attrition/Withdrawal rates, based on age: (per annum)		
	-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
<b>IX</b>	<b>Category of plan assets</b>		
	Insurer managed funds	98.16%	97.93%
	Bank Balance	1.84%	2.07%



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2023

Continue..

(₹ in hundreds)

Sr. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>X</b>	<b>Sensitivity analysis for significant assumptions is as shown below</b>		
	Discount Rate ( - 1% ) : % Change compared to base due to sensitivity	5.70%	5.30%
	Discount Rate ( + 1% ) : % Change compared to base due to sensitivity	-5.20%	-4.80%
	Salary Growth ( - 1% ) : % Change compared to base due to sensitivity	-4.90%	-4.50%
	Salary Growth ( + 1% ) : % Change compared to base due to sensitivity	5.20%	4.60%
	Attrition Rate ( - 50% ) : % Change compared to base due to sensitivity	22.90%	25.30%
	Attrition Rate ( + 50% ) : % Change compared to base due to sensitivity	-9.40%	-8.60%
	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%
<b>XI</b>	<b>Expected Contribution during the next annual reporting period</b>		
	The Company's best estimate of Contribution during the next year	-	1,285.85
<b>XII</b>	<b>Maturity Profile of Defined Benefit Obligation</b>		
	Weighted average duration (based on discounted cash flows)	5 years	5 years
	Expected cash flows over the next (valued on undiscounted basis):		
	1 year	323.02	1,174.39
	2 to 5 years	1,088.82	3,235.26
	6 to 10 years	1,250.91	2,252.92
	more than 10 years	772.71	1811.74

## 36 RELATED PARTY DISCLOSURES

### A) List of related parties

Sr. No.	Name of Related Party	Nature of Relationship
(i)	Directors a) G C Vasudeo b) Ravikumar Krishnamurthi	<input type="checkbox"/> Directors
(ii)	Key Management Personnel / Individuals having significant influence a) Krishna Kumar Karwa* b) Prakash Kacholia* c) Himanshu Katore (w.e.f. 5 <sup>th</sup> December, 2022) d) Abhishree Vajapurkar (upto 30 <sup>th</sup> June, 2022)	<input type="checkbox"/> Whole-Time Director/ CFO/ Individual having significant Influence <input type="checkbox"/> Company Secretary
(iii)	Emkay Global Financial Services Limited	Holding Company
(iv)	Emkay Commotrade Limited	Fellow Subsidiary
(v)	Emkay Investment Managers Limited	Fellow Subsidiary
(vi)	Finlearn Edutech Private Limited	Associate
(vii)	Emkay Corporate Services Private Limited	Enterprises owned/controlled by Key Management Personnel/Individuals having control or significant influence or their relatives
(viii)	Emkay Fincap Ltd Employees Group Gratuity Assurance Fund	Others

\*Mr. Prakash Kacholia resigned as CFO w. e. f. 13<sup>th</sup> May, 2022 and Mr. Krishna Kumar Karwa appointed as CFO w. e. f. 13<sup>th</sup> May, 2022

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
AS AT 31ST MARCH, 2023

B) Transactions with related parties have occurred during the year

Sr. No	Particulars	Holding Company i.e. Emkay Global Financial Services Ltd		Fellow Subsidiary Company i.e. Emkay Commotrade Ltd and Emkay Investment Managers Ltd		Associate Company i.e. Finlearn Edutech Pvt Ltd		Directors/Key Management Personnel / Individuals having significant influence		Others i.e. Emkay Fincap Ltd Employees Group Gratuity Assurance Fund	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
I	Income										
a)	Interest Received										
	Emkay Global Financial Services Ltd	-	6547.94	-	-	-	-	-	-	-	-
	Emkay Commotrade Ltd	-	-	-	26,857.54	-	-	-	-	-	-
b)	Interest Received on margin deposit (in form of FDR)	7,779.47	24,954.85	-	-	-	-	-	-	-	-
II	Expenditure										
a)	Depository Charges	96.05	129.45	-	-	-	-	-	-	-	-
b)	Rent	2,027.85	3,127.82	-	-	-	-	-	-	-	-
c)	Interest Paid										
	Emkay Global Financial Services Ltd	-	109.59	-	-	-	-	-	-	-	-
	Emkay Commotrade Ltd	-	-	41,794.53	20.55	-	-	-	-	-	-
	Emkay Investment Managers Ltd	-	-	46,972.60	479.45	-	-	-	-	-	-
d)	Commission to Director – G C Vasudeo	-	-	-	-	-	2,360.00	4,130.00	-	-	-
e)	Commission to Director–R K Krishnamurthi	-	-	-	-	-	-	2,360.00	-	-	-
f)	Salaries and Other Benefits	-	-	-	-	-	-	6,627.12	-	-	-
	- Siddharth Mehta	-	-	-	-	-	-	-	-	-	-
g)	Salaries and Other Benefits	-	-	-	-	-	2,015.29	1,764.10	-	-	-
	- Abhishree Vajiapurkar	-	-	-	-	-	-	-	-	-	-
h)	Salaries and Other Benefits	-	-	-	-	-	4,228.99	-	-	-	-
	- Himanshu Katare	-	-	-	-	-	-	-	-	-	-
i)	Gratuity Contribution	-	-	-	-	-	-	-	347.87	845.36	-
j)	Brokerage on Derivatives trading	269.11	3,085.86	-	-	-	-	-	-	-	-
k)	Brokerage on Share trading	10.50	16.22	-	-	-	-	-	-	-	-
III	Others										
a)	Dividend Paid	-	220,000.00	-	-	-	-	-	-	-	-
b)	Expenses Reimbursed	3,927.88	3,495.35	-	-	-	-	-	-	-	-
c)	Loans Granted										
	Emkay Global Financial Services Ltd	-	8,300,000.00	-	-	-	-	-	-	-	-
	Emkay Commotrade Ltd	-	-	-	3,695,000.00	-	-	-	-	-	-
d)	Repayment received of loans granted										
	Emkay Global Financial Services Ltd	-	8,300,000.00	-	-	-	-	-	-	-	-
	Emkay Commotrade Ltd	-	-	-	3,695,000.00	-	-	-	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
AS AT 31ST MARCH, 2023

Sr. No		Particulars	Holding Company i.e. Emkay Global Financial Services Ltd		Fellow Subsidiary Company i.e. Emkay Commotrade Ltd and Emkay Investment Managers Ltd		Associate Company i.e. Finlearn Edutech Pvt Ltd		Directors/Key Management Personnel / Individuals having significant influence		Others i.e. Emkay Fincap Ltd Employees Group Gratuity Assurance Fund	
			2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Continues..												
e)		Brokerage on shares bought/sold	499.07	1,250.50	-	-	-	-	-	-	-	-
f)		Loans Taken										
		Emkay Global Financial Services Ltd	-	400,000.00	-	-	-	-	-	-	-	-
		Emkay Commotrade Ltd	-	-	3,125,000.00	75,000.00	-	-	-	-	-	-
		Emkay Investment Managers Ltd	-	-	3,900,000.00	850,000.00	-	-	-	-	-	-
g)		Repayment made of loans Taken										
		Emkay Global Financial Services Ltd	-	400,000.00	-	-	-	-	-	-	-	-
		Emkay Commotrade Ltd	-	-	3,125,000.00	75,000.00	-	-	-	-	-	-
		Emkay Investment Managers Ltd	-	-	3,300,000.00	850,000.00	-	-	-	-	-	-
h)		Margin Deposit given (in form of FDR)	945,000.00	2,288,000.00	-	-	-	-	-	-	-	-
i)		Refund received of Margin Deposit given (in form of FDR)	945,000.00	2,288,000.00	-	-	-	-	-	-	-	-
j)		Expenses paid on their behalf	-	156.34	-	-	-	-	-	-	-	-
k)		Expenses paid on our behalf	-	50.00	-	-	-	-	-	-	-	-
l)		Investments made										
		-Equity Shares	-	-	-	-	50,000.00	100,000.00	-	-	-	-
		-Preference Shares	-	-	-	-	96,000.00	-	-	-	-	-
m)		Payment made for Buyback of Equity Shares	549,780.00	-	-	-	-	-	-	-	-	-
n)		Payment made for Equity-settled Share Based Payment Reserve	-	5,184.30	-	-	-	-	-	-	-	-
IV		Outstanding as on 31.03.2023										
		Investment										
		-Equity Shares	-	-	-	-	359,725.00	309,725.00	-	-	-	-
		-Preference Shares	-	-	-	-	96,000.00	-	-	-	-	-
		Commission to Director – G C Vasudeo	-	-	-	-	-	4,130.00	2,360.00	4,130.00	-	-
		Commission to Director–R K Krishnamurthi	-	-	-	-	-	2,360.00	-	-	-	-
		Employee Benefits – Gratuity – Provision/ (Advance)	-	-	-	-	-	-	-	-	(3,898.84)	520.08
		Loans Taken										
		Emkay Investment Managers Ltd	-	-	600,000.00	-	-	-	-	-	-	-
		Margin Deposit (in form of Cash Ledger)	65,420.60	-	-	-	-	-	-	-	-	-
		Trade Receivables	11,020.17	10,531.30	-	-	-	-	-	-	-	-

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2023

- C) Related Parties are identified by Management and relied upon by the auditor.  
D) No balance in respect of related parties has 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.

### 37 SHARE BASED PAYMENTS

Share based payments are provided to certain employees of the Company in the form of equity-settled scheme managed by the Parent Company. The Employees Stock Options Plan (ESOP), 2018 has been established by the Parent Company. The Scheme provides that certain employees of the Company are granted an option to subscribe to equity share of the Parent Company that vests on the satisfaction of vesting conditions.

During the previous year ended March 31<sup>st</sup> 2022, the liability against Share Based Payment Reserve amounting to ₹ 5,184.30 hundreds was discharged by payment to the parent company of the equivalent amount. upon resignation of the employee, to whom Employees Stock Options of the parent company were granted, before the vesting conditions are met by him, from the Company consequent upon transfer of services of the said employee to the Parent Company.

### 38 SEGMENT INFORMATION

#### a. Business Segment

The Chief Operating Decision Maker (CODM) monitors the operating results of the business segment separately for the purpose of making decision about resource allocation and performance assessment. The operating segment has been identified considering the nature of services, the differing risks and returns, the organization structure and internal financial reporting system. Business segment has been considered as the primary segment for disclosure. The primary business of the Company related to one business segment namely "Financing and Investment Activities" therefore primary business segment reporting as required by Ind AS 108 "Segment Reporting" is not applicable.

#### b. Geographical Segment

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

### 39 OPERATING LEASE

The company is occupying part of a premises owned by the Parent company for which rent of ₹ 2,027.85 hundreds (P.Y. ₹ 3,127.82 hundreds) has been paid to it and is also occupying part of another premises taken on operating lease by the Parent company for which ₹ 2,554.35 hundreds (P.Y. ₹ 2,027.89 hundreds) has been reimbursed to it.

### 40 FINANCIAL INSTRUMENTS:

#### I. The carrying value and financial instruments by categories as of March 31, 2023 is as follows:

(₹ in hundreds)

Particulars	Measured at			Total Carrying Value
	Amortised Cost	Fair value through P&L	Fair value through OCI	
<b>Financial assets</b>				
Cash and cash equivalents	11,554.58	-	-	11,554.58
Bank balance other than above	1,903,814.66	-	-	1,903,814.66
Derivative financial instruments	-	-	-	-
Securities held for trading	71,500.00	-	-	71,500.00
Trade receivables	11,020.17	-	-	11,020.17
Loans	4,688,220.85	-	-	4,688,220.85
Investments (excluding associate)	-	108,470.00	-	108,470.00
Other financial assets	71,875.13	-	-	71,875.13
<b>Total</b>	<b>6,757,985.39</b>	<b>108,470.00</b>	<b>-</b>	<b>6,866,455.39</b>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
AS AT 31ST MARCH, 2023

Continue..

(₹ in hundreds)

Particulars	Measured at			Total Carrying Value
	Amortised Cost	Fair value through P&L	Fair value through OCI	
<b>Financial liabilities</b>				
Derivative financial instruments	-	-	-	-
Trade payables	-	-	-	-
Other payables	5,731.24	-	-	5,731.24
Borrowings ( other than Debt securities)	2,096,913.89	-	-	2,096,913.89
Other financial liabilities	26.45	-	-	26.45
<b>Total</b>	<b>2,102,671.58</b>	<b>-</b>	<b>-</b>	<b>2,102,671.58</b>

II. 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	
<b>Financial assets</b>				
Cash and cash equivalents	392,544.56	-	-	392,544.56
Bank balance other than above	1,811,146.93	-	-	1,811,146.93
Derivative financial instruments	-	-	-	-
Trade receivables	10,531.30	-	-	10,531.30
Loans	3,926,618.10	-	-	3,926,618.10
Investments (excluding associate)	-	-	-	-
Other financial assets	4,372.67	-	-	4,372.67
<b>Total</b>	<b>6,145,213.56</b>	<b>-</b>	<b>-</b>	<b>6,145,213.56</b>
<b>Financial liabilities</b>				
Derivative financial instruments	-	-	-	-
Trade payables	-	-	-	-
Other payables	11,620.24	-	-	11,620.24
Borrowings ( other than Debt securities )	1,099,076.30	-	-	1,099,076.30
Other financial liabilities	3,526.61	-	-	3,526.61
<b>Total</b>	<b>1,114,223.15</b>	<b>-</b>	<b>-</b>	<b>1,114,223.15</b>

**Fair value hierarchy:**

**Financial Assets Measured at Fair Value-**

(₹ in hundreds)

As at March 31, 2023	Level 1	Level 2	Level 3	Total
<b>Financial instruments</b>				
Investments : Equity Shares	108,470.00	-	-	108,470.00
		(* refer note below)		
<b>Total</b>	<b>108,470.00</b>	<b>-</b>	<b>-</b>	<b>108,470.00</b>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
AS AT 31ST MARCH, 2023

Continue..

As at March 31, 2022	Level 1	Level 2	Level 3	Total
<b>Financial instruments</b>				
Investments : Equity Shares	-	-	-	-
			(* refer note below)	
<b>Total</b>	-	-	-	-

\* Investments under level 3 above includes investment in unquoted equity shares of ₹ 50,049.96 hundreds (March 31, 2022: ₹ 50,049.96 hundreds) whose fair value is considered as ₹ NIL based on the financial health of the Investee Company

I. Valuation techniques used to determine fair value

- Quoted equity investments – Quoted closing price on stock exchange.
- Unquoted equity investments – Based on financial health of the investee company

II. Financial instruments not measured at fair value

Financial assets not measured at fair value include cash and cash equivalents, Bank balance other than cash and cash equivalents, trade receivables, loans and other financial assets. These are financial assets whose carrying amounts approximate fair value, due to their short term nature.

Additionally, financial liabilities such as trade and other payables, borrowings and other financial liabilities are not measured at FVTPL, whose carrying amounts approximate fair value, because of their short term nature.

**41 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:

- Credit risk
- Liquidity risk
- Market risk

**a) Credit risk**

It is risk of financial loss 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, loans, investments and other financial assets which comprise mainly of income and other receivables.

The maximum exposure to credit risk at the reporting date is primarily from Company's trade receivable and loans.

Following provides exposure to credit risks for trade receivables and loans:

**Trade receivable:**

The Company has followed simplified method of Expected Credit Loss (ECL) in case of Trade receivables and the Company recognises lifetime expected losses for all trade receivables that do not constitute a financing transaction. At each reporting date, the Company assesses the impairment requirements.

**Loans:**

(₹ in hundreds)

Particulars	As at	
	31st March, 2023	31st March, 2022
Loans ( net of impairment )	4,688,220.85	3,926,618.10

Loans comprise of Loan against securities (LAS) for which staged approach is followed for determination of ECL.

Stage 1 : All standard loans in LAS loan book upto 30 days past due (DPD) are considered as Stage 1 assets for computation of expected credit loss.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2023

Stage 2 : Exposure under stage 2 include under-performing loans having 31 to 90 days past due (DPD).

Stage 3 : Exposures under stage 3 include non-performing loans with overdue more than 90 days past due (DPD).

Based on historical data, the company assigns Probability of Default (PD) to stage 1 and stage 2 and applies it to the Exposure at Default (EAD) to compute the ECL. For Stage 3 assets PD is considered as 100%.

Following table provides information about exposure to credit risk and ECL on Loan

(₹ in hundreds)

Bucketing ( Stage )	31st March, 2023		31st March, 2022	
	Carrying Value	ECL	Carrying Value	ECL
Stage 1	4,699,970.78	11,749.93	3,936,459.25	9,841.15
Stage 2	-	-	-	-
Stage 3	-	-	-	-
<b>Total</b>	<b>4,699,970.78</b>	<b>11,749.93</b>	<b>3,936,459.25</b>	<b>9,841.15</b>

Movement in the allowances for impairment in respect of loans is as follows:

(₹ in hundreds)

Particulars	Fund Based		Non-Fund Based	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Opening Balance	9,841.15	6,904.05	7,731.82	4,044.62
Net re-measurement of loss allowance	1,908.78	2,937.10	(446.51)	3,687.20
Closing Balance	11,749.93	9,841.15	7,285.31	7,731.82

### Other financial assets considered to have a low credit risk:

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks with high ratings. Investments comprise of Quoted Equity instruments of good companies and diversified portfolio and Mutual Funds which are market tradable.

### b) Liquidity risk

Liquidity risk is the risk that the entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The entity's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to entity's reputation.

Prudent liquidity risk management requires sufficient cash and marketable securities and availability of funds through adequate committed credit facilities to meet obligations when due and close out market positions.

The Company has a view of maintaining liquidity with minimal risks while making investments. The Company invests its surplus funds in short term liquid assets such as bank deposits and/or short term liquid debt funds of Mutual Funds. The Company monitors its cash and bank balances periodically in view of its short term obligations associated with its financial liabilities.

Refer note no.44 for analysis of maturities of financial assets and financial liabilities.

### c) Market Risk

Market risk arises when movements in market factors (interest rates, credit spreads and equity prices) impact the Company's income or market value of its portfolios. The Company, in its course of business, is exposed to market risk due to change in equity prices, and interest rates. The objective of market risk management is to maintain an acceptable level of market risk exposure while aiming to maximize returns.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2023

### (i) Equity Price risk

The Company's exposure to equity price risk arises primarily on account of its own investment which it manages by investing in quoted Equity instruments of good companies and diversified portfolio and Mutual Funds tradable in market. The risk on account of equity shares placed by the clients with the Company as margin, is managed by following the selection criteria as approved by the board in Company's Risk Policy for such equity shares.

### (ii) Interest rate risk

The Company is exposed to Interest rate risk if the fair value or future cash flows of its financial instruments will fluctuate as a result of changes in market interest rates. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates.

The Company's interest rate risk arises from interest bearing deposits with bank and loan given to customers. Such instrument exposes the Company to fair value interest rate risk. Management believes that the interest rate risk attached to these financial assets is not significant due to the nature of these financial assets.

## 42 DISCLOSURE AS PER IND-AS 1 ON CAPITAL MANAGEMENT

The Company's objective for capital management is to maximize shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on its business needs and believes in conservative leverage policy. The funding requirements are met through equity, operating cash flows generated and need based borrowings for short term.

In addition to above the Company is required to maintain a minimum net owned fund as prescribed by Non-Banking Financial Company – Non-Systematically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 as amended from time to time. The management ensures that this is complied with at all times.

## 43 TAX RECONCILIATION DISCLOSURE

### A. Income tax expense consists of the following:

Particulars	(₹ in hundreds)	
	Year ended 31st March, 2023	Year ended 31st March, 2022
Current Income Tax	152,931.00	255,918.00
Deferred Tax	307.00	6,804.00
<b>Total tax for current year</b>	<b>153,238.00</b>	<b>262,722.00</b>
Tax Relating to Earlier Years	582.40	(4,806.20)
<b>Tax expense for the year</b>	<b>153,820.40</b>	<b>257,895.80</b>

### B. Amounts recognised in other comprehensive income

Particulars	(₹ in hundreds)	
	Year ended 31st March, 2023	Year ended 31st March, 2022
<b>Items that will not be reclassified to profit or loss</b>		
Actuarial gain/(loss) on defined benefit plans	4,246.71	325.28
Income tax relating to items that will not be reclassified to profit or loss	(1,069.00)	(82.00)
	<b>3,177.71</b>	<b>243.28</b>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
AS AT 31ST MARCH, 2023

C. (i) 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, 2023	Year ended 31st March, 2022
Profit Before Tax	273,665.34	1,078,997.18
Enacted Tax Rate in India (%)	25.168%	25.168%
Expected Income Tax Expenses	68,876.09	271,562.01
Tax Effect of Adjustments to Reconcile Expected Income Tax Expenses to Reported Income Tax Expenses		
Expenses/deductions allowable for Tax Purpose	(3,684.78)	(2,211.82)
Non Deductible Expenses for Tax Purpose	6,521.49	3,482.27
Fair value changes of Investments	368.29	(19,117.41)
Loss brought forward set off for tax purpose	(5.44)	-
Loss carried forward for tax purpose	-	47.28
IND AS Adjustments	80,911.80	1,667.20
Others (Net)	(56.45)	488.47
Deferred Tax impact	307.00	6,804.00
<b>Total</b>	<b>84,361.91</b>	<b>(8,840.01)</b>
<b>Total Income Tax Expenses</b>	<b>153,238.00</b>	<b>262,722.00</b>
- Current Tax	152,931.00	255,918.00
- Deferred Tax charge	307.00	6,804.00
Effective Tax rate	55.99%	24.35%

- (ii) The Company had elected to exercise the option of lower tax rate permitted under section 115BAA of the Income Tax Act, 1961. Accordingly, the Company is making Provision for Current Tax and Deferred Tax basis the rate prescribed in the said section.

D. Deferred Tax Disclosure

Movement in deferred tax Assets / (Liabilities):

(₹ in hundreds)

Particulars	Provisions	Depreciation and Amortisation	Investments at Fair Value through Profit & Loss	Unabsorbed losses	Disallowances	Total
<b>As at 31st March, 2021</b>	<b>3,068.00</b>	<b>(18.50)</b>	<b>26,258.00</b>	<b>61,839.50</b>	<b>-</b>	<b>91,147.00</b>
(Charge)/Benefit to Statement of Profit and Loss	1,875.00	173.00	(26,258.00)	17,406.00	-	(6,804.00)
<b>As at 31st March, 2022</b>	<b>4,943.00</b>	<b>154.50</b>	<b>-</b>	<b>79,245.50</b>	<b>-</b>	<b>84,343.00</b>
(Charge)/Benefit to Statement of Profit and Loss	(152.00)	3.00	(572.00)	218.00	196.00	(307.00)
<b>As at 31st March, 2023</b>	<b>4,791.00</b>	<b>157.50</b>	<b>(572.00)</b>	<b>79,463.50</b>	<b>196.00</b>	<b>84,036.00</b>

**44** 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
AS AT 31ST MARCH, 2023

**45 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, 2023		
	Total	Within 12 months	After 12 Months
<b>Assets</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	11,554.58	11,554.58	-
Bank balance other than above	1,903,814.66	-	1,903,814.66
Derivative financial instruments	-	-	-
Securities held for trading	71,500.00	71,500.00	-
Trade receivables	11,020.17	11,020.17	-
Loans	4,688,220.85	4,688,220.85	-
Investments	246,812.83	-	246,812.83
Other financial assets	71,875.13	71,875.13	-
	<b>7,004,798.22</b>	<b>4,854,170.73</b>	<b>2,150,627.49</b>
<b>Non-Financial Assets</b>			
Current tax assets (net)	14,292.65	-	14,292.65
Deferred tax assets (net)	84,036.00	-	84,036.00
Property, plant and equipment	18,117.86	-	18,117.86
Other non-financial assets	1,846.24	246.28	1,600.00
	<b>118,292.79</b>	<b>246.28</b>	<b>118,046.51</b>
<b>Total Assets</b>	<b>7,123,091.01</b>	<b>4,854,417.01</b>	<b>2,268,674.00</b>
<b>Liabilities</b>			
<b>Financial Liabilities</b>			
Derivative financial instruments	-	-	-
Trade payable	-	-	-
Other payable	5,731.24	5,731.24	-
Borrowings (Other than Debt security )	2,096,913.89	2,096,913.89	-
Other financial liabilities	26.45	26.45	-
	<b>2,102,671.58</b>	<b>2,102,671.58</b>	<b>-</b>
<b>Non-Financial Liabilities</b>			
Current tax liabilities (net)	-	-	-
Provisions	11,572.85	11,572.85	-
Other non-financial liabilities	5,439.66	5,439.66	-
	<b>17,012.51</b>	<b>17,012.51</b>	<b>-</b>
<b>Total Liabilities</b>	<b>2,119,684.09</b>	<b>2,119,684.09</b>	<b>-</b>
<b>Net</b>	<b>5,003,406.92</b>	<b>2,734,732.92</b>	<b>2,268,674.00</b>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
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(₹ in hundreds)

Particulars	As at March 31, 2022		
	Total	Within 12 months	After 12 Months
<b>Assets</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	392,544.56	392,544.56	-
Bank balance other than above	1,811,146.93	-	1,811,146.93
Derivative financial instruments	-	-	-
Trade receivables	10,531.30	10,531.30	-
Loans	3,926,618.10	3,926,618.10	-
Investments	309,725.00	-	309,725.00
Other financial assets	4,372.67	4,372.67	-
	<b>6,454,938.56</b>	<b>4,334,066.63</b>	<b>2,120,871.93</b>
<b>Non-Financial Assets</b>			
Current tax assets (net)	10,487.30	-	10,487.30
Deferred tax assets (net)	84,343.00	-	84,343.00
Property, plant and equipment	29,712.53	-	29,712.53
Other non-financial assets	1,786.00	186.00	1,600.00
	<b>126,328.83</b>	<b>186.00</b>	<b>126,142.83</b>
<b>Total Assets</b>	<b>6,581,267.39</b>	<b>4,334,252.63</b>	<b>2,247,014.76</b>
<b>Liabilities</b>			
<b>Financial Liabilities</b>			
Derivative financial instruments	-	-	-
Trade payable	-	-	-
Other payable	11,620.24	11,620.24	-
Borrowings (Other than Debt security )	1,099,076.30	1,099,076.30	-
Other financial liabilities	3,526.61	3,526.61	-
	<b>1,114,223.15</b>	<b>1,114,223.15</b>	<b>-</b>
<b>Non-Financial Liabilities</b>			
Current tax liabilities (net)	9,122.01	9,122.01	-
Provisions	24,707.15	24,707.15	-
Other non-financial liabilities	3,050.81	3,050.81	-
	<b>36,879.97</b>	<b>36,879.97</b>	<b>-</b>
<b>Total Liabilities</b>	<b>1,151,103.12</b>	<b>1,151,103.12</b>	<b>-</b>
<b>Net</b>	<b>5,192,532.30</b>	<b>3,183,149.51</b>	<b>2,009,382.79</b>

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

Loans Given	- Refer note no. 8
Investments made	- Refer note no. 9
Guarantee given	- NIL
Security Provided	- NIL

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
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- 47 (I) The disclosures as required by RBI NBFC Directions (Disclosures are made as per Ind AS financial statements except otherwise stated)

i) Investments

(₹ in hundreds)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
<b>Non-current</b>				
- Quoted		108,470.00		-
- Unquoted	505,774.96		359,774.96	
Less: Provision for diminution in value of investment	367,432.13	138,342.83	50,049.96	309,725.00
<b>Total Non-current</b>		246,812.83		309,725.00
<b>Current</b>				
- Quoted		-		-
- Unquoted		-		-
<b>Total Current</b>		-		-
<b>Total Investments</b>		246,812.83		309,725.00

ii. Provisions made/(written back) in Statement of Profit and Loss

(₹ in hundreds)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for sub-standard assets	-	-
Provision for standard assets	1,908.78	2,937.10
Provision for non-fund exposure/(written back )	(446.51)	3,687.20
	<b>1,462.27</b>	<b>6,624.30</b>

iii. Movement of NPAs

(₹ in hundreds)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(I) Movement of NPAs (Gross)		
(a) Opening Balance	-	-
(b) Additions during the year	-	-
(c) Reductions during the year (Including loans written-off)	-	-
(d) Closing Balance	-	-
(II) Movement of net NPAs		
(a) Opening Balance	-	-
(b) Additions during the year	-	-
(c) Reductions during the year	-	-
(d) Closing Balance	-	-
(III) Movement of provisions for NPAs		
(a) Opening Balance	-	-
(b) Provisions made during the year	-	-
(c) Write-off/Write-back of excess provisions	-	-
(d) Closing Balance	-	-

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2023

- (II) Disclosure pursuant to RBI notification – RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 – A comparison between provisions required under Income recognition, asset classification and provisioning (IRACP) and impairment allowances as per Ind AS 109 “Financial Instruments”.

(₹ in hundreds)

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowance (provisions) as required under Ind AS 109	Net carrying amount	Provision required as per IRACP norms	Difference between Ind AS 109 provision and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
(a) Performing Assets						
Standard	Stage 1	4,699,970.78	11,749.93	4,688,220.85	11,749.93	-
	Stage 2	-	-	-	-	-
Sub-total (a)		4,699,970.78	11,749.93	4,688,220.85	11,749.93	-
(b) Non-performing Assets (NPA)						
(i) Substandard	Stage 3	-	-	-	-	-
(ii) Doubtful - upto 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Sub-total (ii)		-	-	-	-	-
(iii) Loss	Stage 3	-	-	-	-	-
Sub-total (b)		-	-	-	-	-
(c) Other items	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Sub-total (c)						
Total (a+b+c)	Stage 1	4,699,970.78	11,749.93	4,688,220.85	11,749.93	
	Stage 2	-	-	-	-	
	Stage 3	-	-	-	-	
	Total	4,699,970.78	11,749.93	4,688,220.85	11,749.93	

- (III) Disclosures pursuant to RBI Notification – RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated 17 April 2020 – These disclosures are not applicable since no moratorium / deferment was extended.

- (IV) The particulars as required in terms of paragraph 19 of Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking (Reserve Bank) Directions, 2016 are given in the note appended hereto



NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
AS AT 31ST MARCH, 2023

**Schedule to the Balance Sheet of a Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company as required in terms of paragraph 19 of Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking (Reserve Bank) Directions, 2016**

(₹ In Lacs)

Particulars		
<b>Liabilities Side :</b>		
(1) <b>Loans and Advances Availed by the NBFC inclusive of interest accrued thereon but not paid:</b>	<b>Amount outstanding As on 31.03.2023</b>	<b>Amount overdue As on 31.03.2023</b>
(a) Debentures : Secured	0	0
: Unsecured	0	0
(other than falling within the meaning of public deposits*)		
(b) Deferred credits	0	0
(c) Term Loans	0	0
(d) Intercompany Loans and Borrowings	600.00	0
(e) Commercial paper	0	0
(f) Public Deposits*	0	0
(f) Other loans (Overdraft from Bank - Secured by lien on deposit with bank)	1,496.91	0
*Please see Note 1 below		
(2) <b>Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :</b>		
(a) In the form of Unsecured debentures	0	0
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	0	0
(c) Other public deposits	0	0
*Please see Note 1 below		
<b>Assets side:</b>		
		<b>Amount outstanding as on 31.03.2023</b>
(3) <b>Break-up of Loans and Advances including bills receivables (other than those included in (4) below)</b>		
(a) Secured		4688.22
(b) Unsecured		0.00
(4) <b>Break up of Leased Assets and stock on hire and other assets counting towards Asset Financing activities</b>		
(i) Lease assets including lease rentals under sundry debtors:		
(a) Financial lease		0
(b) Operating lease		0
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on hire		0
(b) Repossessed Assets		0
(iii) Other loans counting towards Asset Financing activities		
(a) Loans where assets have been repossessed		0
(b) Loans other than (a) above		0
(5) <b>Break up of Investments:</b>		
<b>Current Investments:</b>		
<b>1. Quoted :</b>		
(I) Shares (a) Equity		0
(b) Preference		0
(II) Debentures and Bonds		0
(III) Units of mutual funds		0
(IV) Government Securities		0
(V) Others (please specify)		0

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
AS AT 31ST MARCH, 2023

Particulars				
2. Unquoted :				
(I) Shares : (a) Equity			0	
(b) Preference			0	
(II) Debentures and Bonds			0	
			Amount outstanding as on 31.03.2023	
(III) Units of mutual funds			0	
(IV) Government Securities			0	
(V) Others (please specify)			0	
Long term Investments:				
1. Quoted				
(I) Shares : (a) Equity			108.47	
(b) Preference			0	
(II) Debentures and Bonds			0	
(III) Units of mutual funds			0	
(IV) Government Securities			0	
(V) Others (please specify)			0	
2. Unquoted :				
(I) Shares : (a) Equity			42.34	
(b) Preference			96.00	
(II) Debentures and Bonds			0	
(III) Units of mutual funds			0	
(IV) Government Securities			0	
(V) Others (please specify)			0	
(6) Borrower Group-wise Classification of Assets Financed as in (3) and (4) above				
Please see Note 2 below				
Category		Amount Net of Provisions		
		Secured	Unsecured	Total
1. Related Parties**				
(a) Subsidiaries		0	0	0
(b) Companies in the same group		0	0	0
(c) Other related parties		0	0	0
2. Other than related parties		4688.23	0.00	4688.22
Total		4688.23	0.00	4688.22
(7) Investor group-wise classification of all investment (current and long term) in shares and securities (both quoted and unquoted)				
Please see note 3 below				
Category		Market value/ Break-up or Fair Value or NAV	Book Value (Net of Provisions)	
1. Related Parties**				
(a) Subsidiaries		0	0	
(b) Companies in the same group		138.34	138.34	
(c) Other related parties		-	-	
2. Other than related parties		108.47	108.47	
Total		246.81	246.81	
** As per Accounting Standard of ICAI (please see Note 3)				
(8) Other information				
Particulars			Amount	
(I) Gross Non-performing Assets				
(a) Related Parties			0	
(b) Other than related parties			0	
(II) Net Non-Performing Assets				
(a) Related Parties			0	
(b) Other than related parties			0	
(III) Assets acquired in satification of debt				

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
AS AT 31ST MARCH, 2023

**Notes:**

1. As defined in point xxv of Paragraph 3 of Chapter - II of these Directions.
  2. Provisioning norms shall be applicable as prescribed in these Directions.
  3. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break-up/fair value/NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in column(5) above.
- (V) Additional disclosure pursuant to Scale Based Regulation (SBR) framework in terms of RBI circular No. RBI/2022-23/26 – DOR.ACC.REC. No.20/21.04.018/2022-23 dated 19 April, 2022 are given in the note appended hereto

**Disclosure pursuant to Scale Based Regulation (SBR) framework in terms of RBI circular no. RBI/2022-23/26 – DOR.ACC.REC. No.20/21.04.018/2022-23 dated 19 April, 2022.**

**A. Exposure to capital market**

(₹ in hundreds)

Sr No.	Particulars	As on 31st March, 2023	As on 31st March, 2022
i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt. *	318,312.83	309,725.00
ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds.	4,688,220.85	3,926,618.10
	<b>Total exposure to capital market</b>	<b>5,006,533.68</b>	<b>4,236,343.10</b>

\* includes securities held for trading

**B. Sectorial exposure**

(₹ in hundreds)

Sectors	As on 31st March, 2023			As on 31st March, 2022		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allies Activities						
2. Industry						
(i) Capital Goods - Industrial Manufacturing	108,470.00	-	0.00%	-	-	0.00%
3. Services						
(i) Training - Capital Market	138,342.83	-	0.00%	309,725.00	-	0.00%
(ii) BSFI	71,500.00	-	0.00%	-	-	0.00%
4. Personal Loans	-	-	0.00%			
5. Others, if any (please specify)						
(i) Loan against shares	4,688,220.85	-	0.00%	3,926,618.10	-	0.00%
<b>Total Sectorial Exposure</b>	<b>5,006,533.68</b>	<b>-</b>	<b>0.00%</b>	<b>4,236,343.10</b>	<b>-</b>	<b>0.00%</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2023

### C. Related Party Disclosure

Related Party Items	Parent		Associates		Key Management Personnel		Other Key Management Personnel (Directors)		Fellow Subsidiaries		Others		Total	
	FY 2022-23		FY 2022-23		FY 2022-23		FY 2022-23		FY 2022-23		FY 2022-23		FY 2022-23	
	FY 2021-22	FY 2021-22	FY 2021-22	FY 2021-22	FY 2021-22	FY 2021-22	FY 2021-22	FY 2021-22	FY 2021-22	FY 2021-22	FY 2021-22	FY 2021-22	FY 2021-22	FY 2021-22
<b>Borrowings</b>														
- outstanding	-	-	-	-	-	-	-	-	600,000.00	-	-	-	600,000.00	-
- maximum during the year	-	400,000.00	-	-	-	-	-	-	2,375,000.00	925,000.00	-	-	2,375,000.00	1,325,000.00
<b>Advances</b>														
- outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- maximum during the year	-	2,500,000.00	-	-	-	-	-	-	-	1,225,000.00	-	-	-	3,725,000.00
<b>Investments</b>														
- outstanding	-	-	455,725.00	309,725.00	-	-	-	-	-	-	-	-	455,725.00	309,725.00
- maximum during the year	-	-	455,725.00	309,725.00	-	-	-	-	-	-	-	-	455,725.00	309,725.00
Interest paid	-	109.59	-	-	-	-	-	-	88,767.13	500.00	-	-	88,767.13	609.59
Interest received	-	6,547.94	-	-	-	-	-	-	-	26,857.54	-	-	-	33,405.48
<b>Others</b>														
- Margin Deposit (in form of Cash Ledger)	65,420.60	-	-	-	-	-	-	-	-	-	-	-	65,420.60	-
- Trade Receivables	11,020.17	10,531.30	-	-	-	-	-	-	-	-	-	-	11,020.17	10,531.30
- Payment made for Buyback of Equity Shares	549,780.00	-	-	-	-	-	-	-	-	-	-	-	549,780.00	-
- Interim Dividend paid	-	220,000.00	-	-	-	-	-	-	-	-	-	-	-	220,000.00
- Depository Charges	96.05	129.45	-	-	-	-	-	-	-	-	-	-	96.05	129.45
- Rent	2,027.85	3,127.82	-	-	-	-	-	-	-	-	-	-	2,027.85	3,127.82
- Commission to Director	-	-	-	-	2,360.00	6,490.00	-	-	-	-	-	-	2,360.00	6,490.00
- Salaries and Other Benefits	-	-	6,244.28	8,391.22	-	-	-	-	-	-	-	-	6,244.28	8,391.22
- Gratuity Contribution	-	-	-	-	-	-	-	-	347.87	845.36	-	-	347.87	845.36
- Brokerage on Derivatives trading	269.11	3,085.86	-	-	-	-	-	-	-	-	-	-	269.11	3,085.86
- Brokerage on Share trading	10.50	16.22	-	-	-	-	-	-	-	-	-	-	10.50	16.22
- Expenses Reimbursed	3,927.88	3,495.35	-	-	-	-	-	-	-	-	-	-	3,927.88	3,495.35
- Brokerage on shares bought/sold	499.07	1,250.50	-	-	-	-	-	-	-	-	-	-	499.07	1,250.50
- Interest Received on Margin Deposit (in form of FDR)	7,779.47	24,954.85	-	-	-	-	-	-	-	-	-	-	7,779.47	24,954.85
- Re-imbursement received on behalf of Travel expenses	-	156.34	-	-	-	-	-	-	-	-	-	-	-	156.34
- Re-imbursement paid on behalf of Gift Card expenses	-	50.00	-	-	-	-	-	-	-	-	-	-	-	50.00
- Payment made for Equity-settled Share Based Payment Reserve	-	5,184.30	-	-	-	-	-	-	-	-	-	-	-	5,184.30
- Employee Benefits - Gratuity - Provision/ (Advance)	-	-	-	-	-	-	-	-	(3,898.84)	520.08	-	-	(3,898.84)	520.08

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2023

### 48 DIVIDENDS

The company paid interim dividend of ₹ 1.00 per equity share aggregating to ₹ 220,000.00 hundred during the previous year ended March 31, 2022.

Dividends declared by the Company are based on the profit available for distribution.

49 The company has utilized the borrowings obtained from banks for the specific purpose for which it was obtained as at the balance sheet date.

### 50 ADDITIONAL REGULATORY INFORMATION REQUIRED PURSUANT TO PART I AND II OF DIVISION III OF SCHEDULE III TO THE ACT:

- a) The Company does not own any immovable property as at 31st March, 2023 as well as 31st March, 2022.
- b) The company does not have any investment property as at 31st March, 2023 as well as 31st March, 2022.
- c) The Company has not revalued its Property, Plant and Equipment during the current or previous year.
- d) The company does not have any intangible assets during the current or previous year.
- e) The Company has not granted any loans or advances in the nature of loans to its promoter, directors, KMPs and the related parties, either severally or jointly with any other person, during the current or previous year which are repayable on demand or without specifying any terms or period of repayment.
- f) There are no capital work- in- progress as at 31st March, 2023 as well as 31st March, 2022.
- g) There are no Intangible assets under development as at 31st March, 2023 as well as 31st March, 2022.
- h) 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.
- i) The Company has been sanctioned working capital limits by a bank on the basis of security of deposits held by the company with the said bank disclosed under " Bank balance other than cash and cash equivalents" in the standalone financial statements. Due to nature of security , the company is not required to file quarterly returns or statements with the said bank .Therefore, question of quarterly returns or statements being in agreement with the books of account of the Company does not arise.
- j) The Company is not declared wilful defaulter by any bank or financial institution or other lender.
- k) There are no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- l) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- m) 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.
- n) **Ratios :**
  - a) RBI vide its master direction no. DNBR.PD.007/03.10.119/2016-17 dated 01.09.2016 and as amended from time to time in Chapter V, Paragraph 6 has prescribed a leverage ratio of not more than 7 at any point of time.  
The company's leverage ratio is as under:-

(₹ in hundreds except Leverage Ratio)		
Particulars	Year ended 31 <sup>st</sup> March , 2023	Year ended 31 <sup>st</sup> March , 2022
Outside Liabilities	2,119,684.09	1,151,103.12
Owned Funds	4,919,124.64	5,345,635.27
Leverage Ratio	0.43	0.22

- b) RBI vide its circular - DOR.NBFC (PD) CC. No. 102/03.10.001/2019-20 dated 04.11.2019 has made applicable Liquidity Risk Management Framework for Non Deposit taking Non-Banking Financial Companies with asset size of ₹ 10,000 crore and above and therefore the Company is not required to disclose Liquidity Coverage Ratio.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2023

- c) Disclosure of Capital to risk-weighted assets ( CRAR ) ,Tier I CRAR and Tier II CRAR required under para (WB)(xvi) of Division III of Schedule III to the Act are not applicable to the Company .
- o) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- p) The Company has not advanced or loaned or invested funds to any other person or entity, including foreign entity (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 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.
- q) The Company has not received any fund from any person or entity, including foreign entity (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall-
- directly or indirectly lend or invest in other person or entity 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.
- r) 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.
- s) As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold needs to spend at least 2% of its average net profit for the immediately three preceding three financial years on Corporate Social Responsibility (CSR) activities. A CSR committee has been formed by the Company as per Act.
- a) Gross amount required to be spent by the Company during the year is ₹ 11,623.00 hundreds (P.Y. ₹ 6,287.00 hundreds)
- b) Amount approved by the Board to be spent during the year ₹ 12,000.00 hundreds (P.Y. ₹ 6,287.00 hundreds)
- c) Details of amount spent:

(₹ in hundreds)

Particulars	Paid
<b>During the year ending 31 March, 2023</b>	
i) Construction/acquisition of any asset	-
ii) On purpose other than (i) above	13,287.00
<b>During the year ending 31 March, 2022</b>	
i) Construction/acquisition of any asset	-
ii) On purpose other than (i) above	5,000.00

- d) Above amount includes amount spent by Emkay Charitable Foundation, a section 8 Company as per the Act from the contribution made by the Company during the year is ₹ Nil (P.Y. ₹ 5,000.00 hundreds). The said Company is classified as related party under Ind AS 24 – “Related party disclosures”.
- e) Details of unspent amount :

(₹ in hundreds)

Opening Balance	Amount deposited in Specified Fund of Schedule VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Excess spent**	Closing Balance
1,287.00*	1,287.00	11,623.00	12,000.00	(377.00)	Nil

\* Amount transferred to PMCARES Fund on 23<sup>rd</sup> May, 2022.

\*\* Excess spent not to be carried forward to succeeding financial year/s.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2023

t) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

**51** Capital commitments ( to the extent not provided for )

Uncalled liability on investment in partly paid-up preference shares ₹ 96,000.00 hundred (P.Y. ₹ Nil)

**52** Other additional and regulatory information required pursuant to Part I and Part II of division III to Schedule III to the Act are not applicable to the company.

**53** Figures of the previous year have been regrouped, reclassified, re-casted and rearranged wherever necessary to make them comparable with the figures of the current year.

**54** Figures in brackets represents for previous year.

### **55** EVENTS AFTER REPORTING DATE

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

### **56** 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 12, 2023.

**As per our Report of even date**  
For **S. K. LOONKER & COMPANY**  
CHARTERED ACCOUNTANTS  
Firm Registration No.105653W

**(CA S. K. Loonker)**  
Proprietor  
Membership No: 032130

**Place : Mumbai**  
**Dated : 12th May, 2023**

**For and on behalf of the Board of**  
**EMKAY FINCAP LIMITED**

**Krishna Kumar Karwa**  
Whole Time Director and Chief Financial Officer  
DIN - 00181055

**Himanshu Katare**  
Company Secretary  
Membership No: ACS49584

**Place : Mumbai**  
**Dated : 12th May, 2023**

**Prakash Kacholia**  
Whole Time Director  
DIN - 00002626



# INDEPENDENT AUDITOR'S REPORT (Consolidated)

To the Members of EMKAY FINCAP LIMITED

## Report on the Audit of the Consolidated Financial Statements

### OPINION

We have audited the accompanying consolidated financial statements of **EMKAY FINCAP LIMITED** ("the Company") and its associate, which comprise the consolidated Balance Sheet as at March 31, 2023, 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 report of the other auditor on separate financial statements and on the other financial 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company and its associate as at March 31, 2023, of their consolidated profits (including Other Comprehensive income), their consolidated changes in equity and their consolidated cash flows for the year then ended.

### BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SA"s) 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 Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient

and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### 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 are 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 including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Company and its associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the Company and 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

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

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.

In preparing the consolidated financial statements, the respective Board of Directors of the Company and 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 respective Board of Directors either intends to liquidate the Company and its associate or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Company and 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 with reference to consolidated financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its associate to express an opinion on the consolidated financial statements.

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**

- (i) The consolidated financial statements include Company's share of net loss and share of other comprehensive income of ₹ 80,186.47 hundreds and ₹ 436.27 hundreds respectively for the year ended March 31, 2023, as considered in the consolidated financial statements, in respect of the associate,

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

whose financial statements have not been audited by us. These financial statements have been audited by other auditor whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate, is based solely on the report of the other auditor.

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 work done by and the report of the other auditor.

### Report on Other Legal and Regulatory Requirements

- (1) As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements and other financial information of the associate, as noted in the 'other matter', 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 the reports of the other auditor.
  - (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 Companies (Indian Accounting) Standards Rules, 2015, as amended.
  - (e) On the basis of the written representations received from the directors of the Company as

on March 31, 2023 taken on record by the Board of Directors of the Company and the report of the statutory auditor of its associate, none of the directors of the Company and its Associate is disqualified as on 31<sup>st</sup> March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

- (f) With respect to the adequacy of internal financial controls over financial reporting of the Company and its associate 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:

In our opinion and according to the information and explanation given to us, the remuneration paid/provided by the Company to its directors by way of commission during the current year is in accordance with the provisions of Section the Act, as amended, 197 of the Act. The remuneration paid to any director by the Company is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us

- (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 and based on the consideration of the report of the other auditor on separate financial statements as also the other financial information of the associate:
  - i. The Company and its associate does not have any pending litigations which would impact consolidated financial position of the Company and its associate.
  - ii. The Company and its associate 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 and its associate.

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

- iv. (a) The Management of the Company, as disclosed in the note no.49(m) to the consolidated Financial Statements, and its associate have represented to us and to the other auditor of the associate respectively that, to the best of their 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 or its associate to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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 its associate or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management of the Company, as disclosed in the note no.49(n) to the consolidated Financial Statements, and its associate have represented to us and to the other auditor of the associate respectively that, to the best of their knowledge and belief no funds have been received by the Company or its associate from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or its associate 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, performed by us and those performed by other auditor of the associate, nothing has come to our or other auditor of the associate's 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 Company and its associate has not declared or paid any dividend during the year hence compliance with section 123 of the Act is not applicable to the Company.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1, 2023, to the Company and its associate and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
- (2) With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/"CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and by other auditor for the associate included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

**For S. K. Loonker & Co.**

Chartered Accountants  
Firm Registration No.105653W

**(CA. S. K. LOONKER)**

Proprietor  
Membership No.032130  
UDIN : 23032130BGXVAQ2443

Place : Mumbai  
Dated: 12<sup>th</sup> May, 2023



## ANNEXURE “A” TO INDEPENDENT AUDITOR’S REPORT (CONSOLIDATED)

### ANNEXURE “A” TO INDEPENDENT AUDITOR’S REPORT OF EVEN DATE TO THE MEMBERS OF EMKAY FINCAP LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

#### 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 FINCAP LIMITED** (the ‘Company’) and its associate, as at and for the year ended March 31, 2023, we have audited the internal financial controls over financial reporting with reference to consolidated financial statements of the Company and its associate, as at that date.

#### Management’s Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Company and its associate, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company and its associate 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 with reference to consolidated financial statements of the Company and its associate, 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 with reference to consolidated financial statements, 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to consolidated financial statements included obtaining an understanding of internal financial controls over financial reporting with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s 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 and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to consolidated financial statements of the Company and its associate.

#### Meaning of Internal Financial Controls Over Financial Reporting

6. A Company’s internal financial control over financial reporting with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded

## ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT (CONSOLIDATED)

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 financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion and based on the consideration of the report of the other auditor on internal financial controls over financial reporting of the associate, the Company and its associate, have, in all material respects, adequate internal financial controls over financial reporting with reference to

consolidated financial statements and such controls were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company and its associate considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

### Other Matter

The internal financial controls over financial reporting in respect of an associate consolidated in these consolidated financial statements has been audited by other auditor whose report has been furnished to us by the management. Our report on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to consolidated financial statements for the Company and its associate, under Section 143(3)(i) of the Act, in so far as it relates to such associate, is based solely on the report of the other auditor of the associate. Our opinion above is not modified in respect of this matter with respect to our reliance on the work done by and the report of the other auditor.

### For S. K. Loonker & Co.

Chartered Accountants  
Firm Registration No.105653W

### (CA. S. K. LOONKER)

Proprietor  
Membership No.032130  
UDIN : 23032130BGXVAQ2443

Place : Mumbai  
Dated: 12<sup>th</sup> May, 2023





## CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2023

(₹ in hundreds)

Particulars	Note No.	As at 31st March, 2023 current reporting period	As at 31st March, 2022 previous reporting period
<b>I ASSETS</b>			
<b>1 Financial assets</b>			
Cash and cash equivalents	3	11,554.58	392,544.56
Bank Balance other than Cash and cash equivalents	4	1,903,814.66	1,811,146.93
Derivative financial instruments	5	—	—
Securities held for trading	6	71,500.00	—
Trade Receivables	7	11,020.17	10,531.30
Loans	8	4,688,220.85	3,926,618.10
Investments	9	246,812.83	72,093.03
Other Financial assets	10	71,875.13	4,372.67
<b>Total Financial Assets</b>		<b>7,004,798.22</b>	<b>6,217,306.59</b>
<b>2 Non-financial Assets</b>			
Current tax assets (net)	11	14,292.65	10,487.30
Deferred tax Assets (net)	42(D)	84,036.00	84,343.00
Property, Plant and Equipment	12	18,117.86	29,712.53
Other non financial assets	13	1,846.28	1,786.00
<b>Total Non -financial Assets</b>		<b>118,292.79</b>	<b>126,328.83</b>
<b>Total assets</b>		<b>7,123,091.01</b>	<b>6,343,635.42</b>
<b>II LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>1 Financial Liabilities</b>			
Derivative financial instruments	5	—	—
Payables			
(I) Trade Payables	14(I)		
(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	14(II)		
(i) total outstanding dues of micro enterprises and small enterprises		—	—
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		5,731.24	11,620.24
Borrowings (Other than Debt Securities)	15	2,096,913.89	1,099,076.30
Other financial liabilities	16	26.45	3,526.61
<b>Total Financial liabilities</b>		<b>2,102,671.58</b>	<b>1,114,223.15</b>
<b>2 Non-Financial Liabilities</b>			
Current tax liabilities (net)	17	—	9,122.01
Provisions	18	11,572.85	24,707.15
Other non-financial liabilities	19	5,439.66	3,050.81
<b>Total Non- financial liabilities</b>		<b>17,012.51</b>	<b>36,879.97</b>
<b>Total liabilities</b>		<b>2,119,684.09</b>	<b>1,151,103.12</b>
<b>EQUITY</b>			
Equity share capital	20	1,650,220.00	2,200,000.00
Other Equity	21	3,353,186.92	2,992,532.30
<b>Total equity</b>		<b>5,003,406.92</b>	<b>5,192,532.30</b>
<b>Total Liabilities and Equity</b>		<b>7,123,091.01</b>	<b>6,343,635.42</b>

The accompanying notes forms an integral part of these consolidated financial statements.

As per our Report of even date  
For S. K. LOONKER & COMPANY  
CHARTERED ACCOUNTANTS  
Firm Registration No.105653W

(CA S. K. Loonker)  
Proprietor  
Membership No: 032130

For and on behalf of the Board of  
EMKAY FINCAP LIMITED

Krishna Kumar Karwa  
Whole Time Director and Chief Financial Officer  
DIN - 00181055

Himanshu Katare  
Company Secretary  
Membership No: ACS49584

Prakash Kacholia  
Whole Time Director  
DIN - 00002626

Place : Mumbai  
Dated : 12th May, 2023

Place : Mumbai  
Dated : 12th May, 2023

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS**

FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in hundreds)

Particulars	Note No.	For the current year ended 31st March, 2023	For the previous year ended 31st March, 2022
<b>Revenue from operations</b>			
(i) Interest income	22	585,996.14	358,627.38
(ii) Dividend income	23	1,840.00	280.00
(iii) Fee and commission income	24	8,800.01	14,659.77
(iv) Net gain on fair value changes	25	212,197.53	920,901.20
<b>(I) Total Revenue from operations</b>		<b>808,833.68</b>	<b>1,294,468.35</b>
<b>(II) Other Income</b>	26	<b>9,981.00</b>	<b>1,016.17</b>
<b>(III) Total Income (I + II)</b>		<b>818,814.68</b>	<b>1,295,484.52</b>
<b>Expenses</b>			
(i) Finance costs	27	126,601.50	29,674.25
(ii) Fee and commission expense	28	28,141.37	77,554.11
(iii) Impairment of financial instruments	29	1,462.27	6,624.30
(iv) Employee benefits expenses	30	19,853.84	53,120.75
(v) Depreciation expenses	31	11,594.67	6,754.75
(vi) Other expenses	32	40,113.52	42,759.18
<b>(IV) Total Expenses (IV)</b>		<b>227,767.17</b>	<b>216,487.34</b>
<b>(V) Profit before share of profit/(Loss) from associate and tax (III-IV)</b>		<b>591,047.51</b>	<b>1,078,997.18</b>
Share of (Loss) from Associate		(80,186.47)	(118,443.17)
Share of Deferred tax liability/(asset) from Associate		-	853.14
<b>Total Share of (Loss) from Associate</b>		<b>(80,186.47)</b>	<b>(119,296.31)</b>
<b>(VI) Profit before tax</b>		<b>510,861.04</b>	<b>959,700.87</b>
<b>(VII) Tax Expense:</b>			
(1) Current tax		152,931.00	255,918.00
(2) Deferred tax		307.00	6,804.00
(3) Excess Provision for Tax of earlier years		582.40	(4,826.20)
<b>Total Tax Expense</b>		<b>153,820.40</b>	<b>257,895.80</b>
<b>(VIII) Profit for the year</b>		<b>357,040.64</b>	<b>701,805.07</b>
<b>(IX) Other Comprehensive Income/(loss)</b>			
A (i) Items that will not be reclassified to profit or loss			
- Actuarial Gain/(Loss) on Defined Benefit Plan		4,246.71	325.28
- On Share of Actuarial Gain/(Loss) on Defined Benefit Plan of Associate		436.27	(946.62)
(ii) Income tax relating to items that will not be reclassified to profit or loss			
- Actuarial Gain/(Loss) on Defined Benefit Plan		(1,069.00)	(82.00)
- On Share of Actuarial Gain/(Loss) on Defined Benefit Plan of Associate		-	-
<b>Sub total (A)</b>		<b>3,613.98</b>	<b>(703.34)</b>
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		-	-
<b>Sub total (B)</b>		<b>-</b>	<b>-</b>
<b>Other Comprehensive Income/(loss) (A + B)</b>		<b>3,613.98</b>	<b>(703.34)</b>
<b>(X) Total Comprehensive Income/(loss) for the year</b>		<b>360,654.62</b>	<b>701,101.73</b>
Earnings per Equity Share of Nominal Value of ₹ 10 each			
- Basic	33	<b>1.64</b>	<b>3.19</b>
- Diluted		<b>1.64</b>	<b>3.19</b>
<b>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</b>	<b>2</b>		

The accompanying notes forms an integral part of these consolidated financial statements.

As per our Report of even date  
For **S. K. LOONKER & COMPANY**  
CHARTERED ACCOUNTANTS  
Firm Registration No.105653W

(CA S. K. Loonker)  
Proprietor  
Membership No: 032130

For and on behalf of the Board of  
**EMKAY FINCAP LIMITED**

Krishna Kumar Karwa  
Whole Time Director and Chief Financial Officer  
DIN - 00181055

Himanshu Katara  
Company Secretary  
Membership No: ACS49584

Prakash Kacholia  
Whole Time Director  
DIN - 00002626

Place : Mumbai  
Dated : 12th May, 2023

Place : Mumbai  
Dated : 12th May, 2023

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH, 2023

### 1 EQUITY SHARE CAPITAL

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

(₹ in hundreds)

Particulars	Equity Share Capital	
	No. of Shares	(₹ in hundreds)
<b>As at 1st April, 2022</b>		
Balance at the beginning of the previous reporting period	22,000,000	2,200,000.00
Changes in Equity Share Capital due to prior year errors	-	-
Restated balance at the beginning of the previous reporting period	22,000,000	2,200,000.00
Changes in equity share capital during the previous year	-	-
<b>Balance at the end of the previous reporting period</b>	<b>22,000,000</b>	<b>2,200,000.00</b>
<b>As at 31st March, 2023</b>		
Balance at the beginning of the current reporting period	22,000,000	2,200,000.00
Changes in Equity Share Capital due to prior year errors	-	-
Restated balance at the beginning of the current reporting period	22,000,000	2,200,000.00
Changes in equity share capital during the current year due to buyback of shares (Refer note no. 20 (g))	5,497,800	549,780.00
<b>Balance at the end of the current reporting period</b>	<b>16,502,200</b>	<b>1,650,220.00</b>

### 2 OTHER EQUITY

(₹ in hundreds)

Particulars	Reserves and Surplus				Other Comprehensive Income	Total
	Retained Earnings	Special Reserve under section 45-IC of the RBI Act 1934	Capital Redemption Reserve	Equity settled share based payment reserve	Items that will not be Reclassified to Profit or Loss - Actuarial gains/ (losses) on Defined Benefit Plan	
<b>As at 1st April, 2022</b>						
Balance at the beginning of the previous reporting period	1,290,505.00	725,141.31	500,000.00	5,184.30	(4,215.74)	2,516,614.87
Changes in accounting policy or prior period errors	-	-	-	-	-	-
<b>Restated balance at the beginning of the previous reporting period</b>	<b>1,290,505.00</b>	<b>725,141.31</b>	<b>500,000.00</b>	<b>5,184.30</b>	<b>(4,215.74)</b>	<b>2,516,614.87</b>
Share based payments to Employees*	-	-	-	(5,184.30)	-	(5,184.30)
Transfer to Special Reserve under section 45-IC of the RBI Act, 1934 during previous year	(164,220.28)	164,220.28	-	-	-	-
Dividend paid during the previous year	(220,000.00)	-	-	-	-	(220,000.00)
Profit for the previous year	701,805.07	-	-	-	-	701,805.07
Other Comprehensive Income/(loss) (Net) for the previous year	-	-	-	-	(703.34)	(703.34)
Total Comprehensive Income/(loss) for the previous year						701,101.73
<b>Balance at the end of the previous reporting period</b>	<b>1,608,089.79</b>	<b>889,361.59</b>	<b>500,000.00</b>	<b>-</b>	<b>(4,919.08)</b>	<b>2,992,532.30</b>
<b>As at 31st March, 2023</b>						
Balance at the beginning of the current reporting period	1,608,089.79	889,361.59	500,000.00	-	(4,919.08)	2,992,532.30

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

(₹ in hundreds)

Particulars	Reserves and Surplus				Other Comprehensive Income	Total
	Retained Earnings	Special Reserve under section 45-IC of the RBI Act 1934	Capital Redemption Reserve	Equity settled share based payment reserve	Items that will not be Reclassified to Profit or Loss - Actuarial gains/(losses) on Defined Benefit Plan	
Changes in accounting policy or prior period errors	-	-	-	-	-	-
<b>Restated balance at the beginning of the current reporting period</b>	<b>1,608,089.79</b>	<b>889,361.59</b>	<b>500,000.00</b>	<b>-</b>	<b>(4,919.08)</b>	<b>2,992,532.30</b>
Transfer to Special Reserve under section 45-IC of the RBI Act, 1934 during current period	(71,408.13)	71,408.13	-	-	-	-
Transfer to Capital Redemption Reserve from Retained Earnings upon buyback of equity shares during the year (Refer note no. 20 (g))	(549,780.00)	-	549,780.00	-	-	-
Profit for the current year	357,040.64	-	-	-	-	357,040.64
Other Comprehensive Income/(loss) (Net) for the current year	-	-	-	-	3,613.98	3,613.98
Total Comprehensive Income/(loss) for the current year						360,654.62
<b>Balance at the end of the current reporting period</b>	<b>1,343,942.31</b>	<b>960,769.71</b>	<b>1,049,780.00</b>	<b>-</b>	<b>(1,305.10)</b>	<b>3,353,186.92</b>

\*on resignation of the employee consequent upon transfer to Parent Company.

The accompanying notes forms an integral part of these consolidated financial statements.

As per our Report of even date  
For **S. K. LOONKER & COMPANY**  
CHARTERED ACCOUNTANTS  
Firm Registration No.105653W

For and on behalf of the Board of  
**EMKAY FINCAP LIMITED**

(**CA S. K. Loonker**)  
Proprietor  
Membership No: 032130

**Krishna Kumar Karwa**  
Whole Time Director and Chief Financial Officer  
DIN - 00181055

**Prakash Kacholia**  
Whole Time Director  
DIN - 00002626

**Himanshu Katare**  
Company Secretary  
Membership No: ACS49584

Place : Mumbai  
Dated : 12th May, 2023

Place : Mumbai  
Dated : 12th May, 2023

## CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in hundreds)

Particulars	31st March, 2023	31st March, 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	510,861.04	959,700.87
Add: (less) : Adjustment for :		
Depreciation Expense	11,594.67	6,754.75
Impairment on financial instruments	1,462.27	6,624.30
Net (gain) / loss on fair value changes	2,642.40	-
Interest on deposit with Bank	(102,964.15)	(91,063.29)
Interest on Income Tax Refund	-	(1,014.27)
	(87,264.81)	(78,698.51)
<b>Operating profit before working capital changes</b>	<b>423,596.23</b>	<b>881,002.36</b>
Add: (less) : Adjustment for changes in working capital:		
Increase/(decrease) in bank balance other than cash and cash equivalents	(92,667.73)	(81,956.96)
(Increase)/decrease in securities held for trading	(71,949.73)	-
(Increase)/decrease in trade receivables	6,365.80	12,378.51
(Increase)/decrease in Loans	(763,511.53)	(1,174,841.22)
(Increase)/decrease in other financial assets	(67,502.46)	211.86
(Increase)/decrease in other non financial assets	(60.28)	(1,168.98)
Increase/(decrease) in trade payables	-	-
Increase/(decrease) in other payables	(5,889.00)	(21,689.48)
Increase/(decrease) in other financial liabilities	(3,500.16)	3,526.61
Increase/(decrease) in provisions	(8,441.08)	6,530.41
Increase/(decrease) in other non financial liabilities	2,388.85	(5,492.95)
Share in Loss from Associate	80,186.47	119,296.31
	(924,580.85)	(1,143,205.89)
<b>Cash Generated from operations</b>	<b>(500,984.62)</b>	<b>(262,203.53)</b>
Income tax (Paid)/Refund	(167,509.76)	(239,315.35)
<b>Cash flow before exceptional / extraordinary items</b>	<b>(668,494.38)</b>	<b>(501,518.88)</b>
Exceptional items	-	-
<b>Net cash (used in) / generated from operating activities (A)</b>	<b>(668,494.38)</b>	<b>(501,518.88)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale/(Purchase) of Investments	(117,517.34)	342,399.55
Sale/(Purchase) of Investments in Associate	(146,000.00)	(100,000.00)
Sale/(Purchase) of Fixed Assets	-	(35,582.00)
Interest on deposit with Bank	102,964.15	91,063.29
Interest on Income Tax Refund	-	1,014.27
	(160,553.19)	298,895.11
<b>Net cash (unused in)/generated from investing activities (B)</b>	<b>(160,553.19)</b>	<b>298,895.11</b>

CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

(₹ in hundreds)

Particulars	31st March, 2023	31st March, 2022
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
(Repayment)/Proceeds from Borrowings	997,837.59	99,064.66
Dividend paid	-	(220,000.00)
Increase/(decrease) in Other Equity - Equity-settled Share Based Payment Reserve	-	(5,184.30)
Buyback of Equity shares	(549,780.00)	-
	<b>448,057.59</b>	<b>(126,119.64)</b>
<b>Net cash (unused in)/generated from financing activities ( C )</b>	<b>448,057.59</b>	<b>(126,119.64)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(380,989.98)</b>	<b>(328,743.41)</b>
<b>Cash and Cash Equivalents at the beginning of the year (Opening Balance)</b>	<b>392,544.56</b>	<b>721,287.97</b>
<b>Cash and Cash Equivalents at the close of the year (Closing Balance)</b>	<b>11,554.58</b>	<b>392,544.56</b>
<b>Note:</b>		
1. Cash and cash equivalents comprise of :		
Balances with Scheduled Banks		
- In Current Accounts	11,535.03	392,370.86
Cash on hand	19.55	173.70
	<b>11,554.58</b>	<b>392,544.56</b>
2. The above consolidated cash flow statement has been prepared under the "Indirect method" as set out on the Indian Accounting Standard (Ind AS-7) Statement of Cash Flow.		
3. Previous year's figures are re-grouped/ recasted/ re-arranged wherever considered necessary.		

The accompanying notes forming part of these consolidated financial statements.

As per our Report of even date  
For **S. K. LOONKER & COMPANY**  
CHARTERED ACCOUNTANTS  
Firm Registration No.105653W

For and on behalf of the Board of  
**EMKAY FINCAP LIMITED**

(**CA S. K. Loonker**)  
Proprietor  
Membership No: 032130

**Krishna Kumar Karwa**  
Whole Time Director and Chief Financial Officer  
DIN - 00181055

**Prakash Kacholia**  
Whole Time Director  
DIN - 00002626

**Himanshu Katare**  
Company Secretary  
Membership No: ACS49584

Place : Mumbai  
Dated : 12th May, 2023

Place : Mumbai  
Dated : 12th May, 2023

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31ST MARCH, 2023

#### 1 CORPORATE INFORMATION

Emkay Fincap Limited (the 'Company') is a public limited company domiciled in India and was incorporated under the provisions of the Companies Act, 1956 vide Certificate of Incorporation (CIN) U65990MH2005PLC153310 dated 16th May, 2005. The Company is a wholly owned subsidiary of Emkay Global Financial Services Limited ('the parent'). The registered office of the Company is situated at The Ruby, 7th Floor, Senapati Bapat Marg, Dadar (West), Mumbai-400028.

The Company is a Non-Banking Financial Company ('NBFC') without accepting public deposits registered with Reserve Bank of India vide Certificate of Registration No.N-13.01809 dated October 8, 2005 and engaged in financing and investment activities. The Company is classified as NBFC-Investment and Credit Company (NBFC-ICC) in terms of circular – 'Harmonisation of different categories of NBFCs' issued by RBI on 22 February, 2019. Further in terms of circular – 'Scale Based regulation (SBR): A Revised Regulatory Framework for NBFCs' issued by RBI on 22 October, 2021 which is effective from October 01, 2022, the company falls under the category of NBFC-Base Layer (NBFC-BL).

The Company has significant influence over Finlearn Edutech Private Limited (FEPL), an associate engaged in the business of conducting and managing online courses for financial markets by virtue of its ownership interest of 44.97% ( March 31,2022 :47.65%) in the FEPL 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

comprises of consolidated Balance Sheets as at March 31, 2023 and March 31, 2022, 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, 2023 and for the year ended March 31, 2022, 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 and Master Direction-Non-Banking Financial Company – Non -Systemically Important Non- Deposit taking Company (Reserve Bank) Directions, 2016 (RBI NBFC Directions) .

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 <sup>st</sup> March, 2023 (%)	As at 31 <sup>st</sup> March, 2022 (%)	
Finlearn Edutech Private Limited	18/12/2019	India	44.97%	47.65%	Conducting and managing online courses for financial markets

##### (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 between 20% to 50% of the voting rights or the Company has power to participate in the financial and operating policy decision



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

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)(iii) below.

Reference in these notes to the parent company means Emkay Global Financial Services Ltd., reference to company mean Emkay Fincap Ltd., reference to Associate means Finlearn Edutech Pvt. Ltd., and reference to the company and its associate means Emkay Fincap Ltd and Finlearn Edutech Pvt. Ltd.

### (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);
- defined benefit plans- plan assets measured at fair value (refer Accounting Policy no.2.7(ii)(A) below); and
- share-based payment obligations (refer Accounting Policy no.2.8 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 consolidated financial statements of the Company are prepared in order of liquidity and in accordance with Division III of Schedule III to the Act applicable to NBFC's as notified by the Ministry of Corporate Affairs. 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 44.

### (vi) Use of Estimates and Judgments

The preparation of the consolidated financial statements requires Management to make

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

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. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### Depreciation

Depreciation is calculated using the written down value (WDV) method to write down the cost of Property, Plant and Equipment 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
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 derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised.

## 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. 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. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in the statement of profit and loss.

Reference in these notes to the parent company means Emkay Global Financial Services Ltd., reference to company mean Emkay Fincap Ltd., reference to Associate means Finlearn Edutech Pvt. Ltd., and reference to the company and its associate means Emkay Fincap Ltd and Finlearn Edutech Pvt. Ltd.

### (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)

#### Debt Instruments

Investment in debt 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 where they have (i) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and (ii) are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Gains and losses arising from changes in fair value are included in statement of profit and loss. Impairment losses or reversals and interest revenue are recognised in statement of profit and loss.

#### Equity Instruments

Investment in equity instruments are always 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.

#### Derivative Instruments

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

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

**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.

**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)(iii) below.

**e. 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 Assets and Liabilities**

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.

**(v) Financial assets held for trading**

The Company classifies financial assets as held for trading when they have been purchased or sold primarily for trading activities. Held-for-trading assets are recorded and measured in the Balance Sheet at fair value.

### 2.4 Impairment

**a. Financial Assets**

**(i) Loans**

The Company recognises loss allowances (provisions) for expected credit losses on loans (including non-fund exposures) that are measured at amortized costs. The Company applies a three-stage approach to measuring expected credit losses (ECLs) on loans.

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

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

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether credit risk of loan has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the loan. The Company does the assessment of significant increase in credit risk at a borrower level.

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

### Stage 1

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

### Stage 2

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

### Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

### Loan Commitments

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

The final ECL allowance arrived as above is subject to the minimum provisioning requirement as per RBI NBFC Directions.

### The mechanics of ECL:

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

the contract and the cash flows that the Company expects to receive.

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

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

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

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

### (ii) **Trade Receivables and Other Financial Assets**

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. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. 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.

### (iii) **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



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

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 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 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.

### 2.6 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) Interest Income

Interest income on financial assets (other than

credit impaired) is recognised on a time proportion basis taking into account the amount outstanding and the contractual rate. The contractual rate after netting off the fees received and cost incurred, if any, approximates the effective interest rate method of return. The future cash flows are estimated taking into account all the contractual terms of the instrument and any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets. For credit-impaired financial assets the interest income is recognized on receipt basis and interest income recognized before the assets became credit-impaired and remained unrealised is reversed.

#### (ii) Fees & Commission Income

Client Referral Fees is recognised when the performance obligation is completed.

#### (iii) Dividend Income

Dividend income is recognised when the right to receive the payment is established.

#### (iv) Net gain on Fair value changes

Any realised gain or loss on sale of financial assets being investments and securities 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, and securities 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.

In case of securities held for trading being debt instruments, accrued interest component comprised in fair value is bifurcated and such accrued interest is netted and reckoned as expense/income.

### 2.7 Employee Benefits

#### (i) Short Term Benefits

All employee benefits including short term non vesting compensated absences and statutory bonus/ performance bonus/incentives payable

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

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

##### Defined Benefit Plan

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.

### 2.8 Share Based Payments

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments/option at the grant date.

The fair value at the grant date of the equity

settled share-based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. The fair value of options is determined under Black-Scholes-Merton Model by an Independent Valuer. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options outstanding reserve.

### 2.9 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.

### 2.10 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.

### 2.11 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



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

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.

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

### 2.12 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.

### 2.13 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 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.

### 2.14 Foreign Currency Transactions

#### Initial recognition:

Foreign currency transactions are translated into

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

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.

### **2.15 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.

### **2.16 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.

### **2.17 Dividends on ordinary shares**

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

### **2.18 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 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below-

**Ind AS 1 – Presentation of Financial Statements –** This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

**Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors –** This amendment has introduced a definition of accounting estimates and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

**Ind AS 12 – Income Taxes –** This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH 2023

### 3 CASH AND CASH EQUIVALENTS

(₹ in hundreds)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Cash on hand	19.55	173.70
Balances with Banks		
- In current accounts	11,535.03	392,370.86
<b>Total</b>	<b>11,554.58</b>	<b>392,544.56</b>

### 4 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in hundreds)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balances with Banks		
- In deposit accounts ( with original maturity of more than 3 months but upto 12 months )*	1,903,814.66	1,811,146.93
<b>Total</b>	<b>1,903,814.66</b>	<b>1,811,146.93</b>
* Includes lien marked as security against bank overdraft facility.	1,700,000.00	1,700,000.00

### 5 DERIVATIVE FINANCIAL INSTRUMENTS

(₹ in hundreds)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Part I		
- Equity Linked Derivatives	-	-
<b>Total Derivative financial instruments</b>	<b>-</b>	<b>-</b>
Part II		
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows	-	-
- Fair value hedging	-	-
- Cash flow hedging	-	-
<b>Total Derivative financial instruments</b>	<b>-</b>	<b>-</b>

#### 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.

### 6 SECURITIES HELD FOR TRADING

(₹ in hundreds)

Particulars	As at 31st March, 2023	As at 31st March, 2022
At fair value through profit or loss		
- Equity shares - Unquoted	71,500.00	-
<b>Total</b>	<b>71,500.00</b>	<b>-</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
AS AT 31ST MARCH 2023

**7 TRADE RECEIVABLES**

(₹ in hundreds)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Receivables considered good - Unsecured	11,020.17	10,531.30
<b>Total</b>	<b>11,020.17</b>	<b>10,531.30</b>

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

**Trade Receivables ageing schedule as at 31st March, 2023**

(₹ in hundreds)

Particulars	Outstanding for following periods from the date of transaction					Total
	Less than 6 months	6 months - 1 year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Undisputed Trade receivables - considered good	11,020.17	-	-	-	-	11,020.17

**Trade Receivables ageing schedule as at 31st March, 2022**

(₹ in hundreds)

Particulars	Outstanding for following periods from the date of transaction					Total
	Less than 6 months	6 months - 1 year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Undisputed Trade receivables - considered good	10,531.30	-	-	-	-	10,531.30

**8 LOANS**

(₹ in hundreds)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Others - Loan against share facility</b>		
<b>At amortised cost</b>		
<u>Secured</u>		
- Secured by Tangible assets (Securities)	4,699,970.78	3,936,425.10
<b>Total (I) - Gross</b>	<b>4,699,970.78</b>	<b>3,936,425.10</b>
Less : Impairment loss allowance	(11,749.93)	(9,841.06)
<b>Total (I) - Net</b>	<b>4,688,220.85</b>	<b>3,926,584.04</b>
<u>Un-secured</u>		
i) Others	-	34.15
<b>Total (II) - Gross</b>	<b>-</b>	<b>34.15</b>
Less : Impairment loss allowance	-	(0.09)
<b>Total (II) - Net</b>	<b>-</b>	<b>34.06</b>
<b>Loans in India</b>	<b>4,688,220.85</b>	<b>3,926,618.10</b>
i) Public Sector	-	-
ii) Others	4,699,970.78	3,936,459.25
<b>Total - Gross</b>	<b>4,699,970.78</b>	<b>3,936,459.25</b>
Less: Impairment loss allowance	(11,749.93)	(9,841.15)
<b>Total - Net</b>	<b>4,688,220.85</b>	<b>3,926,618.10</b>
<b>Loans outside India</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>4,688,220.85</b>	<b>3,926,618.10</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
AS AT 31ST MARCH 2023

9 INVESTMENTS

(₹ in hundreds)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>(A) At Fair value through Profit &amp; Loss</b>		
In Equity instruments	108,470.00	-
<b>Total (A)</b>	<b>108,470.00</b>	<b>-</b>
<b>(B) At Cost</b>		
<b>Investment in Equity instruments</b>	50,049.96	50,049.96
Less: Impairment loss allowance	50,049.96	50,049.96
<b>Net Investment in Equity instruments (i)</b>	<b>-</b>	<b>-</b>
<b>Investment in associate</b>		
- Equity Shares	42,342.83	72,093.03
Less: Impairment loss allowance	-	-
	42,342.83	72,093.03
- Preference Shares	96,000.00	-
<b>Net Investment in Associate(ii)</b>	<b>138,342.83</b>	<b>72,093.03</b>
<b>Total (B) = (i+ii)</b>	<b>138,342.83</b>	<b>72,093.03</b>
<b>Total (A+B)</b>	<b>246,812.83</b>	<b>72,093.03</b>
ii) Investments in India	246,812.83	72,093.03
ii) Investments outside India	-	-
<b>Total</b>	<b>246,812.83</b>	<b>72,093.03</b>

Notes:

- Company had made an investments in Equity shares of Prothom Industries Private Limited. (PIPL) in prior years and during the financial year 2017-18, provision for diminution for the entire investment amount of ₹ 50,049.96 hundreds was made since PIPL closed its business operations due to continued losses.
- Summarised aggregated financial information of the Company's share in associate: Finlearn Edutech Pvt Ltd (incorporated in India)

(₹ in hundreds)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Non current assets	92,996.43	101,306.70
Current assets	120,991.15	76,860.55
<b>Total assets</b>	<b>213,987.58</b>	<b>178,167.25</b>
Non current liabilities	(12,988.63)	-
Current liabilities	(23,809.79)	(26,870.24)
<b>Total liabilities</b>	<b>(36,798.42)</b>	<b>(26,870.24)</b>
Net Assets	177,189.16	151,297.01
Less: Equity component of redeemable non convertible Preference Share capital	83,022.04	-
<b>Net Assets</b>	<b>94,167.12</b>	<b>151,297.01</b>
Proportion of the Company's ownership	44.96562%	47.65000%
<b>Company's share of net assets / Carrying amount of interest in associate</b>	<b>42,342.83</b>	<b>72,093.03</b>
Total Income	61,214.41	101,631.31

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
AS AT 31ST MARCH 2023

(₹ in hundreds)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Profit/(loss) before Tax	(207,913.68)	(215,216.50)
- Deferred Tax / (Benefit)	-	1,790.42
Loss After Tax for the Year	(207,913.68)	(217,006.92)
Other comprehensive income/(Loss)	783.79	(1,831.83)
Total comprehensive income/(Loss)	(207,129.89)	(218,838.75)
Company's share of profit/(loss)		
- Current year	(93,489.68)	(102,550.66)
- Earlier year due to change in share holding	13,303.21	(15,892.51)
	<b>(80,186.47)</b>	<b>(118,443.17)</b>
Share of Deferred tax liability from Associate	-	853.14
<b>Total Share of (Loss) from Associate</b>	<b>(80,186.47)</b>	<b>(119,296.31)</b>
Company's share of other comprehensive income		
- Current year	352.44	(872.87)
- Earlier year due to change in share holding	83.83	(73.75)
	436.27	(946.62)
<b>Company's share of total comprehensive income/(loss)</b>	<b>(79,750.20)</b>	<b>(120,242.93)</b>

**10 OTHER FINANCIAL ASSETS**

(₹ in hundreds)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Margin Deposit for Derivatives Transaction	65,420.60	-
Accrued interest on Fixed deposits with Broker	-	-
Other Advances	4,646.29	907.10
Income Receivable	1,808.24	3,465.57
Other Recoverables	-	-
<b>Total</b>	<b>71,875.13</b>	<b>4,372.67</b>

**11 CURRENT TAX ASSETS (NET)**

(₹ in hundreds)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Income tax paid (net of provision for tax)	14,292.65	10,487.30
<b>Total</b>	<b>14,292.65</b>	<b>10,487.30</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
AS AT 31ST MARCH 2023

**12 PROPERTY, PLANT AND EQUIPMENT**

(₹ in hundreds)

	Computers	Total
<b>Gross Block (At Cost)</b>		
As at 1st April 2021	4,352.00	4,352.00
Additions	35,582.00	35,582.00
Disposals	-	-
<b>As at 31st March, 2022</b>	<b>39,934.00</b>	<b>39,934.00</b>
Additions	-	-
Disposals	-	-
<b>As at 31st March, 2023</b>	<b>39,934.00</b>	<b>39,934.00</b>
<b>Accumulated depreciation</b>		
As at 1st April 2021	3,466.72	3,466.72
Charge for the year	6,754.75	6,754.75
Disposals	-	-
<b>As at 31st March, 2022</b>	<b>10,221.47</b>	<b>10,221.47</b>
Charge for the year	11,594.67	11,594.67
Disposals	-	-
<b>As at 31st March, 2023</b>	<b>21,816.14</b>	<b>21,816.14</b>
<b>Net Block</b>		
<b>As at 31st March, 2022</b>	<b>29,712.53</b>	<b>29,712.53</b>
<b>As at 31st March, 2023</b>	<b>18,117.86</b>	<b>18,117.86</b>

Note:

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.

**13 OTHER NON FINANCIAL ASSETS**

(₹ in hundreds)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deposits - Others	1,600.00	1,600.00
Prepaid expenses	246.28	186.00
<b>Total</b>	<b>1,846.28</b>	<b>1,786.00</b>

**14 PAYABLES**

(₹ in hundreds)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>(I) Trade Payables</b>		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
AS AT 31ST MARCH 2023

(₹ in hundreds)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>(II) Other Payables</b>		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	5,731.24	11,620.24
<b>Total</b>	<b>5,731.24</b>	<b>11,620.24</b>

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	-	-

**Trade Payables ageing schedule as at 31st March, 2023**

(₹ in hundreds)

Particulars	Outstanding for following periods from the date of transaction				Total
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(I) MSME - undisputed	-	-	-	-	-
(II) Others - undisputed	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Trade Payables ageing schedule as at 31st March, 2022**

(₹ in hundreds)

Particulars	Outstanding for following periods from the date of transaction				Total
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(I) MSME - undisputed	-	-	-	-	-
(II) Others - undisputed	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

(₹ in hundreds)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>At Amortised Cost</b>		
<b>Loan from related parties</b>		
- Fellow Subsidiary - Emkay Investment Managers Limited	600,000.00	-
<b>Loan Repayable on Demand</b>		
- Overdraft from Bank - Secured by lien on deposit with bank	1,496,913.89	1,099,076.30
<b>Total</b>	<b>2,096,913.89</b>	<b>1,099,076.30</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
AS AT 31ST MARCH 2023

Continue...

(₹ in hundreds)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(A) Out of above		
Borrowings in India	2,096,913.89	1,099,076.30
Borrowings outside India	-	-
	<b>2,096,913.89</b>	<b>1,099,076.30</b>
(B) Out of above		
Secured (against Deposit with Bank)	1,496,913.89	1,099,076.30
Unsecured	600,000.00	-
<b>Total</b>	<b>2,096,913.89</b>	<b>1,099,076.30</b>

**16 OTHER FINANCIAL LIABILITIES**

(₹ in hundreds)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advances received	26.45	3,526.61
<b>Total</b>	<b>26.45</b>	<b>3,526.61</b>

**17 CURRENT TAX LIABILITIES(NET)**

(₹ in hundreds)

Particulars	As at 31st March, 2023	As at 31st March, 2022
For taxation (net of taxes paid)	-	9,122.01
<b>Total</b>	<b>-</b>	<b>9,122.01</b>

**18 PROVISIONS**

(₹ in hundreds)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for Employees Benefits		
- Gratuity	-	520.08
- Compensated absences	177.54	417.86
- Bonus and Incentive	1,750.00	9,547.39
Others		
- Provision for Non-fund based Exposure	7,285.31	7,731.82
- Provision for Expenses	2,360.00	6,490.00
<b>Total</b>	<b>11,572.85</b>	<b>24,707.15</b>

**19 OTHER NON FINANCIAL LIABILITIES**

(₹ in hundreds)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Statutory dues payable	5,439.66	3,050.81
<b>Total</b>	<b>5,439.66</b>	<b>3,050.81</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
AS AT 31ST MARCH 2023

**20 EQUITY**

(₹ in hundreds)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>EQUITY SHARE CAPITAL</b>		
<b>Authorised:</b>		
22,000,000 ( P.Y. 22,000,000 ) Equity Shares of ₹ 10/- each	2,200,000.00	2,200,000.00
5,000,000 ( P.Y. 5,000,000 ) 9% Non-convertible Redeemable Preference shares of ₹ 10/- each	500,000.00	500,000.00
	<b>2,700,000.00</b>	<b>2,700,000.00</b>
<b>Issued, subscribed and fully paid up</b>		
Equity shares		
16,502,200 ( P.Y. 22,000,000 ) Equity Shares of ₹ 10/- each fully paid up *	1,650,220.00	2,200,000.00
<b>Total Equity</b>	<b>1,650,220.00</b>	<b>2,200,000.00</b>

\* Net of buyback of equity shares (Refer note no. 20 (g))

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

(₹ in hundreds)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No of Shares	Amount	No of Shares	Amount
<b>Equity Shares</b>				
At the beginning of the year	22,000,000	2,200,000.00	22,000,000	2,200,000.00
Add: Shares issued during the year	-	-	-	-
Less: Buyback of equity shares during the reporting period (Refer note no. 20 (g))	5,497,800	549,780.00	-	-
<b>At the end of the year</b>	<b>16,502,200</b>	<b>1,650,220.00</b>	<b>22,000,000</b>	<b>2,200,000.00</b>

**b. Terms/rights attached to issued, subscribed and paid-up equity shares**

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

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

**c. Shares held by holding company**

The entire 16,502,200 (P.Y. 22,000,000) equity shares of ₹ 10 each fully paid up are held by Holding Company Emkay Global Financial Services Limited and its nominees

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

Name of the shareholder	As at 31st March, 2023		As at 31st March, 2022	
	No of Shares	% held	No of Shares	% held
<b>Equity Shares of ₹ 10 each fully paid</b>				
Emkay Global Financial Services Limited (Holding Company) and its nominees.	16,502,200	100	22,000,000	100

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH 2023

- e. The Company maintains and actively managed capital base to cover risks inherent in the business and meets the Net Owned Fund (NOF) requirements of the Reserve Bank of India (RBI). The adequacy of the company's capital is monitored using among other measures, the regulations issued by RBI. The company has complied in full with all its externally imposed capital requirements over the reported period. The primary objectives of the company's capital management policy are to ensure that the company complies with externally imposed capital requirements and maintains healthy capital ratios in order to support its business and to maximize shareholder value. The funding requirements are met through equity, and borrowings. The company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. No changes have been made to the objectives, policies and processes from the previous years. However they are under constant review by the Board.

### f. Details of shares held by promoters as at 31st March, 2023

Name of the Promoters	No. of shares	% of total shares	% change during the year
Emkay Global Financial Services Limited (Holding Company) and its nominees *	16,502,200	100	-
<b>Total</b>	<b>16,502,200</b>	<b>100</b>	<b>-</b>

\* Changes in number of shares held due to buyback of equity shares during the year by the company (Refer note no. 20 (g))

### Details of shares held by promoters as at 31st March, 2022

Name of the Promoters	No. of shares	% of total shares	% change during the year
Emkay Global Financial Services Limited (Holding Company) and its nominees	22,000,000	100	-
<b>Total</b>	<b>22,000,000</b>	<b>100</b>	<b>-</b>

- g. Pursuant to special resolution passed at Extra Ordinary General Meeting of the members of the Company held on 24th January, 2023, the Company has bought back its 54,97,800 fully paid up Equity shares of ₹ 10/- each (representing 24.99 % of the total issued and paid-up equity share capital of the Company ) at a price of ₹ 10/- per equity share for an aggregate consideration of ₹ 549,780.00 hundreds sourced out of its retained earnings during the year. Formalities pertaining to extinguishment of the shares bought back were completed on March 21st, 2023. In terms of provisions of section 69 of the Companies Act, 2013, an amount of ₹ 549,780.00 hundreds (representing the nominal value of the shares bought back) have been transferred from Retained Earnings to Capital Redemption Reserve Account. Consequent to above buyback, Issued, Subscribed and paid up Equity Share capital of the Company has reduced by 54,97,800 fully paid up Equity shares of ₹ 10/- each amounting to ₹ 549,780.00 hundreds.

## 21 OTHER EQUITY

(₹ in hundreds)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Retained Earnings</b>		
Balance at the Beginning of the Reporting Period	1,608,089.79	1,290,505.00
Add: Profit for the year	357,040.64	701,805.07
Amount Available for Appropriation	<b>1,965,130.43</b>	<b>1,992,310</b>
Less: Appropriations		
Less: Amount transferred to Special Reserve u/s 45-IC of the Reserve Bank of India Act, 1934	71,408.13	164,220.28
Less: Dividend paid	-	220,000.00
Less: Transfer to Capital Redemption Reserve during the year pursuant to buyback of equity shares (Refer note no. 20 (g))	549,780.00	-

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH 2023

Continue...

(₹ in hundreds)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balance at the End of the Reporting Period	<b>1,343,942.30</b>	<b>1,608,089.79</b>
<b>Special Reserve u/s 45-IC of the RBI Act 1934</b>		
Balance at the Beginning of the Reporting Period	889,361.59	725,141.31
Add: Transfer from Retained Earnings	71,408.13	164,220.28
Balance at the End of the Reporting Period	<b>960,769.72</b>	<b>889,361.59</b>
<b>Capital Redemption Reserve</b>		
Balance at the Beginning of the Reporting Period	500,000.00	500,000.00
Add: Transferred from Retained earnings during the year pursuant to buyback of equity shares (Refer note no. 20 (g))	549,780.00	-
Balance at the End of the Reporting Period	<b>1,049,780.00</b>	<b>500,000.00</b>
<b>Equity-settled Share Based Payment Reserve</b>		
Balance at the Beginning of the Reporting Period	-	5,184.30
Less: Amount Paid to Holding Company on transfer of employee*	-	5,184.30
Balance at the End of the Reporting Period	-	-
<b>Other Comprehensive Income</b>		
Balance at the Beginning of the Reporting Period	(4,919.08)	(4,215.74)
Add: Movement in Other Comprehensive Income (Net) during the year	3,613.98	(703.34)
Balance at the End of the Reporting Period	<b>(1,305.10)</b>	<b>(4,919.08)</b>
<b>Total</b>	<b>3,353,186.92</b>	<b>2,992,532.30</b>

\*on resignation of the employee consequent upon transfer to Parent Company.

### Nature and purpose of reserve

#### a) Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, special reserve under RBI Act 1934, capital redemption reserve, dividends or other distributions paid to shareholders.

#### b) Special reserve under u/s 45-IC of the RBI Act 1934

The Company creates a reserve fund in accordance with the provisions of section 45-IC of the Reserve Bank of India Act, 1934 and transfer therein an amount of equal to / more than twenty percent of its net profit of the year. Appropriation shall only be made for the purposes as may be specified by RBI from time to time and the reporting of the same to RBI shall also be made within the prescribed twenty one days from the date of such withdrawal.

#### c) Capital redemption reserve

Capital redemption reserve is created on redemption of preference shares and buyback of equity shares in accordance with provisions of the Act and shall be utilised in accordance with the Act.

#### d) Equity-settled share-based payment reserve

This reserve is created by debiting the statement of profit and loss with value of share options granted to the employees of the Company by the Parent Company.

#### e) Other comprehensive income

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
AS AT 31ST MARCH 2023

**22 INTEREST INCOME**

(₹ in hundreds)

	For the year ended 31st March, 2023	For the year ended 31st March, 2022
On financial assets measured at amortised cost:		
- On loans	474,357.50	242,404.27
- On deposits with Banks	102,964.15	91,063.29
- On others		
- margin deposits for derivative transactions	7,779.47	24,954.85
- Securities -Bonds Trading	895.02	204.97
<b>Total</b>	<b>585,996.14</b>	<b>358,627.38</b>

**23 DIVIDEND INCOME**

(₹ in hundreds)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Dividend on Investments	1,840.00	280.00
<b>Total</b>	<b>1,840.00</b>	<b>280.00</b>

**24 FEE AND COMMISSION INCOME**

(₹ in hundreds)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Referral fees	8,800.01	14,659.77
<b>Total</b>	<b>8,800.01</b>	<b>14,659.77</b>

**25 NET GAIN ON FAIR VALUE CHANGES**

(₹ in hundreds)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>(A) Net gain on financial instruments at fair value through profit or loss</b>		
<b>(i) On trading portfolio</b>		
- Investments	(10,510.67)	75,959.19
- Securities	163,678.58	329,148.92
- Equity Derivatives - Index/Stock	59,029.62	515,793.09
<b>Total Net gain on fair value changes (A)</b>	<b>212,197.53</b>	<b>920,901.20</b>
Fair Value changes:		
<b>- Realised</b>		
- Investments	(1,463.33)	75,959.19
- Securities	164,128.31	329,148.92
- Equity Derivatives - Index/Stock	52,174.95	515,793.09
	214,839.93	920,901.20
<b>- Unrealised</b>		
- Investments	(9,047.34)	-
- Securities	(449.73)	-
- Equity Derivatives - Index/Stock	6,854.67	-
	(2,642.40)	-
<b>(B) Total Net gain on fair value changes to tally with (A)</b>	<b>212,197.53</b>	<b>920,901.20</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
AS AT 31ST MARCH 2023

**26 OTHER INCOME**

(₹ in hundreds)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Other Interest Income	-	1,014.27
Liability No Longer Payable	9,981.00	-
Foreign Exchange rate fluctuations gain	-	1.90
<b>Total</b>	<b>9,981.00</b>	<b>1,016.17</b>

**27 FINANCE COSTS**

(₹ in hundreds)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
On financial liabilities measured at amortised cost:		
- On borrowings other than debt securities	126,601.50	29,674.25
<b>Total</b>	<b>126,601.50</b>	<b>29,674.25</b>

**28 FEE AND COMMISSION EXPENSE**

(₹ in hundreds)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Brokerage and Commission Paid	28,141.37	77,554.11
<b>Total</b>	<b>28,141.37</b>	<b>77,554.11</b>

**29 IMPAIRMENT OF FINANCIAL INSTRUMENTS**

(₹ in hundreds)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
At amortised cost		
- On Loans	1,462.27	6,624.30
<b>Total</b>	<b>1,462.27</b>	<b>6,624.30</b>

**30 EMPLOYEE BENEFIT EXPENSE**

(₹ in hundreds)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Salaries and Other Benefits	18,937.44	51,572.14
Gratuity	347.87	845.36
Staff Welfare Expenses	568.53	703.25
<b>Total</b>	<b>19,853.84</b>	<b>53,120.75</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH 2023

### 31 DEPRECIATION EXPENSE

(₹ in hundreds)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Depreciation on Property, Plant & Equipment	11,594.67	6,754.75
<b>Total</b>	<b>11,594.67</b>	<b>6,754.75</b>

### 32 OTHER EXPENSES:

(₹ in hundreds)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Electricity	1,011.86	1,079.73
Rent	4,582.20	5,155.71
Repairs and Maintenance		
- Others	7,729.83	6,369.37
Communication Expenses	99.70	214.14
Travelling and Conveyance	11.83	479.99
Printing and Stationery	185.51	79.42
Advertisement and business promotion	200.00	-
Legal and Professional Fees	4,130.01	10,639.44
Membership and Subscription	118.00	177.00
Payments to Statutory Auditors (inclusive of GST)		
- As auditors		
Audit fee	2,360.00	2,360.00
- In other Capacity		
Limited Review and Certification	1,982.40	1,392.40
Commission to Independent Directors	2,360.00	6,490.00
Loss in Share Trading	-	187.86
Miscellaneous Expenses	1,458.63	2,224.72
Corporate Social Responsibility	13,287.00	5,000.00
Depository Charges	96.05	164.40
Fees & Stamps (Net)	500.50	745.00
<b>Total</b>	<b>40,113.52</b>	<b>42,759.18</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH 2023

## 33 EARNINGS PER SHARE

Sl. No.	Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
a)	Net Profit after tax available for Equity Shareholders (₹ in hundreds)	357,040.64	701,805.07
b)	Weighted average number of Equity Shares of ₹ 10/- each outstanding during the period (No. of Shares)		
	- For Basic Earnings	21,834,313	22,000,000
	- For Diluted Earnings	21,759,001	22,000,000
c)	Basic Earnings per Equity Share (in rupees)	1.64	3.19
d)	Diluted Earnings per Equity Share (in rupees)	1.64	3.19

## 34 THE DISCLOSURES AS PER IND AS 19 - EMPLOYEE BENEFITS ARE AS FOLLOW:

### 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, 2023	As at 31st March, 2022
I	<b>Changes in present value of obligations</b>		
	Present Value of Obligations at beginning of the period	5,906.59	14,827.42
	Current Service Cost	316.43	706.22
	Interest Expense or Cost	357.09	829.75
	Re-measurement (or Actuarial) (Gain)/Loss arising from:-		
	- change in demographic assumptions	-	-
	- change in financial assumptions	79.19	397.69
	- experience variance (i.e. Actual experience vs assumptions)	(4,475.72)	(882.50)
	Benefits Paid	-	(872.40)
	Transfer In / (out)	-	(9,099.59)
	Present Value of Obligations at end of the period	2,183.58	5,906.59
II	<b>Changes in fair value of plan assets</b>		
	Fair Value of Plan Assets at beginning of the period	5,386.51	12,341.14
	Investment Income	325.65	690.61
	Employer's Contribution	520.08	2,486.28
	Transfer In / (out)	-	(9,099.59)
	Benefits Paid	-	(872.40)
	Return on plan assets, excluding amount recognized in net interest expense	(149.82)	(159.53)
	<b>Fair Value of Plan Assets at end of the period</b>	<b>6,082.42</b>	<b>5,386.51</b>
III	<b>Reconciliation of net liability/asset</b>		
	Net defined benefit liability/(asset) as at the beginning	(520.08)	(2,486.28)
	Expenses charged to statement of profit and loss	347.87	845.36
	Amount recognized in other comprehensive income	(4,246.71)	(325.28)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
AS AT 31ST MARCH 2023

Continue...

(₹ in hundreds)

Sr. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
	Employer contribution	520.08	2,486.28
	<b>Net defined benefit liability/(asset) as at the end</b>	<b>(3,898.84)</b>	<b>520.08</b>
IV	<b>Expenses recognized in Statement of Profit and Loss</b>		
	Current Service Cost	316.43	706.22
	Net Interest Cost / (Income) on the net defined benefit liability/(Asset)	31.44	139.14
	<b>Expenses recognized in Statement of Profit and Loss</b>	<b>347.87</b>	<b>845.36</b>
V	<b>Change in the Effect of Asset Ceiling</b>		
	<b>Effect of Asset Ceiling at the beginning</b>	-	-
	Interest Expense or Cost (to the extent not recognized in net interest expense)	-	-
	Re-measurements (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
	<b>Effect of Asset Ceiling as at the end</b>	-	-
VI	<b>Other Comprehensive Income</b>		
	Actuarial (gains)/losses	-	-
	- change in demographic assumptions	-	-
	- change in financial assumptions	79.19	397.69
	- experience variance (i.e. actual experience vs assumptions)	(4,475.72)	(882.50)
	Return on plan assets, excluding amount recognized in net interest expense	149.82	159.53
	<b>Components of defined benefit costs recognized in other comprehensive income</b>	<b>(4,246.71)</b>	<b>(325.28)</b>
VII	<b>Amount recognized in Balance Sheet</b>		
	Present value of obligation	2,183.58	5,906.59
	Fair value of plan assets	6,082.42	5,386.51
	<b>Surplus/(Deficit)</b>	<b>3,898.84</b>	<b>(520.08)</b>
	Effects of asset ceiling, if any	-	-
	<b>Net Asset / ( Liability )</b>	<b>3,898.84</b>	<b>(520.08)</b>
VIII	<b>Key actuarial assumptions</b>		
	Discount rate (p.a.)	7.25%	6.05%
	Salary growth rate (p.a.)	14.00%	12.00%
	Attrition/Withdrawal rates, based on age: (per annum)		
	- 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	<b>Category of plan assets</b>		
	Insurer managed funds	98.16%	97.93%
	Bank Balance	1.84%	2.07%
X	<b>Sensitivity analysis for significant assumptions is as shown below</b>		
	Discount Rate ( - 1% ) : % Change compared to base due to sensitivity	5.70%	5.30%
	Discount Rate ( + 1% ) : % Change compared to base due to sensitivity	-5.20%	-4.80%
	Salary Growth ( - 1% ) : % Change compared to base due to sensitivity	-4.90%	-4.50%
	Salary Growth ( + 1% ) : % Change compared to base due to sensitivity	5.20%	4.60%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
AS AT 31ST MARCH 2023

Continue...

(₹ in hundreds)

Sr. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
	Attrition Rate ( - 50% ) : % Change compared to base due to sensitivity	22.90%	25.30%
	Attrition Rate ( + 50% ) : % Change compared to base due to sensitivity	-9.40%	-8.60%
	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	<b>Expected Contribution during the next annual reporting period</b>		
	The Company's best estimate of Contribution during the next year	-	1,285.85
XII	<b>Maturity Profile of Defined Benefit Obligation</b>		
	Weighted average duration (based on discounted cash flows)	5 years	5 years
	Expected cash flows over the next (valued on undiscounted basis):		
	1 year	323.02	1,174.39
	2 to 5 years	1,088.82	3,235.26
	6 to 10 years	1,250.91	2,252.92
	more than 10 years	772.71	1,811.74

**35 RELATED PARTY DISCLOSURES**

**A) List of related parties**

Sr. No.	Name of Related Party	Nature of Relationship
(i)	Directors a) G C Vasudeo b) Ravikumar Krishnamurthi	Directors
(ii)	Key Management Personnel / Individuals having significant influence a) Krishna Kumar Karwa* b) Prakash Kacholia* c) Himanshu Katore (w.e.f. 5 <sup>th</sup> December, 2022) d) Abhishree Vajapurkar (upto 30 <sup>th</sup> June, 2022)	Whole-Time Director/ CFO/ Individual having significant Influence Company Secretary
(iii)	Emkay Global Financial Services Limited	Holding Company
(iv)	Emkay Commotrade Limited	Fellow Subsidiary
(v)	Emkay Investment Managers Limited	Fellow Subsidiary
(vi)	Finlearn Edutech Private Limited	Associate
(vii)	Emkay Corporate Services Private Limited	Enterprises owned/controlled by Key Management Personnel/Individuals having control or significant influence or their relatives
(viii)	Emkay Fincap Ltd Employees Group Gratuity Assurance Fund	Others

\*Mr. Prakash Kacholia resigned as CFO w. e. f. 13<sup>th</sup> May, 2022 and Mr. Krishna Kumar Karwa appointed as CFO w. e. f. 13<sup>th</sup> May, 2022

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
AS AT 31ST MARCH 2023

B) Transactions with related parties have occurred during the year

Sr. No	Particulars	Holding Company i.e. Emkay Global Financial Services Ltd		Fellow Subsidiary Company i.e. Emkay Commotrade Ltd and Emkay Investment Managers Ltd		Associate Company i.e. Finlearn Edutech Pvt Ltd		Directors/Key Management Personnel / Individuals having significant influence		Others i.e. Emkay Fincap Ltd Employees Group Gratuity Assurance Fund	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
I	Income										
a)	Interest Received										
	Emkay Global Financial Services Ltd	-	6,547.94	-	-	-	-	-	-	-	-
	Emkay Commotrade Ltd	-	-	-	26,857.54	-	-	-	-	-	-
b)	Interest Received on margin deposit (in form of FDR)	7,779.47	24,954.85	-	-	-	-	-	-	-	-
II	Expenditure										
a)	Depository Charges	96.05	129.45	-	-	-	-	-	-	-	-
b)	Rent	2,027.85	3,127.82	-	-	-	-	-	-	-	-
c)	Interest Paid										
	Emkay Global Financial Services Ltd	-	109.59	-	-	-	-	-	-	-	-
	Emkay Commotrade Ltd	-	-	41,794.53	20.55	-	-	-	-	-	-
	Emkay Investment Managers Ltd	-	-	46,972.60	479.45	-	-	-	-	-	-
d)	Commission to Director – G C Vasudeo	-	-	-	-	-	-	2,360.00	4,130.00	-	-
e)	Commission to Director–R K Krishnamurthi	-	-	-	-	-	-	-	2,360.00	-	-
f)	Salaries and Other Benefits - Siddharth Mehta	-	-	-	-	-	-	-	6,627.12	-	-
g)	Salaries and Other Benefits - Abhishree Vallapurkar	-	-	-	-	-	-	2,015.29	1,764.10	-	-
h)	Salaries and Other Benefits - Himanshu Kataré	-	-	-	-	-	-	4,228.99	-	-	-
i)	Gratuity Contribution	-	-	-	-	-	-	-	-	347.87	845.36
j)	Brokerage on Derivatives trading	269.11	3,085.86	-	-	-	-	-	-	-	-
k)	Brokerage on Share trading	10.50	16.22	-	-	-	-	-	-	-	-
III	Others										
a)	Dividend Paid	-	220,000.00	-	-	-	-	-	-	-	-
b)	Expenses Reimbursed	3,927.88	3,495.35	-	-	-	-	-	-	-	-
c)	Loans Granted										
	Emkay Global Financial Services Ltd	-	8,300,000.00	-	-	-	-	-	-	-	-
	Emkay Commotrade Ltd	-	-	-	3,695,000.00	-	-	-	-	-	-
d)	Repayment received of loans granted										
	Emkay Global Financial Services Ltd	-	8,300,000.00	-	-	-	-	-	-	-	-
	Emkay Commotrade Ltd	-	-	-	3,695,000.00	-	-	-	-	-	-
e)	Brokerage on shares bought/sold	499.07	1,250.50	-	-	-	-	-	-	-	-

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH 2023

Sr. No	Particulars	Holding Company i.e. Emkay Global Financial Services Ltd.		Fellow Subsidiary Company i.e. Emkay Commotrade Ltd and Emkay Investment Managers Ltd		Associate Company i.e. Finlearn Edutech Pvt Ltd		Directors/Key Management Personnel / Individuals having significant influence		Others i.e. Emkay Fincap Ltd Employees Group Gratuity Assurance Fund	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
f)	Loans Taken										
	Emkay Global Financial Services Ltd	-	400,000.00	-	-	-	-	-	-	-	-
	Emkay Commotrade Ltd	-	-	3,125,000.00	75,000.00	-	-	-	-	-	-
	Emkay Investment Managers Ltd	-	-	3,900,000.00	850,000.00	-	-	-	-	-	-
g)	Repayment made of loans Taken										
	Emkay Global Financial Services Ltd	-	400,000.00	-	-	-	-	-	-	-	-
	Emkay Commotrade Ltd	-	-	3,125,000.00	75,000.00	-	-	-	-	-	-
	Emkay Investment Managers Ltd	-	-	3,300,000.00	850,000.00	-	-	-	-	-	-
h)	Margin Deposit given (In form of FDR)	945,000.00	2,288,000.00	-	-	-	-	-	-	-	-
i)	Refund received of Margin Deposit given (In form of FDR)	945,000.00	2,288,000.00	-	-	-	-	-	-	-	-
j)	Expenses paid on their behalf	-	156.34	-	-	-	-	-	-	-	-
k)	Expenses paid on our behalf	-	50.00	-	-	-	-	-	-	-	-
l)	Investments made										
	-Equity Shares	-	-	-	-	50,000.00	100,000.00	-	-	-	-
	-Preference Shares	-	-	-	-	96,000.00	-	-	-	-	-
m)	Payment made for Buyback of Equity Shares	549,780.00	-	-	-	-	-	-	-	-	-
n)	Payment made for Equity-settled Share Based Payment Reserve	-	5,184.30	-	-	-	-	-	-	-	-
IV	Outstanding as on 31.03.2023										
	Investment										
	-Equity Shares	-	-	-	-	359,725.00	309,725.00	-	-	-	-
	-Preference Shares	-	-	-	-	96,000.00	-	-	-	-	-
	Commission to Director – G C Vasudeo	-	-	-	-	-	-	2,360.00	4,130.00	-	-
	Commission to Director–R K Krishnamurthi	-	-	-	-	-	-	-	2,360.00	-	-
	Employee Benefits – Gratuity – Provision/ (Advance)	-	-	-	-	-	-	-	-	(3,898.84)	520.08
	Loans Taken										
	Emkay Investment Managers Ltd	-	-	600,000.00	-	-	-	-	-	-	-
	Margin Deposit (in form of Cash Ledger)	65,420.60	-	-	-	-	-	-	-	-	-
	Trade Receivables	11,020.17	10,531.30	-	-	-	-	-	-	-	-

C) Related Parties are identified by Management and relied upon by the auditor.

D) No balance in respect of related parties has 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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH 2023

### 36 SHARE BASED PAYMENTS

Share based payments are provided to certain employees of the Company in the form of equity-settled scheme managed by the Parent Company. The Employees Stock Options Plan (ESOP), 2018 has been established by the Parent Company. The Scheme provides that certain employees of the Company are granted an option to subscribe to equity share of the Parent Company that vests on the satisfaction of vesting conditions.

During the previous year ended March 31<sup>st</sup> 2022, the liability against Share Based Payment Reserve amounting to ₹ .5,184.30 hundreds was discharged by payment to the parent company of the equivalent amount. upon resignation of the employee, to whom Employees Stock Options of the parent company were granted, before the vesting conditions are met by him, from the Company consequent upon transfer of services of the said employee to the Parent Company.

### 37 SEGMENT INFORMATION

#### a. Business Segment

The Chief Operating Decision Maker (CODM) monitors the operating results of the business segment separately for the purpose of making decision about resource allocation and performance assessment. The operating segment has been identified considering the nature of services, the differing risks and returns, the organization structure and internal financial reporting system. Business segment has been considered as the primary segment for disclosure. The primary business of the Company related to one business segment namely "Financing and Investment Activities" therefore primary business segment reporting as required by Ind AS 108 "Segment Reporting" is not applicable.

#### b. Geographical Segment

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

### 38 OPERATING LEASE

The company is occupying part of a premises owned by the Parent company for which rent of ₹ 2,027.85 hundreds (P.Y. ₹ 3,127.82 hundreds) has been paid to it and is also occupying part of another premises taken on operating lease by the Parent company for which ₹ 2,554.35 hundreds (P.Y. ₹ 2,027.89 hundreds) has been reimbursed to it.

### 39 FINANCIAL INSTRUMENTS:

I. The carrying value and financial instruments by categories as of March 31, 2023 is as follows:

Particulars	Measured at			Total Carrying Value
	Amortised Cost	Fair value through P&L	Fair value through OCI	
<b>Financial assets</b>				
Cash and cash equivalents	11,554.58	-	-	11,554.58
Bank balance other than above	1,903,814.66	-	-	1,903,814.66
Derivative financial instruments	-	-	-	-
Securities held for trading	71,500.00	-	-	71,500.00
Trade receivables	11,020.17	-	-	11,020.17
Loans	4,688,220.85	-	-	4,688,220.85
Investments (excluding associate)	-	108,470.00	-	108,470.00
Other financial assets	71,875.13	-	-	71,875.13
<b>Total</b>	<b>6,757,985.39</b>	<b>108,470.00</b>	<b>-</b>	<b>6,866,455.39</b>



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
AS AT 31ST MARCH 2023

(₹ in hundreds)

Particulars	Measured at			Total Carrying Value
	Amortised Cost	Fair value through P&L	Fair value through OCI	
<b>Financial liabilities</b>				
Derivative financial instruments	-	-	-	-
Trade payables	-	-	-	-
Other payables	5,731.24	-	-	5,731.24
Borrowings ( other than Debt securities )	2,096,913.89	-	-	2,096,913.89
Other financial liabilities	26.45	-	-	26.45
<b>Total</b>	<b>2,102,671.58</b>	<b>-</b>	<b>-</b>	<b>2,102,671.58</b>

II. 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	
<b>Financial assets</b>				
Cash and cash equivalents	392,544.56	-	-	392,544.56
Bank balance other than above	1,811,146.93	-	-	1,811,146.93
Derivative financial instruments	-	-	-	-
Trade receivables	10,531.30	-	-	10,531.30
Loans	3,926,618.10	-	-	3,926,618.10
Investments (excluding associate)	-	-	-	-
Other financial assets	4,372.67	-	-	4,372.67
<b>Total</b>	<b>6,145,213.56</b>	<b>-</b>	<b>-</b>	<b>6,145,213.56</b>
<b>Financial liabilities</b>				
Derivative financial instruments	-	-	-	-
Trade payables	-	-	-	-
Other payables	11,620.24	-	-	11,620.24
Borrowings ( other than Debt securities )	1,099,076.30	-	-	1,099,076.30
Other financial liabilities	3,526.61	-	-	3,526.61
<b>Total</b>	<b>1,114,223.15</b>	<b>-</b>	<b>-</b>	<b>1,114,223.15</b>

**Fair value hierarchy:**

**Financial Assets Measured at Fair Value-**

(₹ in hundreds)

As at March 31, 2023	Level 1	Level 2	Level 3	Total
<b>Financial instruments</b>				
Investments : Equity Shares	108,470.00	-	-	108,470.00
			(* refer note below)	
<b>Total</b>	<b>108,470.00</b>	<b>-</b>	<b>-</b>	<b>108,470.00</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
AS AT 31ST MARCH 2023

(₹ in hundreds)

As at March 31, 2022	Level 1	Level 2	Level 3	Total
<b>Financial instruments</b>				
Investments : Equity Shares	-	-	-	-
			(* refer note below)	
<b>Total</b>	-	-	-	-

\* Investments under level 3 above includes investment in unquoted equity shares of ₹ 50,049.96 hundreds (March 31, 2022: ₹ 50,049.96 hundreds) whose fair value is considered as ₹ NIL based on the financial health of the Investee Company

I. Valuation techniques used to determine fair value

- Quoted equity investments – Quoted closing price on stock exchange.
- Unquoted equity investments – Based on financial health of the investee company

II. Financial instruments not measured at fair value

Financial assets not measured at fair value include cash and cash equivalents, Bank balance other than cash and cash equivalents, trade receivables, loans and other financial assets. These are financial assets whose carrying amounts approximate fair value, due to their short term nature.

Additionally, financial liabilities such as trade and other payables, borrowings and other financial liabilities are not measured at FVTPL, whose carrying amounts approximate fair value, because of their short term nature.

**40 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:

- Credit risk
- Liquidity risk
- Market risk

**a) Credit risk**

It is risk of financial loss 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, loans, investments and other financial assets which comprise mainly of income and other receivables.

The maximum exposure to credit risk at the reporting date is primarily from Company's trade receivable and loans.

Following provides exposure to credit risks for trade receivables and loans:

**Trade receivable:**

The Company has followed simplified method of Expected Credit Loss (ECL) in case of Trade receivables and the Company recognises lifetime expected losses for all trade receivables that do not constitute a financing transaction. At each reporting date, the Company assesses the impairment requirements.

**Loans:**

(₹ in hundreds)

Particulars	As at	
	31st March, 2023	31st March, 2022
Loans ( net of impairment )	4,688,220.85	3,926,618.10

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH 2023

Loans comprise of Loan against securities (LAS) for which staged approach is followed for determination of ECL.

Stage 1 : All standard loans in LAS loan book upto 30 days past due (DPD) are considered as Stage 1 assets for computation of expected credit loss.

Stage 2 : Exposure under stage 2 include under-performing loans having 31 to 90 days past due (DPD).

Stage 3 : Exposures under stage 3 include non-performing loans with overdue more than 90 days past due (DPD).

Based on historical data, the company assigns Probability of Default (PD) to stage 1 and stage 2 and applies it to the Exposure at Default (EAD) to compute the ECL. For Stage 3 assets PD is considered as 100%.

Following table provides information about exposure to credit risk and ECL on Loan

(₹ in hundreds)

Bucketing ( Stage )	31st March, 2023		31st March, 2022	
	Carrying Value	ECL	Carrying Value	ECL
Stage 1	4,699,970.78	11,749.93	3,936,459.25	9,841.15
Stage 2	-	-	-	-
Stage 3	-	-	-	-
<b>Total</b>	<b>4,699,970.78</b>	<b>11,749.93</b>	<b>3,936,459.25</b>	<b>9,841.15</b>

Movement in the allowances for impairment in respect of loans is as follows:

(₹ in hundreds)

Particulars	Fund Based		Non-Fund Based	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Opening Balance	9,841.15	6,904.05	7,731.82	4,044.62
Net re-measurement of loss allowance	1,908.78	2,937.10	(446.51)	3,687.20
Closing Balance	11,749.93	9,841.15	7,285.31	7,731.82

### Other financial assets considered to have a low credit risk:

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks with high ratings. Investments comprise of Quoted Equity instruments of good companies and diversified portfolio and Mutual Funds which are market tradable.

### b) Liquidity risk

Liquidity risk is the risk that the entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The entity's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to entity's reputation.

Prudent liquidity risk management requires sufficient cash and marketable securities and availability of funds through adequate committed credit facilities to meet obligations when due and close out market positions.

The Company has a view of maintaining liquidity with minimal risks while making investments. The Company invests its surplus funds in short term liquid assets such as bank deposits and/or short term liquid debt funds of Mutual Funds. The Company monitors its cash and bank balances periodically in view of its short term obligations associated with its financial liabilities.

Refer note no.44 for analysis of maturities of financial assets and financial liabilities.

### c) Market Risk

Market risk arises when movements in market factors (interest rates, credit spreads and equity prices) impact the Company's income or market value of its portfolios. The Company, in its course of business, is exposed to market risk due to change in equity prices, and interest rates. The objective of market risk management is to maintain an acceptable level of market risk exposure while aiming to maximize returns.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH 2023

### (i) Equity Price risk

The Company's exposure to equity price risk arises primarily on account of its own investment which it manages by investing in quoted Equity instruments of good companies and diversified portfolio and Mutual Funds tradable in market. The risk on account of equity shares placed by the clients with the Company as margin, is managed by following the selection criteria as approved by the board in Company's Risk Policy for such equity shares.

### (ii) Interest rate risk

The Company is exposed to Interest rate risk if the fair value or future cash flows of its financial instruments will fluctuate as a result of changes in market interest rates. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates.

The Company's interest rate risk arises from interest bearing deposits with bank and loan given to customers. Such instrument exposes the Company to fair value interest rate risk. Management believes that the interest rate risk attached to these financial assets is not significant due to the nature of these financial assets.

## 41 DISCLOSURE AS PER IND-AS 1 ON CAPITAL MANAGEMENT

The Company's objective for capital management is to maximize shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on its business needs and believes in conservative leverage policy. The funding requirements are met through equity, operating cash flows generated and need based borrowings for short term.

In addition to above the Company is required to maintain a minimum net owned fund as prescribed by Non-Banking Financial Company – Non-Systematically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 as amended from time to time. The management ensures that this is complied with at all times.

## 42 TAX RECONCILIATION DISCLOSURE

### A. Income tax expense consists of the following:

(₹ in hundreds)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Current Income Tax	152,931.00	255,918.00
Deferred Tax	307.00	6,804.00
<b>Total tax for current year</b>	<b>153,238.00</b>	<b>262,722.00</b>
Tax Relating to Earlier Years	582.40	(4,806.20)
<b>Tax expense for the year</b>	<b>153,820.40</b>	<b>257,895.80</b>

### B. Amounts recognised in other comprehensive income

(₹ in hundreds)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
<b>Items that will not be reclassified to profit or loss</b>		
Actuarial gain/(loss) on defined benefit plans	4,246.71	325.28
Share of Actuarial gain/(loss) on defined benefit plan of Associate	401.56	(946.62)
Income tax relating to items that will not be reclassified to profit or loss	(1,069.00)	(82.00)
<b>Total</b>	<b>3,579.27</b>	<b>(703.34)</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH 2023

### C. (i) 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, 2023	Year ended 31st March, 2022
Profit before share of profit/(loss) from associate and tax	591,047.51	1,078,997.18
Enacted Tax Rate in India (%)	25.168%	25.168%
Expected Income Tax Expenses	148,754.84	271,562.01
Tax Effect of Adjustments to Reconcile Expected Income Tax Expenses to Reported Income Tax Expenses		
Expenses/deductions allowable for Tax Purpose	(3,684.78)	(2,211.82)
Non Deductible Expenses for Tax Purpose	6,521.49	3,482.27
Fair value changes of Investments	368.29	(19,117.41)
Loss brought forward set off for tax purpose	(5.44)	-
Loss carried forward for tax purpose	-	47.28
IND AS Adjustments	1,033.06	1,667.20
Others (Net)	(56.45)	488.47
Deferred Tax impact	307.00	6,804.00
<b>Total</b>	<b>4,483.17</b>	<b>(8,840.01)</b>
<b>Total Income Tax Expenses</b>	<b>153,238.00</b>	<b>262,722.00</b>
- Current Tax	152,931.00	255,918.00
- Deferred Tax charge	307.00	6,804.00
Effective Tax rate	25.93%	24.35%

- (ii) The Company had elected to exercise the option of lower tax rate permitted under section 115BAA of the Income Tax Act, 1961. Accordingly, the Company is making Provision for Current Tax and Deferred Tax basis the rate prescribed in the said section.

### D. Deferred Tax Disclosure

#### Movement in deferred tax Assets / (Liabilities):

(₹ in hundreds)

Particulars	Provisions	Depreciation and Amortisation	Investments at Fair Value through Profit & Loss	Unabsorbed losses	Disallowances	Total
<b>As at 31st March, 2021</b>	<b>3,068.00</b>	<b>(18.50)</b>	<b>26,258.00</b>	<b>61,839.50</b>	<b>-</b>	<b>91,147.00</b>
(Charge)/Benefit to Statement of Profit and Loss	1,875.00	173.00	(26,258.00)	17,406.00	-	(6,804.00)
<b>As at 31st March, 2022</b>	<b>4,943.00</b>	<b>154.50</b>	<b>-</b>	<b>79,245.50</b>	<b>-</b>	<b>84,343.00</b>
(Charge)/Benefit to Statement of Profit and Loss	(152.00)	3.00	(572.00)	218.00	196.00	(307.00)
<b>As at 31st March, 2023</b>	<b>4,791.00</b>	<b>157.50</b>	<b>(572.00)</b>	<b>79,463.50</b>	<b>196.00</b>	<b>84,036.00</b>

- 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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH 2023

### 44 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, 2023		
	Total	Within 12 months	After 12 Months
<b>Assets</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	11,554.58	11,554.58	-
Bank balance other than above	1,903,814.66	-	1,903,814.66
Derivative financial instruments	-	-	-
Securities held for trading	71,500.00	71,500.00	-
Trade receivables	11,020.17	11,020.17	-
Loans	4,688,220.85	4,688,220.85	-
Investments	246,812.83	-	246,812.83
Other financial assets	71,875.13	71,875.13	-
	<b>7,004,798.22</b>	<b>4,854,170.73</b>	<b>2,150,627.49</b>
<b>Non-Financial Assets</b>			
Current tax assets (net)	14,292.65	-	14,292.65
Deferred tax assets (net)	84,036.00	-	84,036.00
Property, plant and equipment	18,117.86	-	18,117.86
Other non-financial assets	1,846.24	246.28	1,600.00
	<b>118,292.79</b>	<b>246.28</b>	<b>118,046.51</b>
<b>Total Assets</b>	<b>7,123,091.01</b>	<b>4,854,417.01</b>	<b>2,268,674.00</b>
<b>Liabilities</b>			
<b>Financial Liabilities</b>			
Derivative financial instruments	-	-	-
Trade payable	-	-	-
Other payable	5,731.24	5,731.24	-
Borrowings (Other than Debt security )	2,096,913.89	2,096,913.89	-
Other financial liabilities	26.45	26.45	-
	<b>2,102,671.58</b>	<b>2,102,671.58</b>	<b>-</b>
<b>Non-Financial Liabilities</b>			
Current tax liabilities (net)	-	-	-
Provisions	11,572.85	11,572.85	-
Other non-financial liabilities	5,439.66	5,439.66	-
	<b>17,012.51</b>	<b>17,012.51</b>	<b>-</b>
<b>Total Liabilities</b>	<b>2,119,684.09</b>	<b>2,119,684.09</b>	<b>-</b>
<b>Net</b>	<b>5,003,406.92</b>	<b>2,734,732.92</b>	<b>2,268,674.00</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
AS AT 31ST MARCH 2023

(₹ in hundreds)

Particulars	As at March 31, 2022		
	Total	Within 12 months	After 12 Months
<b>Assets</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	392,544.56	392,544.56	-
Bank balance other than above	1,811,146.93	-	1,811,146.93
Derivative financial instruments	-	-	-
Trade receivables	10,531.30	10,531.30	-
Loans	3,926,618.10	3,926,618.10	-
Investments	72,093.03	-	72,093.03
Other financial assets	4,372.67	4,372.67	-
	<b>6,217,306.59</b>	<b>4,334,066.63</b>	<b>1,883,239.96</b>
<b>Non-Financial Assets</b>			
Current tax assets (net)	10,487.30	-	10,487.30
Deferred tax assets (net)	84,343.00	-	84,343.00
Property, plant and equipment	29,712.53	-	29,712.53
Other non-financial assets	1,786.00	186.00	1,600.00
	<b>126,328.83</b>	<b>186.00</b>	<b>126,142.83</b>
<b>Total Assets</b>	<b>6,343,635.42</b>	<b>4,334,252.63</b>	<b>2,009,382.79</b>
<b>Liabilities</b>			
<b>Financial Liabilities</b>			
Derivative financial instruments	-	-	-
Trade payable	-	-	-
Other payable	11,620.24	11,620.24	-
Borrowings (Other than Debt security )	1,099,076.30	1,099,076.30	-
Other financial liabilities	3,526.61	3,526.61	-
	<b>1,114,223.15</b>	<b>1,114,223.15</b>	<b>-</b>
<b>Non-Financial Liabilities</b>			
Current tax liabilities (net)	9,122.01	9,122.01	-
Provisions	24,707.15	24,707.15	-
Other non-financial liabilities	3,050.81	3,050.81	-
	<b>36,879.97</b>	<b>36,879.97</b>	<b>-</b>
<b>Total Liabilities</b>	<b>1,151,103.12</b>	<b>1,151,103.12</b>	<b>-</b>
<b>Net</b>	<b>5,192,532.30</b>	<b>3,183,149.51</b>	<b>2,009,382.79</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH 2023

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

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	(₹ . in hundreds)	As % of Consolidated Profit or Loss	(₹ . in hundreds)	As % of Consolidated Other Comprehensive income	(₹ . in hundreds)	As % of Consolidated Total Comprehensive income	(₹ . in hundreds)
	<b>Parent</b>								
	Emkay Fincap Limited	99.15%	4,961,064.09	122.46%	437,227.11	87.93%	3,177.71	122.11%	440,404.82
	<b>Associate</b>								
	Finlearn Edutech Private Limited	0.85%	42,342.83	(-) 22.46%	(80,186.47)	12.07%	436.27	(-) 22.11%	(79,750.20)
<b>31/03/2023</b>	<b>Total</b>	<b>100.00%</b>	<b>5,003,406.92</b>	<b>100.00%</b>	<b>357,040.64</b>	<b>100.00%</b>	<b>3,613.98</b>	<b>100.00%</b>	<b>360,654.62</b>
	<b>Parent</b>								
	Emkay Fincap Limited	98.61%	5,120,439.27	117.00%	821,101.38	34.59%	243.28	117.15%	821,344.66
	<b>Associate</b>								
	Finlearn Edutech Private Limited	1.39%	72,093.03	(-) 17.00%	(119,296.31)	(-)134.59%	(946.62)	(-) 17.15%	(120,242.93)
<b>31/03/2022</b>	<b>Total</b>	<b>100.00%</b>	<b>5,192,532.30</b>	<b>100.00%</b>	<b>701,805.07</b>	<b>100.00%</b>	<b>(703.34)</b>	<b>100.00%</b>	<b>701,101.73</b>

### 46 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

Name of associate	Latest audited 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 (₹ in hundreds)	Profit/(loss) for the year Considered in consolidation (₹ in hundreds)
			Nos.	Amount of investment in associate (₹ in hundreds)	Extent of holding %		
Finlearn Edutech Private Limited	31/03/2023	31/12/2019	3,597,250	359,725.00	44.97%	42,342.83	(80,186.47)
Finlearn Edutech Private Limited	31/03/2022	31/12/2019	3,097,250	309,725.00	47.65%	72,093.03	(119,296.31)

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

### 47 DIVIDENDS

The company paid interim dividend of ₹ 1.00 per equity share aggregating to ₹ 220,000.00 hundred during the previous year ended March 31, 2022.

Dividends declared by the Company are based on the profit available for distribution.

### 48 The company has utilized the borrowings obtained from banks for the specific purpose for which it was obtained as at the balance sheet date.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH 2023

### **49** ADDITIONAL REGULATORY INFORMATION REQUIRED PURSUANT TO PART I AND II OF DIVISION III OF SCHEDULE III TO THE ACT:

- a) The company does not have any investment property as at 31st March, 2023 as well as 31st March, 2022.
- b) The Company has not revalued its Property, Plant and Equipment during the current or previous year.
- c) The company does not have any intangible assets during the current or previous year.
- d) The Company has not granted any loans or advances in the nature of loans to its promoter, directors, KMPs and the related parties, either severally or jointly with any other person, during the current or previous year which are repayable on demand or without specifying any terms or period of repayment.
- e) There are no capital work- in- progress as at 31st March, 2023 as well as 31st March, 2022.
- f) There are no Intangible assets under development as at 31st March, 2023 as well as 31st March, 2022.
- g) 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.
- h) The Company has been sanctioned working capital limits by a bank on the basis of security of deposits held by the company with the said bank disclosed under “ Bank balance other than cash and cash equivalents” in the consolidated financial statements. Due to nature of security , the company is not required to file quarterly returns or statements with the said bank .Therefore, question of quarterly returns or statements being in agreement with the books of account of the Company does not arise.
- i) The Company is not declared wilful defaulter by any bank or financial institution or other lender.
- j) There are no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- k) 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.
- l) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- m) The Company has not advanced or loaned or invested funds to any other person or entity, including foreign entity (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 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.
- n) The Company has not received any fund from any person or entity, including foreign entity (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall-
  - directly or indirectly lend or invest in other person or entity 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.
- o) 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.
- p) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

### **50** Capital commitments ( to the extent not provided for )

Uncalled liability on investment in partly paid-up preference shares ₹ 96,000.00 hundred (P.Y. ₹ Nil)

### **51** Other additional and regulatory information required pursuant to Part I and Part II of division III to Schedule III to the Act are not applicable to the company.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH 2023

**52** Figures of the previous year have been regrouped, reclassified, re-casted and rearranged wherever necessary to make them comparable with the figures of the current year.

**53** Figures in brackets represents for previous year.

### **54 EVENTS AFTER REPORTING DATE**

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

### **55 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 12, 2023.

**As per our Report of even date**  
For **S. K. LOONKER & COMPANY**  
CHARTERED ACCOUNTANTS  
Firm Registration No.105653W

**(CA S. K. Loonker)**  
Proprietor  
Membership No: 032130

**Place : Mumbai**  
**Dated : 12th May, 2023**

**For and on behalf of the Board of**  
**EMKAY FINCAP LIMITED**

**Krishna Kumar Karwa**  
Whole Time Director and Chief Financial Officer  
DIN - 00181055

**Himanshu Katare**  
Company Secretary  
Membership No: ACS49584

**Place : Mumbai**  
**Dated : 12th May, 2023**

**Prakash Kacholia**  
Whole Time Director  
DIN - 00002626



**EMKAY FINCAP LIMITED**

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

**CIN- U65990MH2005PLC153310**

**ATTENDANCE SLIP**

I hereby record my presence at the 18th Annual General Meeting of the Company held on Wednesday, August 09, 2023 at 10.00 a.m. at 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 Proxy holder .....

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

\_\_\_\_\_  
Signature of Member/Proxy

Signature of Member/Proxy Notes:

- (1) Members/Proxyholders 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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**EMKAY FINCAP LIMITED**  
**CIN No. U65990MH2005PLC153310**

**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 Fincap Limited holding \_\_\_\_\_ equity shares of the above named company, hereby appoint.

Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_

Signature: \_\_\_\_\_ or failing him \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_

Signature: \_\_\_\_\_ or failing him \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_

Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 18th Annual General Meeting of the Company, to be held on Wednesday, August 09, 2023 at 10.00 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 including audited consolidated financial statements of the Company for the financial year ended March 31, 2023 together with the reports of the Board of Directors and Auditors thereon.
2	To appoint a director in place of Mr. Krishna Kumar Karwa (DIN: 00181055) who retires by rotation and being eligible, offers himself for re-appointment.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2023

Signature of the Shareholder: \_\_\_\_\_

Signature of the Proxy Holder(s): \_\_\_\_\_

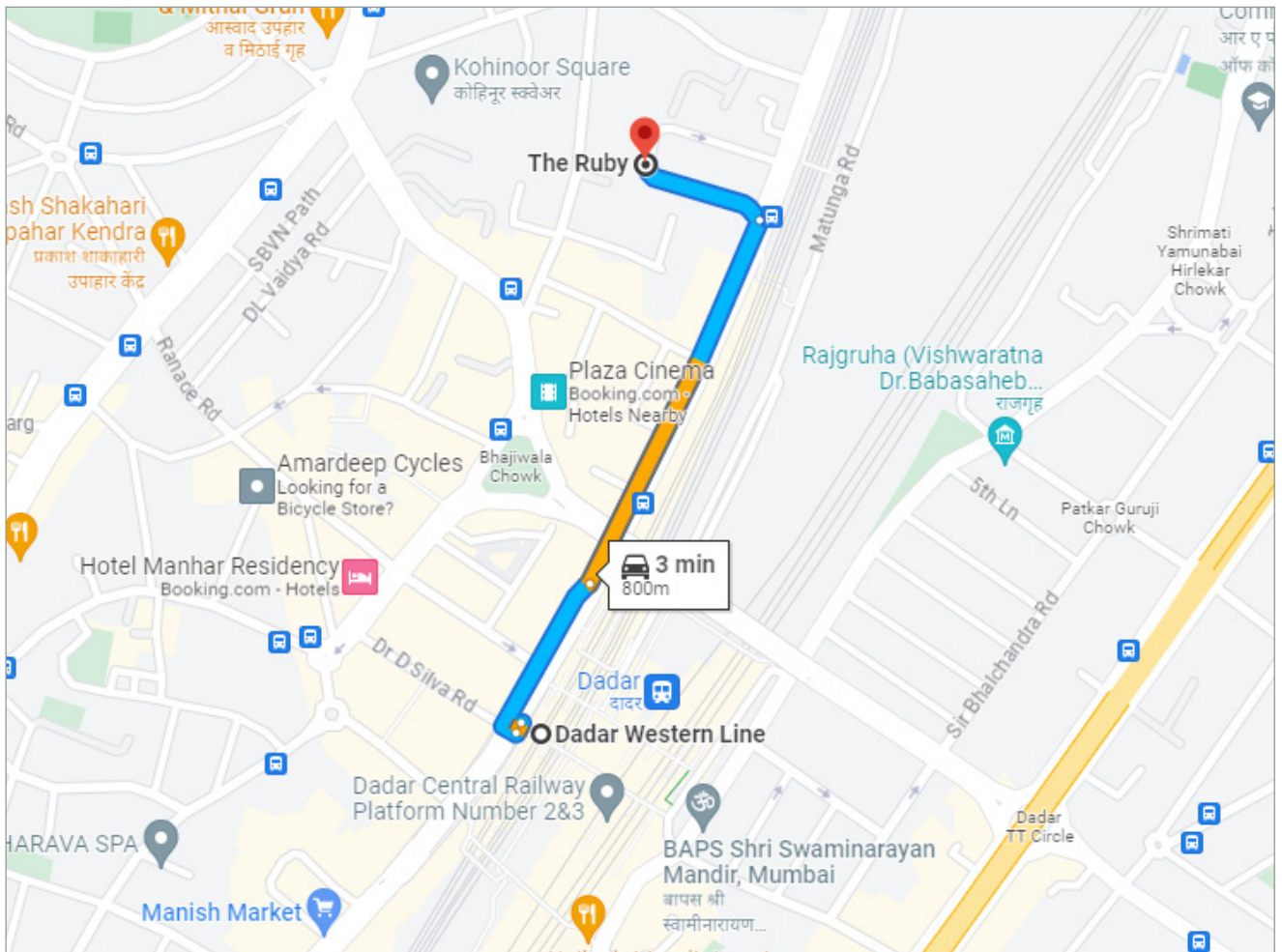
Affix  
Revenue  
Stamp of  
Re.1/-

**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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### Route Map for AGM





Your success is our success

EMKAY FINCAP LIMITED

CIN: U65990MH2005PLC153310

Registered Office: The Ruby, 7th Floor,

Senapati Bapat Marg,

Dadar West, Mumbai 400 028.

Tel: +91 22 66121212