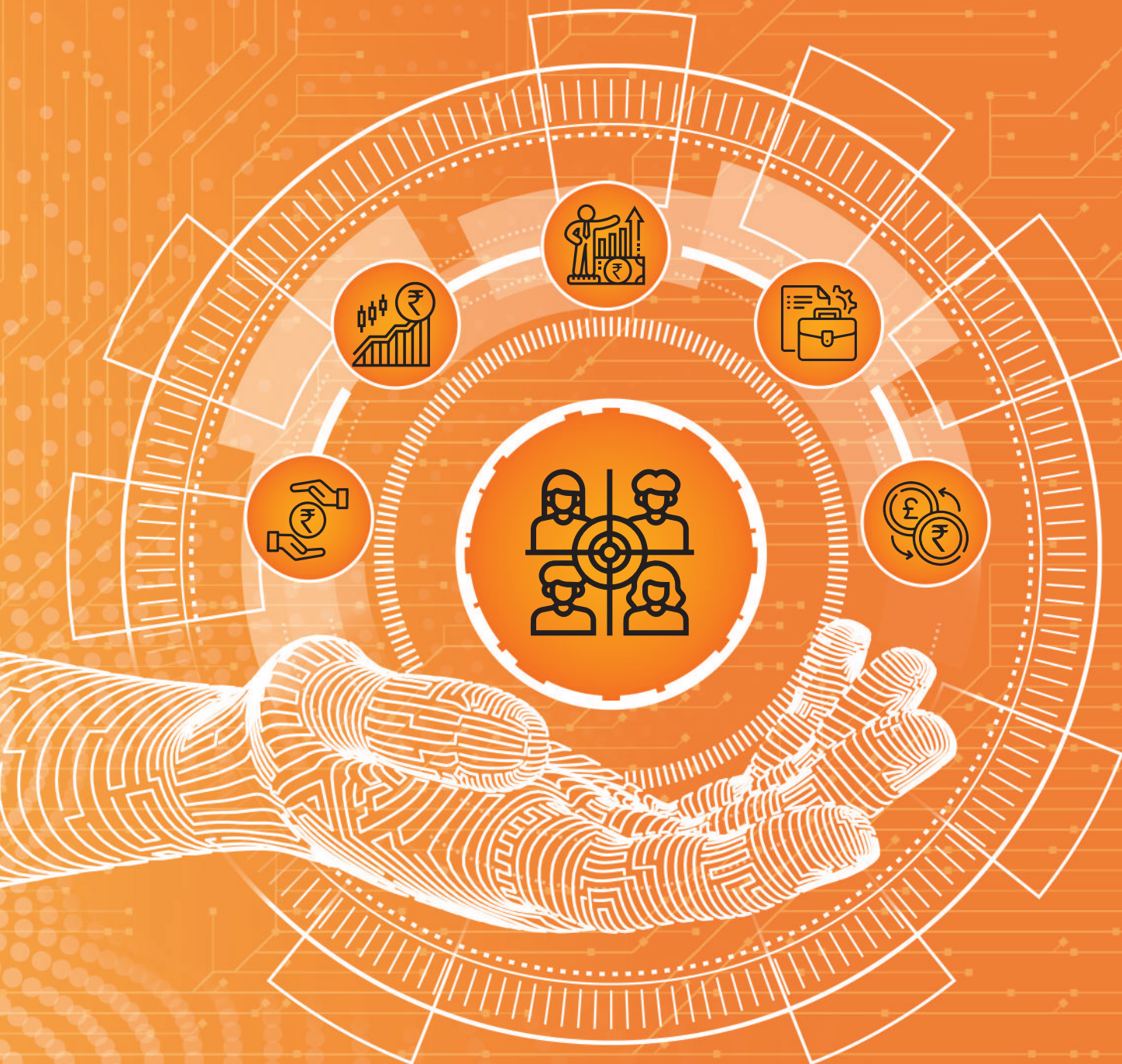


Annual Report 2021-22

Emkay Wealth Advisory Limited

Emkay[®]

Your success is our success



360° Offerings.
Customer-Service. Technology.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. R. K. Krishnamurthi - Director (DIN: 00464622)
Dr. Bharat Kumar Singh - Director (DIN: 06960186)
Mr. Raunak Karwa - Director (DIN: 08632290)
Mr. Devang Mahesh Desai - Director (DIN: 08677261)

STATUTORY AUDITORS

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

BANKERS

HDFC Bank Limited
State Bank of India

REGISTERED OFFICE

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

ADMINISTRATIVE OFFICE

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

CORPORATE IDENTIFICATION NUMBER:

U74110MH2007PLC168496

NOTICE

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Members of **EMKAY WEALTH ADVISORY LIMITED** will be held on Friday, August 05, 2022 at 9.30 a.m. at the Registered Office of the Company, The Ruby, 7th Floor, Senapati Bapat Marg, Dadar (West), Mumbai-400028 to transact the following business.

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Audited Financial Statement of the Company for the year ended on 31st March, 2022 together with the report of the Board of Directors and the Auditors thereon.
- 2) To appoint a Director in place of Mr. Devang Desai (DIN: 08677261), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

- 3) **Approval for the limits of making Investments / loans and giving Guarantees or providing Securities in connection with Loans to Persons / Bodies Corporate under section 186 of the Companies Act, 2013.**

To consider and, if thought fit, to pass with or without modification, the following resolution as **Special Resolution**.

“RESOLVED THAT in supersession of all earlier resolutions in this regard and pursuant to Section 186 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and Articles of Association of the Company and subject to such approvals, permissions, sanctions and consents of appropriate authorities, as may be necessary, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “The Board” which term shall be deemed to include any Committee of the Board constituted / to be constituted by the Board to exercise its powers

including powers conferred by this resolution and / or by duly authorized person thereof for the time being exercising the power conferred on the Board by this resolution) (a) to give loan(s) from time to time on such terms and conditions as it may deem expedient to any person or other bodies corporate (b) to give any guarantee(s)/ provide any security(ies) in connection with loan(s) made to any other body corporate (including holding company) or person (c) and to acquire by way of subscription, purchase or otherwise, the securities of any other body corporate exceeding sixty percent of the paid up share capital, free reserve and securities premium account of the company or 100% of its free reserve and Securities premium account whichever is more provided that the aggregate amount shall not exceed Rs. 5 crore (Rupees Five Crore only) at any given point of time, in terms of section 186 of the companies Act 2013.

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

BY ORDER OF THE BOARD OF DIRECTORS For Emkay Wealth Advisory Limited

Raunak Karwa
Director
DIN: 08632290

Devang Desai
Director
DIN: 08677261

Registered Office:

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

Place : Mumbai

Dated : July 11, 2022

NOTICE Contd.

NOTES:

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

3. Members/Proxies/Representatives should bring the enclosed Attendance Slip, 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 Wealth Advisory Limited**

Raunak Karwa
Director
DIN: 08632290

Devang Desai
Director
DIN: 08677261

Registered Office:

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

Place : Mumbai

Dated : July 11, 2022

NOTICE Contd.

EXPLANATORY STATEMENT

Statement pursuant to Section 102 of the Companies Act, 2013

Item No.3

The Company has been making investments in, giving loans and guarantees to and providing securities in connection with loans to various persons and bodies corporates (including its holding company) from time to time, in compliance with the applicable provisions of the Companies Act, 2013. Considering the long term business plans of the Company, which require the company to invest in the area of business besides utilization of surplus funds available with the Company from time to time, it is proposed to authorize the Board of Directors of the Company to invest the funds of the Company in various Equity Funds, various debt/liquid funds, by way of subscription in Equity Shares / Loan / Inter-corporate Deposits of various Companies (Including holding company and group Companies) / all kind of Government Securities / securities in the primary market (including IPOs) / by way of investment in the secondary market.

As per the provisions of Section 186 of the Act read with the Rules framed there under, Company is required to obtain the prior approval of the Members by way of a Special Resolution for giving any loan to any person or

other body corporate or to give any guarantee or provide security in connection with a loan to any other body corporate or person or to invest/acquire the securities of any Body Corporate by way of subscription / purchase or otherwise, exceeding 60% of its paid-up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more. The approval of the Members is being sought by way of a Special Resolution under Section 186 of the Act read with the Rules made thereunder, to enable the Company to invest / acquire the securities of other bodies corporate by way of subscription / purchase or otherwise, exceeding the limits as prescribed in the Companies Act, 2013. Now it is proposed to increase the existing limit up to Rs.5 crores.

In the Extra-Ordinary General Meeting held on 31st October, 2014 the members had approved/authorized a limit of Rs. 2 crore to invest / acquire the securities of other bodies corporate by way of subscription / purchase or otherwise.

The Board recommends the Special Resolution at Item No. 3 of the accompanying Notice for approval of the Members of the Company.

Except Dr. Bharat Kumar Singh and Mr. R.K. Krishnamurthi being common directors in the group companies, none of the other Directors or their relatives are in any way deemed to be concerned or interested, financially or otherwise in the resolution set out at item No. 3 of the Notice.

NOTICE Contd.

ANNEXURE I TO ITEM NO. 2 OF THE NOTICE

[Pursuant to Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India]

| Sr. No. | Name of the Director | Mr. Devang Desai |
|---------|---|---|
| 1 | DIN | 08677261 |
| 2 | Age & Date of Birth | 40 Yrs (DOB 03/01/1982) |
| 3 | Date of first appointment on Board | 24.01.2020 |
| 4 | Brief resume including qualification and experience (i) Qualification (ii) Experience | (i) Master in Finance (ii) Rich and vast experience in the field of Compliance |
| 5 | Expertise in specific functional areas | Rich and vast experience in the field of Compliance |
| 6 | Other Directorships (as on May 23, 2022) | Emkay Commotrade Limited |
| 7 | Chairmanship/Membership of Committees in Companies in which position of Director is held (as on May 23, 2022) | None |
| 8 | Relationship with other Directors, Managers and Key Managerial Personnel of the Company | None |
| 9 | No. of equity shares held in the Company (as on May 23, 2022) | None |
| 10 | No. of board meetings attended during the financial year (FY 2021-22) | 4 out of 4 |
| 11 | Terms and conditions of appointment including remuneration | Appointed as a Non-executive Director liable to retire by rotation. |

BY ORDER OF THE BOARD OF DIRECTORS**For Emkay Wealth Advisory Limited**

| | |
|---------------------|---------------------|
| Raunak Karwa | Devang Desai |
| Director | Director |
| DIN: 08632290 | DIN: 08677261 |

Registered Office:

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

Place : Mumbai

Dated : July 11, 2022

REPORT OF THE BOARD OF DIRECTORS

Dear Members,

Your Directors present the 15th Annual Report of your Company and the Audited Financial Statements for the year ended March 31, 2022.

1. FINANCIAL RESULTS

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

(Rs. In Lacs)

| Particulars | 31.03.2022 | 31.03.2021 |
|--|------------|------------|
| Revenue from Operations | 70.42 | 25.11 |
| Other Income | 8.71 | 14.14 |
| Profit/(Loss) Before Exceptional Items and Tax | 17.17 | (12.92) |
| Exceptional Items | -- | -- |
| Profit/(Loss) Before Tax | 17.17 | (12.92) |
| Less: Provision for Taxation | 1.57 | -- |
| Less: Deferred Tax Charge | -- | -- |
| Less: Short/(Excess) Provision for Taxation for Earlier Year | 0.10 | -- |
| Profit/(Loss) After Tax From Continuing Operations | 15.48 | (12.92) |
| Profit After Tax From Discontinued Operations | 1.28 | 1.01 |
| Profit/(Loss) For The Year | 16.76 | (11.91) |
| Other Comprehensive Income /(Loss) (net of tax) | (0.52) | (0.39) |
| Total Comprehensive Income/(Loss) | 16.24 | (12.30) |

2. REVIEW OF OPERATIONS AND BUSINESS HIGHLIGHTS

During the year under review, your Company recorded a total income of Rs. 70.42 Lakhs as compared to Rs. 25.11 lakhs in the previous financial year, higher by Rs. 45.31 lakhs. The Net Profit was Rs. 16.24 lakhs against loss of Rs. (12.30) lakhs, in the previous year.

3. RESERVES AND SURPLUS

The Company has not transferred any amount to the General Reserves.

4. DIVIDEND

In order to conserve the resources for future business growth, your directors do not recommend any dividend for the financial year 2021-22.

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

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

6. DIRECTORS & KEY MANAGERIAL PERSONNEL

During the year under review, there were no changes in the Directors of the Company. 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. Devang Desai (DIN: 08677261), Director of the Company is liable to retire by rotation and being eligible, offers himself for re-appointment.

The above re-appointment forms part of the Notice of the forthcoming 15th Annual General Meeting and the respective resolution is recommended for your approval.

7. CORPORATE GOVERNANCE

a. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the Financial Year 2021-22, 4 Meetings were held on May 19, 2021, August 05, 2021, October 27, 2021 and January 24, 2022.

The details of attendance of the Directors at the meeting are as under:

| Name of the Director | Category | Board Meetings during Financial Year 2021-22 | |
|-------------------------|----------|--|----------|
| | | Held | Attended |
| Mr. R. K. Krishnamurthi | Director | 4 | 3 |
| Mr. Raunak Karwa | Director | 4 | 4 |
| Mr. Devang Desai | Director | 4 | 4 |
| Dr. Bharat Kumar Singh | Director | 4 | 4 |

8. DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures.

REPORT OF THE BOARD OF DIRECTORS

- 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.

9. PUBLIC DEPOSITS

During the year under review, the 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.

10. 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.

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

The details of the related party transactions, as per requirement of Accounting Standards-18 are disclosed in notes to the financial statements of the Company for the financial year 2021-22. All the directors have disclosed their interest in Form MBP-1 pursuant to Section 184 of the Companies Act, 2013 and as and when any change in their interest take place, such change are placed before the Board at its meetings. None of the transactions with any of the related parties were 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”.

12. 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 was no foreign exchange earnings and outgo during the year.

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

During the financial year 2021-22 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 any Regulators during the financial year under review.

14. 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.

15. AUDITORS AND AUDITORS' REPORT**a. STATUTORY AUDITORS' REPORT**

There are no qualification, disclaimer and adverse remarks by the Statutory Auditor of the Company for the end of financial year 2021-22.

b. STATUTORY AUDITORS

Pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Company had appointed M/s. B. L. Sarda & Associates, Chartered Accountants, bearing Firm Registration Number 109266W with the Institute of Chartered Accountants of India (ICAI), as the Statutory Auditors of the Company to hold office for a period of 5 years from the conclusion of the 12th Annual General Meeting held on August 12, 2019, till the conclusion of the 17th Annual General Meeting to be held for the financial year 2023-24.

REPORT OF THE BOARD OF DIRECTORS

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

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

c. 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.

d. REPORTING OF FRAUDS BY AUDITORS

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

e. INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

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

16. SECRETARIAL AUDIT

In terms of provisions of Section 204 read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company is not required to get its records audited from Company Secretary in Practice.

17. SECRETARIAL STANDARDS

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

18. 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.

19. EXTRACT OF 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 Company's website at <https://www.emkaywealth.com/investor-relation>.

20. 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 Wealth Advisory Limited

Raunak Karwa
Director
DIN: 08632290

Devang Desai
Director
DIN: 08677261

Place : Mumbai
Date : May 23, 2022

ANNEXURE "A"

Form No. AOC-2

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

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

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

| Sr. No | Particulars | Details of Transaction |
|--|--|--|
| A | Name(s) of the related party and nature of relationship | Emkay Global Financial Services Limited – Holding Company |
| B | Nature of contracts / arrangements / transactions | Payment of Rent, Electricity Expenses, Water Charges, Telephone Expenses, Building Maintenance etc for the use of office premises of the holding company |
| C | Duration of the contracts / arrangements / transactions | from 1 st April, 2021 to 31 st March, 2022 |
| D | Salient terms of the contracts or arrangements or transactions including the value, if any | Reimbursement of certain common expenses such as Rent, Electricity Expenses, Water Charges, Telephone Expenses, Building Maintenance etc to the Holding Company on the basis of cost incurred by the holding company and dividing the same by the total number of employees of the Company sitting in the premises to arrive at cost per employee. |
| E | Justification for entering into such contracts or arrangements or transactions | 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 | 03.02.2021 |
| G | Amount paid as advances, if any | N.A |
| H | Date on which the resolution was passed in general meeting as required under first proviso to section 188 ## | N.A |
| Note: ## 1. As per 5 th proviso to section 188(1) of the Companies Act, 2013 passing of shareholders resolution under 1 st proviso is not applicable for transactions entered into between holding company and its wholly owned subsidiary company whose accounts are consolidated with such holding company and placed before the shareholders at the Annual General Meeting for approval. 2. Necessary omnibus approval of the Audit Committee has been obtained prior to entering into all the related party transactions. | | |

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

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

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

On behalf of the Board of Directors

For Emkay Wealth Advisory Limited

Raunak Karwa
Director
DIN: 08632290

Devang Desai
Director
DIN: 08677261

Place : Mumbai
Date : May 23, 2022

INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report

To The Members of EMKAY WEALTH ADVISORY LIMITED

Report on the Audit of Standalone Financial Statements

OPINION

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profits and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

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

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the

preparation of other information. The Other information comprises the information included in the Board's Report including Annexures to the Board report, but does not include the standalone financial statement and our auditor's report thereon.

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

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

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

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

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company

INDEPENDENT AUDITOR'S REPORT

or to cease operations, or has no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

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

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

required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance sheet, the Statement of Profit & Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial

INDEPENDENT AUDITOR'S REPORT

statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.

- (e) On the basis of the written representation received from the directors as on March 31, 2022 taken on records by the Board of Directors, none of the directors are disqualified as on March 31, 2022 from being appointed as a Directors in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Sec 197(16) of the Act, as amended:

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

- (h) With respect to the matters to be included in the Auditor's report in accordance with the rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company 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, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the

Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

- v. The 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.

For B. L. Sarda & Associates

Chartered Accountants

Firm Registration No.109266W

(CA. B. L. Sarda)

Partner

Membership No.014568

UDIN :22014568AJLHCV6428

Place : Mumbai

Dated : 23rd May, 2022

ANNEXURE “A” TO INDEPENDENT AUDITOR’S REPORT

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

- (i) (a) (A) In our opinion, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (B) The Company do not have any intangible assets. Accordingly, clause 3(i)(a)(B) of the order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, property, plant and equipment of the Company have been physically verified by the management during the year which in our opinion is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. According to the information and explanations given to us, no discrepancies were noticed on such verification.
- (c) The Company does not own any immovable property during the year. Accordingly, clause 3(i)(c) of the order is not applicable to the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment during the year. Accordingly, clause 3(i)(d) of the Order is not applicable to the Company.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made there under. Accordingly, clause 3(i)(e) of the Order is not applicable to the Company.
- (ii) (a) The Company is engaged in service activities and hence it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of the security of current assets at any point of time during the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) In respect of Investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties:
 - (a) The Company has not provided any loan or advance in the nature of loan or stood guarantee or provided security to any other entity during the year.
Accordingly, clause 3(iii)(a)(A) and (B) of the Order are not applicable to the Company.
 - (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion, the investments made during the year are, prima facie, not prejudicial to the Company's interest. The Company has not provided any guarantee, given security and granted loan or advance in the nature of loan during the year.
 - (c) The Company has not granted any loans or advances in the nature of loans during the year. Accordingly, clauses 3(iii)(c), (d), (e) and (f) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans granted, investments made, guarantees given and securities provided in respect of which provisions of Section 185 and 186 of the Act are applicable. Accordingly, clause 3(iv) of the Order is not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014. Accordingly, clause 3(v) of the Order is not applicable to the Company.
- (vi) In our opinion and according to the information and explanations given to us, the Company is not required to maintain cost records pursuant to the rules made by the Central Government under Section 148 (1) of the Act. Accordingly, clause 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and the records of the Company

ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT

examined by us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Goods and Services Tax, provident fund, income tax, cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid statutory dues were in arrears, as on March 31, 2022 for a period of more than six months from the date they became payable. As explained to us, the Company did not have any dues on account of employees' state insurance, sales-tax, service tax, duty of customs, duty of excise and value added tax.

- (b) As at March 31, 2022, according to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues mentioned in para (vii)(a) above which have not been deposited on account of any dispute.
- (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 obtained any loan or borrowing during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or other lender.
- (c) In our opinion and according to the information and explanations given to us by the management, the Company has not obtained any term loan during the year. Accordingly, clause 3(ix)(c) of the order is not applicable to the Company.
- (d) In our opinion and according to the information and explanations given to us by the management, the Company has not raised funds on short-term basis during the year. Accordingly, clause 3(ix)(d) of the order is not applicable to the Company.
- (e) The Company does not hold investment in any subsidiary, associate or joint venture (as defined in the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) and (f) of the order are not applicable to the Company.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3 (x)(a) of the order is not applicable to the Company.
- (b) According to the information and explanations given 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

ANNEXURE “A” TO INDEPENDENT AUDITOR’S REPORT

been disclosed in note 26 of the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports for the year under audit issued to the Company during the year and till date, in determining nature, timing and extent of our audit procedure.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him as prescribed under section 192 of the Act. Accordingly, clause 3(xv) of the order is not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi) (a), (b) and (c) of the Order are not applicable to the Company.
- (b) In our opinion and according to the information and explanations given to us, there is no core investment company within the “Companies in 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. It has incurred cash losses of Rs.11,641.83 Hundreds during the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year. Accordingly, clause 3(xviii) of the Order is not applicable to the Company.

- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) According to the information and explanations given to us and on the basis of our examination of the records of the Company, provisions of section 135 of the Act pertaining to expenditure on Corporate Social Responsibility are not applicable to the Company. Accordingly, clause 3(xx)(a) and (b) of the Order are not applicable to the Company.

For B. L. Sarda & Associates
Chartered Accountants
Firm Registration No.109266W

(CA. B. L. Sarda)
Partner
Membership No.014568
UDIN :22014568AJLHCV6428

Place : Mumbai
Dated : 23rd May, 2022

ANNEXURE “B” TO INDEPENDENT AUDITOR’S REPORT

Annexure “B” to Independent Auditor’s report of even date to the members of EMKAY WEALTH ADVISORY LIMITED on the standalone financial statements for the year ended March 31, 2022

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”)

1. We have audited the internal financial controls over financial reporting of **EMKAY WEALTH ADVISORY LIMITED** (“the Company”) as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS’ RESPONSIBILITY

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

controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

7. Because of the inherent limitations of internal

ANNEXURE “B” TO INDEPENDENT AUDITOR’S REPORT

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

OPINION

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022 based on the internal control over financial reporting criteria established by the Company

considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B. L. Sarda & Associates

Chartered Accountants

Firm Registration No.109266W

(CA. B. L. Sarda)

Partner

Membership No.014568

UDIN :22014568AJLHCV6428

Place : Mumbai

Dated : 23rd May, 2022

BALANCE SHEET

AS AT 31ST MARCH, 2022

| (₹ in hundreds) | | | |
|--|----------|-----------------------|-----------------------|
| Particulars | Note No. | As at 31st March 2022 | As at 31st March 2021 |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, Plant and Equipment | 3 | 157.72 | 269.27 |
| Financial Assets | | | |
| - Others | 4 | - | 10,035.98 |
| Non-Current Tax Assets (Net) | 5 | 4,936.92 | 4,684.62 |
| Other Non-Current Assets | 6 | 1,461.40 | 2,460.31 |
| Total Non-Current Assets | | 6,556.04 | 17,450.18 |
| CURRENT ASSETS | | | |
| Financial Assets | | | |
| - Trade Receivables | 7 | 20,973.99 | 925.00 |
| - Cash and Cash Equivalents | 8 | 36,935.21 | 30,742.43 |
| - Bank Balances Other Than Cash and Cash Equivalents | 9 | 164,910.60 | 154,937.10 |
| - Other Financial Assets | 10 | 2,821.81 | 1,915.49 |
| Other Current Assets | 11 | 1,525.59 | 1,461.53 |
| Total Current Assets | | 227,167.20 | 189,981.55 |
| TOTAL ASSETS | | 233,723.24 | 207,431.73 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Equity Share Capital | 12 | 410,000.00 | 410,000.00 |
| Other Equity | 13 | (190,106.62) | (208,257.50) |
| Total Equity | | 219,893.38 | 201,742.50 |
| LIABILITIES | | | |
| NON-CURRENT LIABILITIES | | | |
| Deferred Tax Liability (Net) | 34(d) | - | - |
| Total Non-Current Liabilities | | - | - |
| CURRENT LIABILITIES | | | |
| Financial Liabilities | | | |
| - Trade Payables | 14 | | |
| (a) Total outstanding dues of micro enterprises and small enterprises | | - | - |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | | - | - |
| - Other Financial Liabilities | 15 | 3,258.11 | 3,249.79 |
| Other Current Liabilities | 16 | 4,845.51 | 1,036.84 |
| Provisions | 17 | 5,726.24 | 1,402.60 |
| Total Current Liabilities | | 13,829.86 | 5,689.23 |
| TOTAL EQUITY AND LIABILITIES | | 233,723.24 | 207,431.73 |
| SIGNIFICANT ACCOUNTING POLICIES | 2 | | |

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

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

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

Place : Mumbai
Dated : 23rd May, 2022

For and on behalf of the Board of
EMKAY WEALTH ADVISORY LIMITED

Raunak Karwa
Director
DIN - 08632290

Place : Mumbai
Dated : 23rd May, 2022

Devang Desai
Director
DIN - 08677261

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2022

| (₹ in hundreds) | | | |
|---|----------|--|--|
| Particulars | Note No. | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
| Income | | | |
| Revenue from Operations | 18 | 70,418.72 | 25,110.42 |
| Other Income | 19 | 8,707.02 | 14,138.27 |
| Total Income | | 79,125.74 | 39,248.69 |
| Expenses | | | |
| Employee Benefits Expense | 20 | 48,974.85 | 39,915.89 |
| Finance Costs | | - | - |
| Depreciation Expenses | 21 | 97.47 | 264.58 |
| Other Expenses | 22 | 12,886.78 | 11,987.60 |
| Total Expenses | | 61,959.10 | 52,168.07 |
| Profit/(Loss) Before Tax from continuing operations | | 17,166.64 | (12,919.38) |
| Tax Expense: | | | |
| - Current Tax | | 1,574.00 | - |
| - Deferred Tax | | - | - |
| - Short/(Excess) Provision for Taxation for Earlier Year | | 114.52 | - |
| Total Tax Expenses | | 1,688.52 | - |
| Profit/(Loss) for the year from continuing operations | | 15,478.12 | (12,919.38) |
| Profit for the year from discontinued operations (Refer Note 24) | | 1,514.06 | 1,012.97 |
| Tax Expenses on discontinued operations | | 233.00 | - |
| Profit for the year from discontinued operations | | 1,281.06 | 1,012.97 |
| Profit/(Loss) for the year | | 16,759.18 | (11,906.41) |
| Other Comprehensive Income/(Loss) | | | |
| Items that will not be reclassified to profit or loss | | | |
| - Actuarial gain/(loss) on defined benefit plan | | (619.09) | (391.20) |
| - Income tax relating to items that will not be reclassified to profit or loss | | 97.00 | - |
| Total Other Comprehensive Income/(Loss) for the year (net of tax) | | (522.09) | (391.20) |
| Total Comprehensive Income /(Loss) for the year (net of tax) | | 16,237.09 | (12,297.61) |
| Earnings per Equity Share (for Continuing Operations) of Nominal value of Rs. 10 each (in rupees) | | | |
| - Basic | | 0.38 | (0.31) |
| - Diluted | | 0.38 | (0.31) |
| Earnings per Equity Share (for Discontinued Operations) of Nominal value of Rs. 10 each (in rupees) | | | |
| - Basic | | 0.03 | 0.02 |
| - Diluted | | 0.03 | 0.02 |
| Earnings per Equity Share (for Discontinued & Continuing Operations) of Nominal value of Rs. 10 each (in rupees) | | | |
| - Basic | | 0.41 | (0.29) |
| - Diluted | | 0.41 | (0.29) |
| SIGNIFICANT ACCOUNTING POLICIES | 2 | | |

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

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

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

Place : Mumbai
Dated : 23rd May, 2022

For and on behalf of the Board of
EMKAY WEALTH ADVISORY LIMITED

Raunak Karwa
Director
DIN - 08632290

Place : Mumbai
Dated : 23rd May, 2022

Devang Desai
Director
DIN - 08677261

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH, 2022

1 EQUITY SHARE CAPITAL

(₹ in hundreds)

| Particulars | Equity Share Capital | |
|--|----------------------|-------------------|
| | No. of Shares | Amount |
| As at 31st March, 2021 | | |
| Balance at the beginning of the previous reporting period | 4,100,000 | 410,000.00 |
| Changes in equity share capital due to prior period errors | - | - |
| Restated balance at the beginning of the previous reporting period | - | - |
| Changes in equity share capital during the previous year | - | - |
| Balance at the end of the previous reporting period | 4,100,000 | 410,000.00 |
| As at 31st March, 2022 | | |
| Balance at the beginning of the current reporting period | 4,100,000 | 410,000.00 |
| Changes in equity share capital due to prior period errors | - | - |
| Restated balance at the beginning of the current reporting period | - | - |
| Changes in equity share capital during the current year | - | - |
| Balance at the end of the current reporting period | 4,100,000 | 410,000.00 |

2 OTHER EQUITY

(₹ in hundreds)

| Particulars | Reserves and Surplus | | Other Comprehensive Income | Total |
|--|----------------------|--|--|---------------------|
| | Retained Earnings | Equity-settled Share Based Payment Reserve | Items that will not be Reclassified to Profit or Loss - Actuarial gains/(losses) on Defined Benefit Plan | |
| As at 31st March, 2021 | | | | |
| Balance at the beginning of the previous reporting period | (197,052.42) | 1,968.61 | (2,092.26) | (197,176.07) |
| Changes in accounting policy or prior period errors | - | - | - | - |
| Restated balance at the beginning of the previous reporting period | - | - | - | - |
| Share Based Payments to Employees | - | 1,216.18 | - | 1,216.18 |
| Loss after tax for the previous year | (11,906.41) | - | - | (11,906.41) |
| Other Comprehensive Income/(Loss) for the previous year | - | - | (391.20) | (391.20) |
| Total Comprehensive Income for the previous year | - | - | - | (12,297.61) |
| Balance at the end of the previous reporting period | (208,958.83) | 3,184.79 | (2,483.46) | (208,257.50) |

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

(₹ in hundreds)

| Particulars | Reserves and Surplus | | Other Comprehensive Income | Total |
|---|----------------------|--|--|--------------|
| | Retained Earnings | Equity-settled Share Based Payment Reserve | Items that will not be Reclassified to Profit or Loss - Actuarial gains/(losses) on Defined Benefit Plan | |
| As at 31st March, 2022 | | | | |
| Balance at the beginning of the current reporting period | (208,958.83) | 3,184.79 | (2,483.46) | (208,257.50) |
| Changes in accounting policy or prior period errors | - | - | - | - |
| Restated balance at the beginning of the current reporting period | - | - | - | - |
| Share Based Payments to Employees | - | 1,913.79 | - | 1,913.79 |
| Profit after tax for the current year | 16,759.18 | - | - | 16,759.18 |
| Other Comprehensive Income/(Loss) for the current year | - | - | (522.09) | (522.09) |
| Total Comprehensive Income/(Loss) for the current year | - | - | - | 16,237.09 |
| Balance at the end of the current reporting period | (192,199.65) | 5,098.58 | (3,005.55) | (190,106.62) |

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

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

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

Place : Mumbai
Dated : 23rd May, 2022

For and on behalf of the Board of
EMKAY WEALTH ADVISORY LIMITED

Raunak Karwa
Director
DIN - 08632290

Place : Mumbai
Dated : 23rd May, 2022

Devang Desai
Director
DIN - 08677261

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in hundreds)

| Particulars | 31st March,2022 | | 31st March,2021 | |
|---|-----------------|-------------------|-----------------|--------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Net Profit/(Loss) before tax, Exceptional / Extraordinary Items From | | | | |
| Continuing Operations | | 17,166.64 | | (12,919.38) |
| Adjustment for : | | | | |
| Depreciation Expenses | 97.47 | | 264.58 | |
| Interest Received | (8,439.45) | | (12,813.51) | |
| Loss on Disposal of Property, Plant and Equipment | 14.08 | | - | |
| Employee Share Based Payment Expense | 1,913.79 | | 1,216.18 | |
| Net Gain on Sale of Investments | (267.57) | (6,681.68) | (723.82) | (12,056.57) |
| Operating profit before working capital changes | | 10,484.96 | | (24,975.95) |
| Movements in working capital : | | | | |
| (Increase)/Decrease in Trade Receivables | (20,048.99) | | (603.00) | |
| (Increase)/Decrease in Other Non-current/Current Financial Assets | (843.84) | | 402.16 | |
| (Increase)/Decrease in Other Non-current/Current Assets | 934.85 | | 824.35 | |
| Increase/(Decrease) in Other Current Financial Liabilities | 8.31 | | 224.96 | |
| Increase/(Decrease) in Other Current Liabilities | 3,808.67 | | (204.56) | |
| Increase/(Decrease) in Provisions | 3,704.55 | (12,436.45) | (721.33) | (77.42) |
| Cash generated from operating activities | | (1,951.49) | | (25,053.37) |
| Income Tax Paid (net) | | (2,076.81) | | 7,086.78 |
| Cash generated before exceptional / extraordinary items | | (4,028.30) | | (17,966.59) |
| Exceptional items | | - | | - |
| Net cash flow generated from/(used in) operating activities | | (4,028.30) | | (17,966.59) |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Interest received | 8,439.45 | | 12,813.51 | |
| Net Gain on Sale of Investments | 267.57 | 8,707.02 | 30,943.45 | 43,756.96 |
| Net cash flow generated from/(used in) investing activities | | 8,707.02 | | 43,756.96 |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Net cash flow generated from/(used in) financing activities | | - | | - |

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

(₹ in hundreds)

| Particulars | | 31st March,2022 | 31st March,2021 |
|---------------|---|-----------------|-----------------|
| D. | CASH FLOW FROM DISCONTINUED OPERATIONS | 1,514.06 | 80.82 |
| | Net cash flow generated from discontinued operations | 1,514.06 | 80.82 |
| | Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C+D) | 6,192.78 | 25,871.19 |
| | Cash and Cash equivalents at the beginning of the Year | 30,742.43 | 4,871.24 |
| | Cash and Cash equivalents at the close of the Year | 36,935.21 | 30,742.43 |
| Notes: | | | |
| 1) | Cash and cash equivalents comprise of : | | |
| | Balances with a Scheduled Banks | | |
| | - In Current Accounts | 36,914.10 | 30,611.62 |
| | Cash on hand | 21.11 | 130.81 |
| | | 36,935.21 | 30,742.43 |
| 2) | Cash flow statement has been prepared under the Indirect Method as set out in the Ind AS 7 "Statement of Cash Flow" | | |
| 3) | Cash & cash equivalent excludes deposit with bank which have original maturity of more than 3 months. | | |
| 4) | Previous year's figures are re-grouped/ recasted/re-arranged wherever considered necessary. | | |

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

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

Place : Mumbai
 Dated : 23rd May, 2022

For and on behalf of the Board of
EMKAY WEALTH ADVISORY LIMITED

Raunak Karwa
 Director
 DIN - 08632290

Place : Mumbai
 Dated : 23rd May, 2022

Devang Desai
 Director
 DIN - 08677261

NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2022

1 CORPORATE INFORMATION

Emkay Wealth Advisory Limited ('the Company') is a public company domiciled in India and was incorporated under the Companies Act, 1956 vide Certificate of Incorporation (CIN) U74110MH2007PLC168496, Dated 8th March, 2007. The company is a Wholly Owned Subsidiary of Emkay Global Financial Services Limited (the Parent Company). The registered office of the Company is situated at The Ruby, 7th Floor, Senapati Bapat Marg, Dadar (West), Mumbai – 400028. The Company was engaged in the business of Direct Insurance Broking in terms of the provisions of the Insurance Regulatory and Development Authority Act, 1999 which has been discontinued on and with effect from 22nd March, 2019. The Company changed its name to Emkay Wealth Advisory Limited vide certificate dated 1st March, 2019 issued by the Office of the Registrar of Companies, Mumbai, Maharashtra and also its main objects for carrying on the business of Wealth Management/Investment Advisory Services and is engaged in the said business. The Company is registered as an Investment Advisor with the Securities and Exchange Board of India (SEBI) under SEBI (Investment Advisors) Regulations, 2013.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

(i) Statement of Compliance

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

These financial statements have been prepared in all material aspects in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as prescribed under section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting standards) Rules, 2015 as amended and other relevant provisions of the Act.

These financial statements have been prepared in accordance with Division II 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 financial statements.

(ii) Historical Cost Convention

The 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 plan- plan assets measured at fair value (refer Accounting Policy no.2.7(ii)(A)(b) below); and
- share-based payment obligations (refer Accounting Policy no.2.8 below).

(iii) Functional and Presentation Currency

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

(iv) Current and Non-current Classification

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in Part I of Division II of Schedule III to the Act.

The Company's normal operating cycle is considered as twelve months for the purpose of current and non-current classification of assets and liabilities.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(v) Use of Estimates and Judgments

The preparation of the financial statements requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the 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 financial statements is made relying on these estimates.

The estimates and judgements used in the preparation of the financial statements are continuously evaluated and are based on historical experience and various other assumptions and factors (including expectations of future events)

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

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 financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

2.2 Property, Plant and Equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

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

Depreciation

Depreciation is calculated using the 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

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

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, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. 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)

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

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

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

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

d. Financial Liabilities

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

(iii) Derecognition of Financial Instruments

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

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

(iv) Write-offs

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

2.4 Impairment

a. Financial Assets

The Company recognizes loss allowances using the expected credit losses (ECL) model for the financial assets which are not fair valued through statement of profit and loss. For trade receivables, the Company provides for ECL by way of Provision for doubtful debts based on the probability of defaults that are possible over the life of the asset. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is

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

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.

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) Fees Income

- a) Advisory/Consultancy Fees is recognised over time when the outcome of a transaction can be estimated reliably by reference to the stage of completion of the transaction.
- b) Client Referral Fees is recognised when the performance obligation is completed.

(ii) Net Gain or Loss on Fair Value Changes

Any realised gain or loss on sale of financial assets being investments measured on the trade date at FVTPL is recognised as "Net gain or loss on sale of investments" under Other Income" or "Other Expenses" respectively in the statement of profit and loss.

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

(iii) Interest Income

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

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 wholly within twelve months of rendering the service are classified as short term employee benefits and are charged to the statement of profit and loss of the year.

(ii) Long Term Benefits

A. Post-employment Benefits

a) Defined Contribution Schemes

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

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

b) Defined Benefit Schemes

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

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

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

B. Other Long Term Benefits

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

2.8 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 Lease

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

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

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

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) Minimum Alternate Tax (MAT)

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that it is probable that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax

under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the MAT Credit Entitlement asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

(iv) 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/value added taxes 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 Discontinued Operations

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

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

2.14 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

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

effects of all dilutive potential equity shares for calculating diluted EPS.

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 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 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 Exceptional Items

When an item of income or expense within Statement of profit and loss from ordinary activity is of such size, nature or incidence that their

disclosure is relevant to explain the performance of the Company for the year, the nature and amount of such items is disclosed as exceptional items.

2.18 New Accounting Pronouncements

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

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

Ind AS 16 – Property Plant and equipment -

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

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

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

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022**3 PROPERTY, PLANT AND EQUIPMENT**

(₹ in hundreds)

| Particulars | Computers | Total |
|---------------------------------|-----------------|-----------------|
| Gross carrying amount | | |
| As at 1st April 2020 | 1,513.39 | 1,513.39 |
| Additions | - | - |
| Disposals | - | - |
| As at 31st March 2021 | 1,513.39 | 1,513.39 |
| Additions | - | - |
| Disposals | 14.08 | 14.08 |
| As at 31st March 2022 | 1,499.31 | 1,499.31 |
| Accumulated depreciation | | |
| As at 1st April 2020 | 979.54 | 979.54 |
| Charge for the year | 264.58 | 264.58 |
| Disposals | - | - |
| As at 31st March 2021 | 1,244.12 | 1,244.12 |
| Charge for the year | 97.47 | 97.47 |
| Disposals | - | - |
| As at 31st March 2022 | 1,341.59 | 1,341.59 |
| Net carrying amount | | |
| As at 31st March 2021 | 269.27 | 269.27 |
| As at 31st March 2022 | 157.72 | 157.72 |

Notes:

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

4 NON-CURRENT FINANCIAL ASSETS - OTHERS

(₹ in hundreds)

| Particulars | As at | |
|--|-----------------|------------------|
| | 31st March 2022 | 31st March 2021 |
| Unsecured, Considered Good | | |
| Other Bank Balances | | |
| - In Deposits Account with maturity of more than 12 months from reporting date | - | 10,000.00 |
| - Accrued Interest on Fixed Deposits | - | 35.98 |
| Total | - | 10,035.98 |

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

5 NON CURRENT TAX ASSETS (NET)

(₹ in hundreds)

| Particulars | As at | |
|-------------------------------------|-----------------|-----------------|
| | 31st March 2022 | 31st March 2021 |
| Income Tax paid (net of provisions) | 4,936.92 | 4,684.62 |
| Total | 4,936.92 | 4,684.62 |

6 OTHER NON CURRENT ASSETS

(₹ in hundreds)

| Particulars | As at | |
|-------------------------------------|-----------------|-----------------|
| | 31st March 2022 | 31st March 2021 |
| (Unsecured, considered good) | | |
| Prepaid Expenses | 1,461.40 | 2,460.31 |
| Total | 1,461.40 | 2,460.31 |

7 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(₹ in hundreds)

| Particulars | As at | |
|--|------------------|-----------------|
| | 31st March 2022 | 31st March 2021 |
| Unsecured | | |
| Trade Receivables Considered Good | 20,973.99 | 925.00 |
| Total | 20,973.99 | 925.00 |
| Notes:- | | |
| Includes due from a firm in which one of the director is a partner | 4,720.00 | - |

Trade Receivables Ageing Schedule as at 31st March, 2022

| Particulars | Outstanding for following periods from the date of transaction | | | | | |
|--|--|-------------------|-------------|-------------|-------------------|-----------|
| | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| Undisputed Trade Receivables - Considered Good | 20,973.99 | - | - | - | - | 20,973.99 |

Trade Receivables Ageing Schedule as at 31st March, 2021

| Particulars | Outstanding for following periods from the date of transaction | | | | | |
|--|--|-------------------|-------------|-------------|-------------------|--------|
| | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| Undisputed Trade Receivables - Considered Good | 925.00 | - | - | - | - | 925.00 |

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022**8 CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS**

(₹ in hundreds)

| Particulars | As at | |
|-------------------------------------|------------------|------------------|
| | 31st March 2022 | 31st March 2021 |
| A. Cash and Cash Equivalents | | |
| Balance with Banks : | | |
| - In Current Accounts | 36,914.10 | 30,611.62 |
| Cash on Hand | 21.11 | 130.81 |
| Total | 36,935.21 | 30,742.43 |

9 CURRENT FINANCIAL ASSETS - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in hundreds)

| Particulars | As at | |
|--|-------------------|-------------------|
| | 31st March 2022 | 31st March 2021 |
| Bank Balances Other Than Cash and Cash Equivalents | | |
| Balance with Banks : | | |
| - In Deposit Account with original maturity of more than 3 months but upto 12 months | 164,910.60 | 154,937.10 |
| Total | 164,910.60 | 154,937.10 |

10 CURRENT FINANCIAL ASSETS - OTHERS

(₹ in hundreds)

| Particulars | As at | |
|--|-----------------|-----------------|
| | 31st March 2022 | 31st March 2021 |
| Unsecured, considered good | | |
| Advances - Other | 689.23 | 744.34 |
| Interest accrued on fixed deposits with bank | 941.11 | 1,016.50 |
| Income Receivable | 7.62 | 154.65 |
| Recoverable for expenses | | |
| - from Holding Company, a related party | 1,183.85 | - |
| Total | 2,821.81 | 1,915.49 |

11 OTHER CURRENT ASSETS

(₹ in hundreds)

| Particulars | As at | |
|--|-----------------|-----------------|
| | 31st March 2022 | 31st March 2021 |
| Prepaid Expenses | 1,126.93 | 1,069.23 |
| Goods and Services Tax Input Credit Available/Receivable | 398.66 | 392.30 |
| Total | 1,525.59 | 1,461.53 |

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

12 EQUITY SHARE CAPITAL

(₹ in hundreds)

| Particulars | As at | |
|--|-------------------|-------------------|
| | 31st March 2022 | 31st March 2021 |
| Authorised | | |
| 5,000,000 (P.Y. 5,000,000) Equity Shares of Rs. 10/- each | 500,000.00 | 500,000.00 |
| Issued, Subscribed & Paid Up | | |
| 4,100,000 (P.Y. 4,100,000) Equity Shares of Rs.10/- each fully paid up | 410,000.00 | 410,000.00 |
| Total | 410,000.00 | 410,000.00 |

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

(₹ in hundreds)

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|--|----------------------|------------|----------------------|------------|
| | No of Shares | Amount | No of Shares | Amount |
| Equity Shares | | | | |
| At the beginning of the reporting period | 4,100,000 | 410,000.00 | 4,100,000 | 410,000.00 |
| Add: Shares issued during the reporting period | - | - | - | - |
| Outstanding at the end of reporting period | 4,100,000 | 410,000.00 | 4,100,000 | 410,000.00 |

b. Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pay dividends in Indian Rupees. The dividend proposed if any by the Board of Directors is subject to the approval of shareholders in the ensuring 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 4,100,000 (P.Y. 4,100,000) equity shares of Rs. 10 each fully paid up are held by Holding Company Emkay Global Financial Services Limited.

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

| Name of the shareholder | As at March 31, 2022 | | As at March 31, 2021 | |
|---|----------------------|--------|----------------------|--------|
| | No of Shares | % held | No of Shares | % held |
| Equity Shares of Rs. 10 each fully paid | | | | |
| Emkay Global Financial Services Limited (Holding Company) and its Nominees. | 4,100,000 | 100 | 4,100,000 | 100 |

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

| Name of promoter | No of Shares | % of total shares | % Change during the year |
|---|--------------|-------------------|--------------------------|
| Emkay Global Financial Services Limited (Holding Company) and its Nominees. | 4,100,000 | 100 | 0% |

Details of shares held by promoters as at 31st March, 2021

| Name of promoter | No of Shares | % of total shares | % Change during the year |
|---|--------------|-------------------|--------------------------|
| Emkay Global Financial Services Limited (Holding Company) and its Nominees. | 4,100,000 | 100 | 0% |

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022**13 OTHER EQUITY**

(₹ in hundreds)

| Particulars | As at | |
|---|---------------------|---------------------|
| | 31st March 2022 | 31st March 2021 |
| Reserve and Surplus | | |
| a) Retained Earnings | | |
| Balance at the beginning of the reporting period | (208,958.83) | (197,052.42) |
| Add: Profit/(Loss) for the year | 16,759.18 | (11,906.41) |
| Available For Appropriations | (192,199.65) | (208,958.83) |
| Less: Appropriations | - | - |
| Balance at the end of the reporting period | (192,199.65) | (208,958.83) |
| b) Equity-settled Share Based Payment Reserve | | |
| Balance at the beginning of the reporting period | 3,184.79 | 1,968.61 |
| Add: Share Based Payments to Employees during the year | 1,913.79 | 1,216.18 |
| Balance at the end of the reporting period | 5,098.58 | 3,184.79 |
| c) Other Comprehensive Income | | |
| Balance at the beginning of the reporting period | (2,483.46) | (2,092.26) |
| Add: Movement in Other Comprehensive Income (Net) during the year | (522.09) | (391.20) |
| Balance at the end of the reporting period | (3,005.55) | (2,483.46) |
| | (190,106.62) | (208,257.50) |

Nature and Purpose of Reserve**a) Retained Earnings**

Retained earnings are the profits/(losses) that the Company has earned/(incurred) till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

b) 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.

c) Other Comprehensive Income

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

14 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

(₹ in hundreds)

| Particulars | As at | |
|---|-----------------|-----------------|
| | 31st March 2022 | 31st March 2021 |
| Total outstanding dues of micro enterprises and small enterprises | - | - |
| | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | - | - |
| | - | - |
| The details of amount outstanding to Micro, Small and Medium Enterprises defined under "Micro, Small and Medium Enterprises Development Act, 2006" (as identified based on information available with the company and relied upon by the Auditors) is as under - | | |
| - Principal amount due and remaining unpaid | - | - |
| - Interest due on above and the unpaid interest | - | - |
| - Interest paid | - | - |
| - Payment made beyond the appointed day during the year | - | - |
| - Interest due and payable for the period of delay | - | - |
| - Interest accrued and remaining unpaid | - | - |
| - Amount of further interest remaining due and payable in succeeding years | - | - |

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

Trade Payables Due for Payment - Ageing Schedule as at 31st March, 2022

| 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 |
| - MSME | - | - | - | - | - |
| - Others - Undisputed Dues | - | - | - | - | - |
| Total | - | - | - | - | - |

Trade Payables Due for Payment - Ageing Schedule as at 31st March, 2021

| 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 |
| - MSME | - | - | - | - | - |
| - Others - Undisputed Dues | - | - | - | - | - |
| Total | - | - | - | - | - |

15 CURRENT FINANCIAL LIABILITIES - OTHERS

(₹ in hundreds)

| Particulars | As at | |
|-----------------------------|-----------------|-----------------|
| | 31st March 2022 | 31st March 2021 |
| <u>Payable for Expenses</u> | | |
| - to Holding Company | - | 0.16 |
| - to Others | 3,258.11 | 3,249.64 |
| Total | 3,258.11 | 3,249.79 |

16 OTHER CURRENT LIABILITIES

(₹ in hundreds)

| Particulars | As at | |
|---|-----------------|-----------------|
| | 31st March 2022 | 31st March 2021 |
| Interest accrued and due on borrowings | | |
| Income Received in Advance | 8.48 | 3.22 |
| Others | | |
| Statutory Liabilities | 4,837.03 | 1,004.38 |
| Other Liabilities | - | 29.24 |
| Total | 4,845.51 | 1,036.84 |

17 CURRENT PROVISIONS

(₹ in hundreds)

| Particulars | As at | |
|--|-----------------|-----------------|
| | 31st March 2022 | 31st March 2021 |
| <u>Provision for Employee Benefits</u> | | |
| - Gratuity [Refer Note 27(II)] | 1,409.88 | 1,085.60 |
| - Compensated absences | 316.36 | - |
| - Provision for Bonus | 4,000.00 | 317.00 |
| Total | 5,726.24 | 1,402.60 |

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022**18 REVENUE FROM OPERATIONS**

(₹ in hundreds)

| Particulars | For the Year Ended 31st March, 2022 | For the Year Ended 31st March, 2021 |
|----------------------------|--|--|
| Sale of Services | | |
| Advisory Fees | | |
| - Investment Advisory Fees | 4,701.25 | 4,796.95 |
| - Others | 65,717.47 | 20,313.47 |
| Total | 70,418.72 | 25,110.42 |

19 OTHER INCOME

(₹ in hundreds)

| Particulars | For the Year Ended 31st March, 2022 | For the Year Ended 31st March, 2021 |
|--|--|--|
| Interest from | | |
| - Banks | 8,361.69 | 9,850.99 |
| - Others | 77.76 | 2,962.52 |
| Other Non Operating Income | | |
| - Net Gain on Sale of Investments | 267.57 | 723.82 |
| - Liability No Longer Payable Written Back | - | 600.69 |
| - Miscellaneous Income | - | 0.25 |
| Total | 8,707.02 | 14,138.27 |

20 EMPLOYEE BENEFITS EXPENSE

(₹ in hundreds)

| Particulars | For the Year Ended 31st March, 2022 | For the Year Ended 31st March, 2021 |
|--|--|--|
| Salaries and Other Benefits | 44,330.22 | 36,390.57 |
| Share Based Payments to Employees [Refer Note 28] | 1,913.79 | 1,216.18 |
| Contribution to Provident Funds [Refer Note 27(I)] | 1,846.71 | 1,607.55 |
| Gratuity [Refer Note 27(II)] | 790.79 | 694.40 |
| Staff Welfare Expenses | 93.34 | 7.19 |
| Total | 48,974.85 | 39,915.89 |

21 DEPRECIATION EXPENSES

(₹ in hundreds)

| Particulars | For the Year Ended 31st March, 2022 | For the Year Ended 31st March, 2021 |
|---|--|--|
| Depreciation of Property, Plant and Equipment | 97.47 | 264.58 |
| Total | 97.47 | 264.58 |

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

22 OTHER EXPENSES

| (₹ in hundreds) | | |
|---|--|--|
| Particulars | For the Year Ended 31st March, 2022 | For the Year Ended 31st March, 2021 |
| Communication, Postage and Courier Charges | 347.09 | 368.58 |
| Client Referral Fees | - | 269.49 |
| Commission | 50.85 | - |
| Fees and Stamps | 105.00 | 20.50 |
| Registration Fees | 998.91 | 998.91 |
| Depository Charges | 8.60 | 8.45 |
| Electricity Charges | 390.83 | 289.65 |
| Advertisement and Business Promotion Expenses | 300.00 | - |
| Printing and Stationery | 176.60 | 66.50 |
| Travelling, Conveyance and Vehicle Expenses | 1,869.81 | 1,111.16 |
| Legal and Professional Fees | 1,683.51 | 2,157.20 |
| Payment to Auditors (refer note below)# | 1,975.00 | 1,895.00 |
| Rent | 4,331.52 | 4,246.80 |
| Miscellaneous Expenses | 574.98 | 555.36 |
| Training and Development Expenses | 60.00 | - |
| Loss on Disposal/Discard of Property, Plant and Equipment | 14.08 | - |
| Total | 12,886.78 | 11,987.60 |

| (₹ in hundreds) | | |
|----------------------------------|--|--|
| Particulars | For the Year Ended 31st March, 2022 | For the Year Ended 31st March, 2021 |
| Payment to Auditors | | |
| - As Auditors | | |
| Audit Fees | 1,100.00 | 1,100.00 |
| - In Other Capacity | | |
| Taxation Matters | 375.00 | 345.00 |
| Limited Review and Certification | 500.00 | 450.00 |
| Total | 1,975.00 | 1,895.00 |

23 The Company has commenced new business of Wealth Management/Investment Advisory Services during the year ended March 31, 2020, which is in its initial stage of development. Though the Company had incurred net cash losses in previous year/s and having substantial accumulated losses as at 31st March, 2022, still the Company has adequate financial resources available with it and has continued support from the Parent Company in raising adequate financial resources as and when needed in the coming years for carrying on the said new business. Accordingly, the accompanying financial statements have been prepared on the assumption that the entity is a going concern and will continue its operation for the foreseeable future and prepared its financial statements using the going concern basis of accounting.

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

24 DISCONTINUED OPERATIONS

Financial Performances:

a. Profit from Discontinued Operations

(₹ in hundreds)

| Particulars | Year Ended 31 st March, 2022 | Year Ended 31 st March, 2021 |
|--------------------------|--|--|
| Income | 1,514.06 | 1,012.97 |
| Expenses | - | - |
| Profit Before Tax | 1,514.06 | 1,012.97 |
| Tax Expenses | 233.00 | - |
| Profit After Tax | 1,281.06 | 1,012.97 |

b. Cash Flow from Discontinued Operations Before Tax - Rs.1,514.06 hundreds (P.Y. Rs.80.82 hundreds)

c. Book Value of Assets and Liabilities

(₹ in hundreds)

| Particulars | Year Ended 31 st March, 2022 | Year Ended 31 st March, 2021 |
|------------------------|--|--|
| I. Assets | - | - |
| II. Liabilities | - | - |

25 EARNINGS PER SHARE:

(₹ in hundreds)

| Sl. No. | Particulars | Year Ended 31 st March, 2022 | Year Ended 31 st March, 2021 |
|---------|---|--|--|
| a) | Net Profit/(Loss) after tax from continuing operations available for Equity Shareholders | 15,478.12 | (12,919.38) |
| b) | Net Profit/(Loss) after tax from discontinued operations available for Equity Shareholders | 1,281.06 | 1,012.97 |
| c) | Net Profit/(Loss) after tax available from continuing & discontinued operations for Equity Shareholders | 16,759.18 | (11,906.41) |
| d) | Weighted average number of Equity Shares of ₹.10/- each outstanding during the period (No. of Shares) | | |
| | - For Basic Earnings | 4,100,000 | 4,100,000 |
| | - For Diluted Earnings | 4,100,000 | 4,100,000 |
| e) | Earnings per Equity Share for continuing operations (in rupees) | | |
| | - Basic | 0.38 | (0.31) |
| | - Diluted | 0.38 | (0.31) |
| f) | Earnings per Equity Share for discontinuing operations (in rupees) | | |
| | - Basic | 0.03 | 0.02 |
| | - Diluted | 0.03 | 0.02 |
| g) | Earnings per Equity Share for continuing & discontinued operations (in rupees) | | |
| | - Basic | 0.41 | (0.29) |
| | - Diluted | 0.41 | (0.29) |

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

26 RELATED PARTY DISCLOSURES

A. List of related parties

| Sr. No. | Name of Related Party | Nature of Relationship |
|---------|--|---|
| 1. | Directors a. Mr. Ravikumar Krishnamurthi b. Mr. Bharat Kumar Singh c. Mr. Raunak Karwa d. Mr. Devang Desai | Directors |
| 2. | a. Mr. Krishna Kumar Karwa b. Mr. Prakash Kacholia c. Mrs. Preeti Kacholia | Individuals having control or significant influence Relatives of individuals having control or significant influence |
| 3. | Emkay Global Financial Services Limited | Holding Company |
| 4. | Synthetic Fibres Trading Co. | Enterprises owned/controlled by Individuals having control or significant influence or their relatives |
| 5. | Emkay Wealth Advisory Ltd. Employees Group Gratuity Assurance Fund | Others |

B. Transactions with Related Parties

(₹ in hundreds)

| Sr. No. | Particulars | Individual having control or significant influence and their relatives | | Holding Company | | Enterprises owned/ controlled by Individuals having control or significant influence or their relatives | | Others | |
|-----------|---|--|---------|-----------------|----------|---|---------|---------|---------|
| | | 2021-22 | 2020-21 | 2021-22 | 2020-21 | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| I | Expenditure | | | | | | | | |
| a) | Depository Charges | | | | | | | | |
| | - Emkay Global Financial Services Ltd. | - | - | 8.60 | 8.45 | - | - | - | - |
| b) | Share Based Payments | | | | | | | | |
| | - Emkay Global Financial Services Ltd. | - | - | 1,913.79 | 1,216.18 | - | - | - | - |
| c) | Gratuity Contribution | | | | | | | | |
| | - Emkay Wealth Advisory Ltd. Employees Groupo Gratuity Assurance Fund | - | - | - | - | - | - | 790.79 | 694.40 |
| II | Income | | | | | | | | |
| | Advisory Fees | | | | | | | | |
| | - Preeti Kacholia | 1,000.00 | - | - | - | - | - | - | - |
| | - Synthetic Fibres Trading Co. | - | - | - | - | 4,000.00 | - | - | - |

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

| Sr. No. | Particulars | Individual having control or significant influence and their relatives | | Holding Company | | Enterprises owned/ controlled by Individuals having control or significant influence or their relatives | | Others | |
|------------|---|---|---------|-----------------|------------|--|---------|----------|----------|
| | | 2021-22 | 2020-21 | 2021-22 | 2020-21 | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| III | Others | | | | | | | | |
| a) | Expenses Reimbursed | | | | | | | | |
| | - Emkay Global Financial Services Ltd. | - | - | 5,085.42 | 4,896.57 | - | - | - | - |
| b) | Secondment Fees Recovered | | | | | | | | |
| | - Emkay Global Financial Services Ltd. | - | - | 4,263.50 | - | - | - | - | - |
| IV | Outstandings | | | | | | | | |
| a) | Provision for Employee Benefits - Gratuity | | | | | | | | |
| | - Emkay Wealth Advisory Ltd. Employees Groupo Gratuity Assurance Fund | - | - | - | - | - | - | 1,409.88 | 1,085.60 |
| b) | Payable for Expenses | | | | | | | | |
| | - Emkay Global Financial Services Ltd. | - | - | - | 0.16 | - | - | - | - |
| c) | Trade Receivables | | | | | | | | |
| | - Preeti Kacholia | 1,180.00 | - | - | - | - | - | - | - |
| | - Synthetic Fibres Trading Co. | - | - | - | - | 4,720.00 | - | - | - |
| d) | Equity-settled Share Based Payments Reserve | | | | | | | | |
| | - Emkay Global Financial Services Ltd. | - | - | 5,098.58 | 3,184.79 | - | - | - | - |
| e) | Secondment Fees Recoverable | | | | | | | | |
| | - Emkay Global Financial Services Ltd. | - | - | 1,183.85 | - | - | - | - | - |
| f) | Subscription to Equity Share Capital | | | | | | | | |
| | - Emkay Global Financial Services Ltd. | - | - | 410,000.00 | 410,000.00 | - | - | - | - |

- 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 STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

27 THE DISCLOSURES AS PER IND AS 19 - EMPLOYEE BENEFITS ARE AS FOLLOWS:

I. Defined Contribution Plan

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

| Particulars | Year Ended 31 st March 2022 | Year Ended 31 st March 2021 |
|--------------------------------|---|---|
| Contribution to Provident Fund | 1,846.71 | 1,607.55 |
| Total | 1,846.71 | 1,607.55 |

II. Defined Benefit Plan

The company has a defined benefit gratuity plan governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service is entitled to gratuity on departure at 15 days last drawn salary for each completed year of service or part thereof in excess of six months.

The plan is funded with insurance company in the form of a qualifying insurance policy. The following tables summarize the components of net benefit expense recognized in the statement of profit and loss, other comprehensive income and amount recognized in balance sheet which has been determined by an Actuary appointed for the purpose and relied upon by the Auditors:

(₹ in hundreds)

| Sr. No. | Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|------------|--|---------------------------|---------------------------|
| I | Changes in present value of obligations | | |
| | Present Value of Obligations at beginning of the period | 2,644.89 | 1,476.04 |
| | Current Service Cost | 732.75 | 649.19 |
| | Interest Expense or Cost | 141.40 | 81.86 |
| | Re-measurement (or Actuarial) (Gain)/Loss arising from:- | | |
| | -change in demographic assumptions | - | 5.54 |
| | -change in financial assumptions | 210.23 | 29.96 |
| | -experience variance (i.e. Actual experience vs assumptions) | 421.57 | 402.30 |
| | Benefits Paid | (441.06) | - |
| | Present Value of Obligations at end of the period | 3,709.78 | 2,644.89 |
| II | Changes in fair value of plan assets | | |
| | Fair Value of Plan Assets at beginning of the period | 1,559.29 | 661.00 |
| | Investment Income | 83.36 | 36.65 |
| | Employer's Contribution | 1,085.60 | 815.04 |
| | Benefits Paid | (441.06) | - |
| | Return on plan assets, excluding amount recognized in net interest expense | 12.71 | 46.60 |
| | Fair Value of Plan Assets at end of the period | 2,299.90 | 1,559.29 |
| III | Reconciliation of net liability/asset | | |
| | Net defined benefit liability/(asset) as at the beginning | 1,085.60 | 815.04 |
| | Expenses charged to statement of profit and loss | 790.79 | 694.40 |
| | Amount recognized in other comprehensive income | 619.09 | 391.20 |
| | Employer contribution | 1,085.60 | 815.04 |
| | Net defined benefit liability/(asset) as at the end | 1,409.88 | 1,085.60 |

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

| Sr. No. | Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---------|---|---------------------------|---------------------------|
| IV | Expenses recognized in Statement of Profit and Loss | | |
| | Current Service Cost | 732.75 | 649.19 |
| | Net Interest Cost / (Income) on the net defined benefit liability/(Asset) | 58.04 | 45.21 |
| | Expenses recognized in the Income Statement | 790.79 | 694.40 |
| V | Change in the Effect of Asset Ceiling | | |
| | Effect of Asset Ceiling at the beginning | - | - |
| | 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 | - | - |
| | Effect of Asset Ceiling as at the end | - | - |
| VI | Other Comprehensive Income | | |
| | Actuarial (gains)/losses | | |
| | - change in demographic assumptions | - | 5.54 |
| | - change in financial assumptions | 210.23 | 29.96 |
| | - experience variance (i.e. actual experience vs assumptions) | 421.57 | 402.30 |
| | Return on plan assets, excluding amount recognized in net interest expense | (12.71) | (46.60) |
| | Components of defined benefit costs recognized in other comprehensive income | 619.09 | 391.20 |
| VII | Amount recognized in Balance Sheet | | |
| | Present value of obligation | 3,709.78 | 2,644.89 |
| | Fair value of plan assets | 2,299.90 | 1,559.29 |
| | Surplus/(Deficit) | (1,409.88) | (1,085.60) |
| | Effects of asset ceiling, if any | - | - |
| | Net Asset / (Liability) | (1,409.88) | (1,085.60) |
| VIII | Key actuarial assumptions | | |
| | Discount Rate (p.a.) | 6.25% | 5.35% |
| | Salary growth rate (p.a.) | 12.00% | 10.00% |
| | Attrition/Withdrawal rates, based on age (per annum) | | |
| | - Upto 45 years | 25% | 25% |
| | - Above 45 years | 15% | 15% |
| | Mortality rate | 100% of IALM 2012-14 | 100% of IALM 2012-14 |
| IX | Major Category of plan assets | | |
| | Funds managed by Insurer | 91% | 87% |
| | Bank Balance | 9% | 13% |
| X | Sensitivity analysis for significant assumptions is as shown below | | |
| | Discount Rate (- 1%) : % Change compared to base due to sensitivity | 6.20% | 6.10% |
| | Discount Rate (+ 1%) : % Change compared to base due to sensitivity | -5.60% | -5.50% |

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

| Sr. No. | Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---------|---|---------------------------|---------------------------|
| | Salary Growth (- 1%) : % Change compared to base due to sensitivity | -5.40% | -5.30% |
| | Salary Growth (+ 1%) : % Change compared to base due to sensitivity | 5.80% | 5.80% |
| | Attrition Rate (- 50%) : % Change compared to base due to sensitivity | 45.30% | 46.90% |
| | Attrition Rate (+ 50%) : % Change compared to base due to sensitivity | -20.80% | -22.10% |
| | Mortality Rate (- 10%) : % Change compared to base due to sensitivity | 0.00% | 0.00% |
| | Mortality Rate (+ 10%) : % Change compared to base due to sensitivity | 0.00% | 0.00% |
| XI | Expected Contribution during the next annual reporting period | | |
| | The Company's best estimate of Contribution during the next year | 2,348.14 | 1,737.70 |
| XII | Maturity Profile of Defined Benefit Obligation | | |
| | Weighted average duration (based on discounted cash flows) | 6 years | 6 years |
| | Expected cash flows over the next (valued on undiscounted basis): | | |
| | 1 year | 212.45 | 293.12 |
| | 2 to 5 years | 2,538.20 | 1,577.35 |
| | 6 to 10 years | 1,242.29 | 976.46 |
| | more than 10 years | 1,766.40 | 941.31 |

28 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.

The charge for the year in respect of such plan is included in employee benefits expense amounting to ₹ 1,913.79 hundreds (P.Y. – ₹ 1,216.18 hundreds) with a corresponding credit to Equity settled Share Based Payment Reserve in Other equity based on fair value of options determined by an Independent valuer appointed by the Parent Company for the purpose and relied upon by the Auditors.

29 SEGMENT REPORTING

a. Business Segment

- The Company operated only in one segment i.e. "Advisory and Transactional Services" comprising of Wealth Management and hence business segment disclosures as per Ind AS 108 on Operating Segments is not applicable.
- The Company's discontinued operations pertains to Direct Insurance Broking in terms of the provisions of the Insurance Regulatory and Development Authority Act, 1999 which was discontinued w.e.f. 22nd March, 2019.

b. Geographical Segment

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

30 OPERATING LEASE

The company is occupying part of premises taken on operating lease by its parent company to whom rent aggregating to ₹ 4,331.52 hundreds (P.Y. ₹ 4,246.80 hundreds) has been reimbursed.

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

31 FINANCIAL INSTRUMENTS

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

(₹ in hundreds)

| Particulars | Measured at | | | Total Carrying Value |
|---|-------------------|------------------------------|---------------------------|----------------------------|
| | Amortised Cost | Fair Value Through P&L | Fair Value Through OCI | |
| Financial Assets | | | | |
| Trade Receivables | 20,973.99 | - | - | 20,973.99 |
| Cash and Cash Equivalents | 36,935.21 | - | - | 36,935.21 |
| Bank Balances Other Than Cash and Cash Equivalents | 164,910.60 | - | - | 164,910.60 |
| Other Financial Assets | 2,821.81 | - | - | 2,821.81 |
| Total | 225,641.61 | - | - | 225,641.61 |
| Financial Liabilities | | | | |
| Other Financial Liabilities | 3,258.11 | - | - | 3,258.11 |
| Total | 3,258.11 | - | - | 3,258.11 |

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

(₹ in hundreds)

| Particulars | Measured at | | | Total Carrying Value |
|---|-------------------|------------------------------|---------------------------|----------------------------|
| | Amortised Cost | Fair Value Through P&L | Fair Value Through OCI | |
| Financial Assets | | | | |
| Trade Receivables | 925.00 | - | - | 925.00 |
| Cash and Cash Equivalents | 30,742.43 | - | - | 30,742.43 |
| Bank Balances Other Than Cash and Cash Equivalents | 154,937.10 | - | - | 154,937.10 |
| Other Financial Assets | 11,951.47 | - | - | 11,951.47 |
| Total | 198,556.00 | - | - | 198,556.00 |
| Financial Liabilities | | | | |
| Other Financial Liabilities | 3,249.79 | - | - | 3,249.79 |
| Total | 3,249.79 | - | - | 3,249.79 |

III. Valuation techniques used to determine fair value

- Quoted Mutual Fund Investments – Quoted closing NAV of respective schemes.

IV. Financial instruments not measured at fair value

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

Additionally, financial liabilities being other financial liabilities are not measured at FVTPL, whose carrying amounts approximate fair value, because of their short-term nature.

At 31 March 2022 and 31 March 2021 the Company did not held any financial assets or financial liabilities which could have been categorized as level 3.

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

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

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

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

a) Credit risk

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

The Company's financial assets comprises of investments, trade receivables, cash and bank equivalents and other financial assets which comprise mainly of bank deposits, accrued interest thereon, deposits, advances and income receivable.

Investments comprise of Quoted Mutual Funds which are market tradeable. Credit risk on trade receivable is low as we take 50% of advisory fees mostly in advance from the clients. In case of bank balances and deposits with bank, the Company is banking with top rated banks. In case of other items comprised in other financial assets like deposits etc, the amount involved is not material.

Movement in Expected Credit Losses

There is no movement in Expected Credit Losses.

b) Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, invests its surplus funds in quoted liquid schemes of mutual funds and bank deposits.

The table below summarises the maturity profile of the company's financial liabilities based on contractual undiscounted payments-

(₹ in hundreds)

| Particulars | Below 12 Months | Above 12 Months | Total |
|-------------------------------|-----------------|-----------------|----------|
| As on 31st March, 2022 | | | |
| Other Financial Liabilities | 3,258.11 | - | 3,258.11 |
| As on 31st March, 2021 | | | |
| Other Financial Liabilities | 3,249.79 | - | 3,249.79 |

c) Market Risk

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

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. 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.

33 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

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

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, since the Company is holding registration as an Investment Advisor with SEBI and hence required to maintain minimum networth as prescribed from time to time under SEBI (Investment Advisors) Regulations, 2013. The management ensures that this is complied at all times.

34 TAX RECONCILIATION DISCLOSURES:

a. Income tax expense consists of the followings:

(₹ in hundreds)

| Particulars | Year ended 31st March, 2022 | Year ended 31st March, 2021 |
|---|--------------------------------|--------------------------------|
| Current Income Tax | 1,807.00 | - |
| Deferred Tax | - | - |
| Short Provision for Taxation for Earlier Year | 114.52 | - |
| Tax expense for the year | 1,921.52 | - |

b. Amounts recognised in other comprehensive income/(loss)

(₹ in hundreds)

| Particulars | Year ended 31st March, 2022 | Year ended 31st March, 2021 |
|--|--------------------------------|--------------------------------|
| Items that will not be reclassified to profit or loss | | |
| Actuarial gain/(loss) on defined benefit plans | (619.09) | (391.20) |
| Income tax relating to items that will not be reclassified to profit or loss | 97.00 | - |
| Total Other Comprehensive Income/(Loss) | (522.09) | (391.20) |

c. The reconciliation of estimated current income tax expenses at statutory income tax rate to current income tax expense reported in Statement of Profit and Loss is as follows:

(₹ in hundreds)

| Particulars | Year ended 31st March, 2022 | Year ended 31st March, 2021 |
|---|--------------------------------|--------------------------------|
| Profit/(Loss) Before Tax | 17,166.64 | (12,919.38) |
| Enacted Tax Rate in India (%) | 26.00% | 26.00% |
| Expected Income Tax Expenses | 4,463.33 | (3,359.04) |
| Tax Effect of Adjustments to Reconcile Expected Income Tax Expenses to Reported Income Tax Expenses | | |
| - Deductible Expenses for Tax Purpose | (68.92) | (263.56) |
| - Non Deductible Expenses for Tax Purpose | 1,225.37 | 109.36 |
| - Fair Value Changes of Investments | - | 57.11 |
| - Revenue From Discontinued Operations | 393.66 | 38.42 |
| - Business Loss Brought Forward From Earlier Years Adjusted | (6,350.07) | - |
| - Current Year Losses Carry Forwarded to Subsequent Year | - | 3,101.50 |
| - Others (Net) | 336.63 | 316.21 |
| Tax Payable at Normal Rates (A) | - | - |
| Tax Payable Under Section 115JB (MAT) (B) | 1,710.00 | - |
| Total Income Tax Expenses (Higher of A and B) | 1,710.00 | - |
| Effective Tax Rate | 9.96% | - |

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

d. Deferred Tax Disclosure

Movement in Deferred Tax Balances

(₹ in hundreds)

| Particulars | Financial Assets at Fair Value through Profit & Loss | Provisions / Disallowances/ Carried Forward Tax Losses | Total |
|--|---|---|-------|
| As at 31st March, 2020 | (57.00) | 57.00 | - |
| Credited/(Charged) to Profit and Loss | 57.00 | (57.00) | - |
| As at 31st March, 2021 | - | - | - |
| Credited/(Charged) to Profit and Loss | - | - | - |
| As at 31st March, 2022 | - | - | - |

e. Amounts for Which Deferred Tax Asset is Not Recognised

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

(₹ in hundreds)

| Particulars | As at 31 st March, 2022 | As at 31 st March, 2021 |
|------------------------------------|---------------------------------------|---------------------------------------|
| Depreciation | 82.00 | 120.00 |
| Provision for Compensated Absences | 82.00 | - |
| Unused Tax Losses/Depreciation | 1,264.00 | 6,559.00 |
| Total Deferred Tax Asset | 1,428.00 | 6,679.00 |

35 Expenses includes ₹ 4,267.09 hundreds (P.Y. ₹ 146.02 hundreds) pertaining to prior period .

36 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.

37 Disclosure pursuant to section 186(4) of the Companies Act, 2013:

Loans Given - NIL
Investments made – NIL
Guarantee given - NIL
Security Provided - NIL

38 Additional regulatory information:

- 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 year.
- No proceeding has been initiated during the year or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- The Company is not declared willful defaulter by any bank or financial institution or other lender.
- There are no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

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

- f) 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.

g) (i) **Analytical Ratios**

| Particulars | Numerator | Denominator | As At 31 st March, 2022 | As At 31 st March, 2021 | Variance |
|-----------------------------------|-------------------------------------|-----------------------------------|---------------------------------------|---------------------------------------|----------|
| Current Ratio | Current Assets | Current Liabilities | 16.43 | 33.39 | (50.81)% |
| Debt - Equity Ratio | Total Debt | Total Equity | NA | NA | NA |
| Debt Service Coverage Ratio | Earnings Available for Debt Service | Debt Service | NA | NA | NA |
| Return on Equity (ROE) | Net Profit After Taxes | Average Total Equity | 7.34% | (6.23)% | 217.80% |
| Inventory Turnover Ratio | Cost of Goods Sold | Average Inventory | NA | NA | NA |
| Trade Receivables Turnover Ratio | Revenue from Operations | Average Trade Receivables | 6.43 | 40.27 | (84.03)% |
| Trade Payables Turnover Ratio | Purchases of Services | Average Trade Payables | NA | NA | NA |
| Net Capital Turnover Ratio | Revenue from Operations | Working Capital | 0.33 | 0.14 | 142.26% |
| Net Profit Ratio | Net Profit After Tax | Revenue from Operations | 0.22 | (0.51) | 142.72% |
| Return on Capital Employed (ROCE) | Profit Before Interest and Taxes | Total Equity | 7.81% | (6.40)% | 221.91% |
| Return on Investment (ROI) | Income Generated from Investments* | Time Weighted Average Investments | 4.98% | 5.63% | (11.45)% |

*Income from investment includes interest from FDs and gain on sale of mutual funds

(ii) **Explanation for any change in the ratio by more than 25% as compared to the preceding year:**

- **Current Ratio** – Current ratio decreased due to substantial increase in current liabilities on account of statutory liabilities and provision for bonus as compared to previous year.
 - **Return on Equity (ROE)** – Return on equity improved as compared to previous year due to substantial increase in revenue from operations during the year from ₹ 25110.42 hundreds to ₹ 70418.72 hundreds.
 - **Trade Receivables Turnover Ratio** – The said ratio decreased due to substantial increase in outstanding trade receivables on account of increase in revenue from operations during the year as compared to previous year.
 - **Net Capital Turnover Ratio** – Net capital turnover ratio increased due to substantial increase in revenue from operations during the year as compared to previous year.
 - **Net Profit Ratio** – Net profit ratio improved due to substantial increase in revenue from operations during the year as compared to previous year.
 - **Return on Capital Employed (ROCE)** – The said ratio improved as company reported profit before tax during the year as compared to loss reported in previous year.
- h) The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the intermediary shall-
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- i) The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall-

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

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- j) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- k) The provisions of section 135 of the Companies Act, 2013 pertaining to expenditure on Corporate Social Responsibility are not applicable to the Company.
- l) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

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

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

41 Figures in brackets represents for previous year.

42 COVID-19 outbreak was declared a pandemic by the World Health Organization on 11 March, 2020.

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

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

43 EVENTS AFTER REPORTING DATE

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

44 APPROVAL OF FINANCIAL STATEMENTS

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

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

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

Place : Mumbai
Dated : 23rd May, 2022

For and on behalf of the Board of
EMKAY WEALTH ADVISORY LIMITED

Raunak Karwa
Director
DIN - 08632290

Place : Mumbai
Dated : 23rd May, 2022

Devang Desai
Director
DIN - 08677261



Your success is our success

EMKAY WEALTH ADVISORY LIMITED

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

CIN- U74110MH2007PLC168496

ATTENDANCE SLIP

I hereby record my presence at the 15th Annual General Meeting of the Company held on Friday, August 05, 2022 at 9.30 a.m. at the registered office of the Company i.e. The Ruby, 7th Floor, Senapati Bapat Marg, Dadar (West), Mumbai-400028.

Folio No. DP ID No. Client ID No.

Name of Member

Name of Proxyholder

No. of Share(s) Held:

Signature of Member/Proxy

Notes:

- (1) Members/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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Your success is our success

EMKAY WEALTH ADVISORY LIMITED

CIN- U74110MH2007PLC168496

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

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 Wealth Advisory Limited holding _____ equity shares of the above named company, hereby appoint.

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 15th Annual General Meeting of the Company, to be held on Friday, August 05, 2022 at 9.30 a.m. at The Ruby, 7th Floor, Senapati Bapat Marg, Dadar (West), Mumbai-400028 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 Statement of the Company for the year ended on 31st March, 2022 together with the report of the Board of Directors and the Auditors thereon. |
| 2 | To appoint a Director in place of Mr. Devang Desai (DIN: 08677261) who retires by rotation and being eligible offers himself for re-appointment. |
| 3 | Approval for limits of Investment /Loans and giving Guarantees or providing Securities in connection with Loans to Persons / Bodies Corporate under section 186 of the Companies Act, 2013. |

Signed this _____ day of _____, 2022

Signature of the Shareholder: _____

Signature of the Proxy Holder(s): _____

Affix
Revenue
Stamp of
Re.1

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

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NOTES



Your success is our success

Emkay Wealth Advisory Limited

CIN: U74110MH2007PLC168496

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

Dadar West, Mumbai 400 028.

Tel: +91 22 66121212