

Emkay[®]

Your success is our success

25

YEARS

**Built on
TRUST.
Driven by
EXPERIENCE.
Committed to
VISION.**

Annual Report
2019-20

Emkayglobal Financial Services IFSC Private Limited



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Rajesh Sharma	-	Director (DIN: 01239871)
Mr. Saket Agrawal	-	Director (DIN: 06960186)
Mr. Krishna Kumar Karwa*	-	Director (DIN: 00181055)
Mr. Prakash Kacholia*	-	Director (DIN: 00002626)

(Resigned w.e.f. 25.01.2020)

STATUTORY AUDITORS

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

BANKERS

Kotak Mahindra Bank

REGISTERED OFFICE

Unit no. 517, Fifth floor,
Signature, 13-B, Zone-1,
GIFT SEZ, Gandhinagar,
Gujarat - 382355

ADMINISTRATIVE OFFICE

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

CORPORATE IDENTIFICATION NUMBER:

U65999GJ2018PTC102945

EMKAYGLOBAL FINANCIAL SERVICES IFSC PVT. LTD.

NOTICE

Notice is hereby given that the Second Annual General Meeting of the Members of **Emkayglobal Financial Services IFSC Private Limited** will be held on Thursday, August 27, 2020 at 3.00 p.m. at the at The Ruby, 7th Floor, Senapati Bapat Marg, Dadar (West), Mumbai – 400 028 to transact the following business:

Ordinary Business:

To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2020 together with the report of the Board of Directors and Auditors thereon.

By order of the Board of Directors
For **Emkayglobal Financial Services IFSC Pvt. Ltd.**

Rajesh Sharma
Director
(DIN: 01239871)

Place: Mumbai
Date: June 16, 2020

Notes for Members' Attention:

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

DIRECTORS' REPORT

Dear Members,

Your Directors present the Second Annual Report of your Company and the Audited Financial Statements for the period ended on March 31, 2020.

1. FINANCIAL RESULTS

An overview of the financial performance of the Company for financial year 2019-20 is as under:

(Rs. In Lakhs)

Particulars	31.03.2020	31.03.2019
Total Revenue	0.16	-
Profit Before Tax	(6.15)	(5.87)
Less: Provision for Taxation	0.56	-
Less: Deferred Tax Charge / (Benefit)	(0.33)	-
Profit After Tax	(6.38)	(5.87)
Other Comprehensive Income /(Loss) (net of tax)	7.22	-
Total Comprehensive Income	0.85	(5.87)

2. REVIEW OF OPERATIONS AND BUSINESS HIGHLIGHTS

During the year under review, the Company has not generated any revenue from operations since no business operations was started. The company had paid for certain statutory and business expenses and has incurred loss of Rs. (6.38) Lacs, which are accounted as on March 31, 2020.

The Company had received its initial fund infusion of Rs. 1.5 Crore as a subscription money from its holding Company, M/s Emkay Global Financial Services Limited on September 19, 2019, on receipt of SEBI approval and NOC for the same to offer financial services relating to securities market in the IFSC and to operate from the Gujarat International Finance Tech-City [GIFT City] of Gujarat. The Company will be governed by SEZ Act.

The Company had applied for the SEBI registration to operate as a stock broker and to obtain membership of India INX and NSE IFSC located at GIFT City, Gandhinagar. The Company had received SEBI approval vide certificate dated November 05, 2019. The Company, then had applied and obtained membership of INDIAINX and NSE IFSC as a trading member and had empanelled with Edelweiss Securities (IFSC) Limited and appointed them as a clearing member. The Company is yet to commence its business

operations, in accordance with the applicable laws, rules and regulations.

COVID-19 outbreak was declared a pandemic by the World Health Organization on March 11, 2020. The Indian Government announced a 21-day complete lockdown on March 24, 2020, across the country, to contain the spread of the virus. The lockdown has since been extended with gradual relaxations. The company being registered as a Stock Broker with SEBI has been declared an essential services and accordingly the company's activity were exempted from lockdown. During the period, the Company continued to comply with the regulatory compliances, as applicable.

3. RESERVES AND SURPLUS

Since the Company has incurred a loss of Rs. (6.38) Lacs, no amount was transferred to reserves.

4. DIVIDEND

During the year under review, your Company has not started its business operations and no revenues were generated and hence your directors do not recommend any dividend for the financial year 2019-20.

5. EXTRACT OF ANNUAL RETURN

As provided under Section 92(3) of the Act, the extract of annual return is given in "Annexure A" in the prescribed form MGT-9, which forms part of this report

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

There have been no material changes and commitments between the end of financial year 2019-20 and the date of this report adversely affecting the financial position of the Company.

7. DIRECTORS & KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Krishna Kumar Karwa and Mr. Prakash Kacholia, Directors of the Company resigned from the Company with effect from January 25, 2020, due to their professional commitments with Holding Company, M/s Emkay Global Financial Services Limited and other group Companies.

Pursuant to Section 203 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, your Company is not required to appoint Key Managerial Personnel and hence no such appointments were made during the year.

Directors' Report (Contd.)**8. INDEPENDENT DIRECTORS**

The provisions of Section 149(4) of the Companies Act, 2013 pertaining to appointment of Independent Director are not applicable to the Company. Accordingly, the Company has not appointed Independent Director on its Board.

9. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the Financial Year 2019-2020, eight meetings of the Board of Directors were held i.e. on May 28, 2019, September 19, 2019, September 19, 2019 (Gandhinagar, Registered Office), September 30, 2019, November 14, 2019, December 12, 2019, January 24, 2020 and February 17, 2020.

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

Name of the Director	Category	Board Meetings held during Financial Year 2019-20	
		Held	Attended
Mr. Krishna Kumar Karwa	Director	8	6
Mr. Prakash Kacholia	Director	8	5
Mr. Saket Agrawal	Director	8	8
Mr. Rajesh Sharma	Director	6	6

10. DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures.
- The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review.
- The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- The directors have prepared the annual accounts on a realization basis of accounting as the company ceases to be a going concern.
- The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- The directors had laid down systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate & operating effectively.

11. PUBLIC DEPOSITS

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

12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, no loans, investments, guarantees and securities granted and hence provisions of Sections 185 and 186 of the Companies Act, 2013 are not applicable.

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

During the year under review, there were no transactions entered by your company and hence there was no requirement for Related Party Transactions reporting.

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

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

Directors' Report (Contd.)

15. CHANGE IN ACCOUNTING POLICY:

The company has adopted Indian Accounting Standard (IND AS) with effect from 1st April 2019 and the effective date of such transition is from 21st June, 2018.

16. STATUTORY AUDITORS

Pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Company had appointed M/s. B. L. Sarda & Associates, Chartered Accountants, bearing Firm Registration Number 109266W with the Institute of Chartered Accountants of India (ICAI), as the Statutory Auditors of the Company to hold office for a period of five years from the conclusion of the 1st Annual General Meeting till the conclusion of the 6th Annual General Meeting to be held for the financial year 2023-24.

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

17. SECRETARIAL AUDIT

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

18. SECRETARIAL STANDARDS

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

19. COST RECORDS AND COST AUDIT

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

20. REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Statutory Auditor has not reported to the Board/Management, under Section 143(12) of the Companies Act, 2013, any instances of

fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

21. 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 applicable, as there were 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 under review, there were no employees in the Company.

22. ACKNOWLEDGEMENT

Your Directors would like to take this opportunity to express sincere gratitude towards the stakeholders at large. Your Directors gratefully acknowledge the ongoing co-operation and support provided by the Government Authorities, Regulatory Bodies and other entities dealing with the Company.

On behalf of the Board of Directors

Rajesh Sharma
Director
DIN: 01239871

Saket Agrawal
Director
DIN: 06960186

Place: Mumbai

Date: June 16, 2020

Directors' Report (Contd.)

ANNEXURE "A"

EXTRACT OF THE ANNUAL RETURN

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN AS ON MARCH 31, 2020

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i	CIN	U65999GJ2018PTC102945
ii	Registration Date	21/06/2018
iii	Name of the Company	Emkayglobal Financial Services IFSC Private Limited
iv	Category/ Sub-Category of the Company	Public Limited Company
v	Address of the Registered Office and contact details	Registered Office: Unit No. 517, 5 th Floor, Signature, 13-B, Zone-1, GIFT SEZ, Gandhinagar, Gujarat – 382355. Administrative Office: Paragon Centre, C-06, Ground Floor, P.B.Marg, Opp. Century Mills, Worli, Mumbai – 400013 Tel. No.: 022 6629 9299
vi	Whether Listed Company	No (Unlisted Company)
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the Business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and Description of Main Products/Service	NIC Code of the Products/Service	% to total turnover of the Company
1	Stock Broking	66120	0.00

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN No.	Holding/ Subsidiary/ Associates	% of shares held	Applicable Section
1	Emkay Global Financial Services Ltd.	L67120MH1995PLC084899	Holding	100	2(46)

IV. SHAREHOLDING PATTERN

SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Shareholding:

SEBI "No Objection" for infusion of capital in view of the status of the Company as IFSC Company was received vide letter dated 06/06/2019. After completing necessary formalities and receipt of the subscription money of Rs.1.5 crore, 15,00,000 equity shares were allotted to the subscribers on 19/09/2019.

Directors' Report (Contd.)**ii. Shareholding of Promoters:**

Sr. No.	Shareholders Name	No. of Shares held at the beginning of the year (as on April 01, 2019)			No. of Shares held at the end of the year (as on March 31, 2020)			% change in shareholding during the year
		No. of Shares	% of the total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of the total shares of the Company	% of Shares Pledged / Encumbered to total shares	
1	Emkay Global Financial Services Ltd.	-	-	-	14,99,999	99.9999	0.00	No Change in % of Equity Shareholding of the Promoters during the year
2	Krishna Kumar Karwa as a nominee of Emkay Global Financial Services Ltd	-	-	-	1	0.0001	0.00	

iii. Change in Promoters' Shareholding (please specify, if there is no change) : NIL**iv. Shareholding Pattern of Top Ten Shareholders (other than Directors / Promoters and holders of GDRs and ADRs)**

Sr. No.	For each of the Top Ten Shareholders	Shareholding at the beginning of the year as on 01.04.2019		Cumulative Shareholding during the year as on 31.03.2020	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Emkay Global Financial Services Ltd.	-	-	14,99,999	99.9999
2	Krishna Kumar Karwa as a nominee of Emkay Global Financial Services Ltd	-	-	1	0.0001

V. INDEBTEDNESS - NIL

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(In Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

Directors' Report (Contd.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL: NIL

- A. Remuneration to Managing Director, Whole-time Director and/or Manager: NA**
B. Remuneration to other directors: Nil
C. Remuneration to Key Managerial Personnel Other Than MD/WTD/Manager: N.A.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCE.- NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment / Compounding fees imposed	Authority(RD /NCLT/COURT)	Appeal made if any (give Details)
A. COMPANY					
Penalty					
Punishment			NIL		
Compounding					
B. DIRECTOR					
Penalty					
Punishment			NIL		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			NIL		
Compounding					

On behalf of the Board of Directors

Rajesh Sharma **Saket Agrawal**
Director **Director**
DIN: 01239871 **DIN: 06960186**

Place: Mumbai
Date: June 16, 2020

INDEPENDENT AUDITOR'S REPORT

To The Members of **EMKAYGLOBAL FINANACIAL SERVICES IFSC PRIVATE LIMITED**

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of EMKAYGLOBAL FINANACIAL SERVICES IFSC PRIVATE LIMITED ("the Company"), which comprises of Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended (the Act) in the manner so required and give a true and fair view in conformity with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its losses and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 or to cease operations, or has no realistic alternative but to do so.

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

Independent Auditor's Report (Contd.)

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

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

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

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

report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance sheet, the Statement of Profit & Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.
 - (e) On the basis of the written representation received from the directors as on March 31, 2020

Independent Auditor's Report (Contd.)

taken on records by the Board of Directors, none of the directors are disqualified as on March 31, 2020 from being appointed as a Directors in terms of Section 164(2) of the Act.

- (f) The Company is a Private Company having turnover and aggregate borrowings less than specified amount and hence reporting as required under clause (i) sub-section (3) of section 143 of the Act with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls is not applicable to the Company.
- (g) 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) The disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8th November, 2016 to 30th December, 2016 which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

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

(CA. B. L. Sarda)
 Partner
 Membership No.014568
 UDIN : 20014568AAAAAM7555

Place: Mumbai
 Date : June 16, 2020

Independent Auditor's Report (Contd.)**ANNEXURE "A"****To Independent Auditor's report of even date to the members of EMKAYGLOBAL FINANACIAL SERVICES IFSC PRIVATE LIMITED on the standalone financial statements as at and for the year ended March 31, 2020**

- (i) The Company does not have any fixed assets during the year. Accordingly paragraph 3(i) of the order is not applicable to the Company.
- (ii) The Company does not hold any inventory during the year. Accordingly paragraph 3(ii) of the order is not applicable to the Company.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly paragraph 3(iii) of the order is 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 and securities provided in respect of which provisions of Section 185 and 186 of the Act are applicable. Accordingly, paragraph 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 within the meaning of Section 73 to 76 of the Act and the Rules framed there under to the extent notified.
- (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, paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including income tax, goods and services 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, 2020 for a period of more than six months from the date they became payable. As explained to us, the Company did not have any dues on account of provident fund, employees' state insurance, sales-tax, service tax, duty of customs, duty of excise and value added tax.
- (b) As at March 31, 2020, according to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax and goods and services tax which have not been deposited on account of any dispute.
- (viii) The Company has not obtained any loan or borrowings from any financial institution, bank or government. Further, the Company does not have any debentures issued/outstanding any time during the year. Accordingly paragraph 3(viii) of the order is not applicable to the Company.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the order is not applicable to the Company.
- (x) Based on the audit procedures performed and according to the information and explanations given by the management, we report that no fraud by the company or on the Company by its officers or employees has been noticed or reported during the year ended March 31, 2020 nor have we been informed of such case by the management during the course of our audit.
- (xi) 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. Accordingly paragraph 3(xi) 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 paragraph 3(xii) of the order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transaction have been disclosed in note 27 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.

Independent Auditor's Report (Contd.)

- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly paragraph 3(xiv) of the order is not applicable to the Company.
- (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 paragraph 3(xv) of the order is not applicable to the Company.

- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly paragraph 3(xvi) of the order 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 : 20014568AAAAAM7555

Place: Mumbai

Date : June 16, 2020

Independent Auditor's Report (Contd.)

Annexure "B"

To Independent Auditor's report of even date to the members of EMKAYGLOBAL FINANACIAL SERVICES IFSC PRIVATE LIMITED on the standalone financial statements for the year ended March 31, 2020.

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 **EMKAYGLOBAL FINANACIAL SERVICES IFSC PRIVATE LIMITED** ("the Company") as of March 31, 2020 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.

Independent Auditor's Report (Contd.)

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

at March 31, 2020 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 : 20014568AAAAAM7555

Place: Mumbai

Date : June 16, 2020

BALANCE SHEET

As At 31st March, 2020

				(₹)
Particulars	Notes	As at 31st March 2020	As at 31st March 2019	
I ASSETS				
1 Financial assets				
Cash and cash equivalents	3	6,502,169	-	
Other Financial assets	4	6,321,152	246,280	
Total Financial assets		12,823,321	246,280	
2 Non-financial Assets				
Deferred tax Assets (Net)	5	33,000	-	
Capital Work-in Progress	6	1,678,568	-	
Right-of-use assets	7	3,856,308	-	
Other non financial assets	8	255,989	10,000	
Total Non-financial Assets		5,823,865	10,000	
Total assets		18,647,186	256,280	
II LIABILITIES AND EQUITY				
LIABILITIES				
1 Financial Liabilities				
Payables				
(II) Other Payables	9	-	-	
(i) total outstanding dues of micro enterprises and small enterprises				
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		339,768	843,604	
Other Financial liabilities				
Lease Liability	10	3,743,406	-	
Total Financial Liabilities		4,083,174	843,604	
2 Non-financial Liabilities				
Current tax liabilities	11	56,000	-	
Other non-financial liabilities	12	10,633	-	
Total Non-financial Liabilities		66,633	-	
3 EQUITY				
Equity Share capital	13	15,000,000	-	
Other Equity	14	(502,621)	(587,324)	
Total equity		14,497,379	(587,324)	
Total Liabilities and Equity		18,647,186	256,280	
SIGNIFICANT ACCOUNTING POLICIES	2			

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

As per our Report of even date

For and on behalf of the Board of

For B.L.Sarda & Associates
Chartered Accountants

EMKAYGLOBAL FINANCIAL SERVICES IFSC PVT. LTD.

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

Saket Agrawal
Director

Rajesh Sharma
Director

Place: Mumbai
Date : June 16, 2020

Place: Mumbai
Date : June 16, 2020

STATEMENT OF PROFIT AND LOSS

For The Year Ended 31st March, 2020

(₹)

Particulars	Notes	For the Year Ended 31st March 2020	For the Period Ended 31st March 2019
(I) Revenue from Operations		-	-
(II) Other Income	15	16,261	-
(III) Total Income (I+II)		16,261	-
Expenses			
(i) Finance Costs	16	122,100	-
(ii) Depreciation and amortisation expenses	17	142,117	-
(iii) Other expenses	18	366,751	587,324
(IV) Total Expenses		630,968	587,324
(V) Profit/(loss) before tax (III - IV)		(614,707)	(587,324)
(VI) Tax Expense:			
(1) Current tax		56,000	-
(2) Deferred Tax		(33,000)	-
(VII) Profit/(loss) for the year/period (V-VI)		(637,707)	(587,324)
(VIII) Other Comprehensive Income			
A (ii) Income tax relating to items that will not be reclassified to profit or loss			
B (i) Items that will be classified to profit or loss			
Foreign Exchange Translation Reserve		722,410	-
(IX) Total Comprehensive Income for the year/ period (VII-VIII)		84,703	(587,324)
(X) Earnings per equity share			
Basic (₹)		(0.80)	Not Applicable
Diluted (₹)		(0.80)	Not Applicable
SIGNIFICANT ACCOUNTING POLICIES	2		

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

As per our Report of even date
For B.L.Sarda & Associates
 Chartered Accountants

For and on behalf of the Board of
EMKAYGLOBAL FINANCIAL SERVICES IFSC PVT. LTD.

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

Saket Agrawal
 Director

Rajesh Sharma
 Director

Place: Mumbai
 Date : June 16, 2020

Place: Mumbai
 Date : June 16, 2020

STATEMENT OF CHANGES IN EQUITY

As At 31st March, 2020

Equity Share Capital

Particulars	Equity Share Capital	
	No. of Shares	Amount
Balance at the beginning of the reporting period	Not Applicable	Not Applicable
Changes during the period	-	-
As at 31st March, 2019	-	-
Changes during the year	1500000	15,000,000
As at 31st March, 2020	1500000	15,000,000

Other Equity

Particulars	Reserves and Surplus	Other Comprehensive Income	Total
	Retained earnings	Foreign Exchange Translation Reserve	
Balance at the beginning of the reporting period	-	-	-
Add:(Loss) after tax for the period	(587,324)	-	(587,324)
Balance as at March 31, 2019	(587,324)	-	(587,324)
Balance as at April 1, 2019	(587,324)	-	(587,324)
Add:Profit after tax for the year	(637,707)	722,410	84,703
Balance as at March 31, 2020	(1,225,031)	722,410	(502,621)

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

For and on behalf of the Board of

EMKAYGLOBAL FINANCIAL SERVICES IFSC PVT. LTD.

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

Place: Mumbai
Date : June 16, 2020

Saket Agrawal
Director

Place: Mumbai
Date : June 16, 2020

Rajesh Sharma
Director

STATEMENT OF CASH FLOW

For The Year Ended 31st March, 2020

(₹)

Particulars	For the Year ended 31st March 2020		For the Period ended 31st March 2019	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax, Extraordinary items		(614,707)		(587,324)
Adjustment for :				
Foreign Exchange Translation gain	743,261		-	
Depreciation and amortisation	142,117		-	
Interest Income Unwinding of Security Deposit	(5,698)		-	
Interest Cost pertaining to Lease Liability	122,100	1,001,780	-	-
Operating profit before working capital changes		387,073		(587,324)
Adjustment for :				
Other receivables and deposits	(123,272)		(10,000)	
Other payables	(493,203)	(616,475)	843,604	833,604
Cash Generated from operations		(229,402)		246,280
Direct taxes (Paid)/Refund		-		-
Cash flow before extraordinary items		(229,402)		246,280
Extraordinary items		-		-
Net Cash from / (used in) Operating Activities		(229,402)		246,280
B. CASH FLOW FROM INVESTING ACTIVITIES				
Lease Deposit	(639,990)		(246,280)	
Deposit with Exchange	(5,674,875)		-	
Capital Work-in Progress	(1,678,568)		-	
Capital Advance	(122,717)		-	
Net Cash from/(used in) Investing Activities		(8,116,150)		(246,280)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Issue of Equity shares	15,000,000		-	
Payment for principal portion of Lease Liability	(23,773)		-	
Payment for interest portion of Lease Liability	(128,506)		-	
Net Cash from/(used in) Financing Activities		14,847,721		-
Net Increase/(Decrease) in Cash and Cash equivalents		6,502,169		-
Cash and Cash equivalents at the beginning of the year		-		-
Cash and Cash equivalents at the close of the year		6,502,169		-
Notes :				
1. Cash and Cash equivalents comprise of :				
Balances with Banks				
- Current Accounts		6,502,169		-
		6,502,169		-
2. Cash flow statement has been prepared under the Indirect Method as set out in the Indian Accounting Standard - 7 (Ind AS-7) "Statement of Cash Flow."				
3. Previous year's figures are re-grouped/recasted/re-arranged wherever considered necessary.				

As per our Report of even date
For B.L.Sarda & Associates
Chartered Accountants

For and on behalf of the Board of
EMKAYGLOBAL FINANCIAL SERVICES IFSC PVT. LTD.

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

Saket Agrawal
Director

Rajesh Sharma
Director

Place: Mumbai
Date: June 16, 2020

Place: Mumbai
Date: June 16, 2020

NOTES FORMING PART OF FINANCIAL STATEMENTS

For The Year Ended 31st March, 2020

1. Corporate Information

Emkayglobal Financial Services IFSC Private Limited (the 'Company') is a private company domiciled in India and was incorporated under the provisions of the Companies Act, 2013 ('the Act') vide Certificate of Incorporation (CIN) U65999GJ2018PTC102945 dated 21st June, 2018. The Company is a wholly owned subsidiary of Emkay Global Financial Services Limited ('the parent'). The registered office of the Company is situated at Unit No.517, Fifth Floor, Signature, 13B, Zone-1, GIFT SEZ, GIFT SEZ, Gandhinagar, Gujarat – 382355. The Company is in the process of setting up a unit in the 'GIFT Multi-Services Special Economic Zone' for providing financial services as capital market intermediary in International Financial Service Centre (IFSC) in accordance with the Securities and Exchange Board of India (International Financial Services Centre) Guidelines, 2015. The Company has obtained eligibility certificate from Kandla SEZ and also registration certificate from Securities and Exchange Board of India (SEBI) as broker and obtained membership of NSE IFSC Limited as a Trading Member.

2. Significant Accounting Policies

2.1 Basis of Preparation

(i) Statement of Compliance

The Company's financial statements for the period ended 31st March, 2019 (from the date of incorporation, i.e., 21st June, 2018 to 31st March, 2019), which was its first financial year, were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and Generally Accepted Accounting Principles in India ('Indian GAAP').

With effect from April 1, 2019, the Company is required to prepare its financial statements in accordance with Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Act.

Accordingly, these financial statements for the year ended March 31, 2020 including comparative information are the first financial statements prepared in all material aspects in accordance

with Ind AS and the relevant provisions of the Act. Since the beginning of the earliest period (date of transition) for which the Company has presented full comparative information as required by Ind AS is its date of incorporation hence no opening balance sheet as at 21st June, 2018 (being date of incorporation) was prepared. These financial statements comprise the Balance Sheets as at March 31, 2020 and March 31, 2019, the Statements of Profit and Loss, the Statements of Cash Flows and the Statements of Changes in Equity for the year ended March 31, 2020 and for the period ended March 31, 2019, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as 'Financial Statements').

The transition to Ind AS has been carried out in accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standards". Refer Note No.25 for an explanation of how the transition from previous Indian GAAP to Ind AS has affected the Company's financial position as at 31st March, 2019 and financial performance and cash flows for the period ended 31st March, 2019.

These financial statements have been prepared in accordance with Division III of Schedule III to the Act on going concern basis using the significant accounting policies and measurement bases summarized as below. These accounting policies have been applied consistently over all the periods presented in these financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

(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);

(iii) Functional and Presentation Currency

The Company being a Company in IFSC, its currency of the primary economic environment in which it operates is US Dollar (USD) and therefore its functional currency is USD. Under the Act, the Company is statutorily required to present its financial statements in Indian

Notes forming part of Financial Statements (Contd.) For The Year Ended 31st March, 2020

Rupees('INR'), therefore to comply with the same and considering the functional and presentational currency of the Parent which is INR, these financial statements are presented in INR.

The translation of financial statements from functional currency to the presentation currency is performed for assets and liabilities using the exchange rate in effect at the Balance Sheet date and for revenue, expense and cash-flow items using the average exchange rate for the period. The gains or losses resulting from such translation are recognised in Other Comprehensive Income and accumulated as a separate component under other equity.

The functional currency of the Company for the period ended 31st March, 2019 was Indian Rupees and therefore the company has applied the translation procedure applicable to new functional currency, i.e., USD prospectively from the date of change and all existing items translated into new functional currency using exchange rate at the date of change, i.e., 1st April, 2019.

(iv) Preparation of Financial Statements

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. As per the format prescribed under Division III of Schedule III to the Act on 11 October 2013, the Company presents the Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the order of liquidity. A maturity analysis of settlement of liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in note no. 22(b).

(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 judgments 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) 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 Judgments are:

- 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

Notes forming part of Financial Statements (Contd.) For The Year Ended 31st March, 2020

sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing 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.

Capital Work-In-Progress

Cost and direct expenses incurred for construction of assets or assets to be acquired, which are not ready to use in the manner intended by the management are disclosed under Capital Work-In-Progress.

Depreciation

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

Derecognition

An item of PPE is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised.

2.3 Financial Instruments

(i) Initial Recognition and Measurement

The Company recognizes financial assets and liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in the statement of profit and loss.

(ii) Subsequent Measurement

a. Financial Assets Carried at Amortized Cost

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

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

A financial asset which is not classified under (a) above is subsequently fair valued through profit or loss.

Notes forming part of Financial Statements (Contd.) For The Year Ended 31st March, 2020

c. Financial Liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For 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 counter party 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 Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, balances with bank in current accounts (other than earmarked) and fixed deposits with bank (free from encumbrances).

2.5 Revenue Recognition

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

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

(i) Interest Income

Interest income on unwinding of security deposit is recognised as interest income under 'Other Income' by applying the Effective Interest Rate (EIR) to the gross carrying amount of the lease deposits. The EIR is computed as the rate that exactly

discounts estimated future cash receipts through the expected life of the lease deposit to the gross carrying amount of the lease deposit by considering all the contractual terms of the lease deposit in estimating the cash flows.

2.6 Leases (As a lessee)

Identifying a lease

At the inception of the contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified assets, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

Recognition of right of use asset (RTU)

The Company recognises a RTU asset at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability and difference between present value of lease deposit and amount of lease deposit paid.

Subsequent measurement of RTU

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

Recognition of lease liability

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

Notes forming part of Financial Statements (Contd.) For The Year Ended 31st March, 2020

payments in an optional renewal period if the Company is reasonably certain to exercise an extension option;

Subsequent measurement of lease liability

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

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

2.7 Other Income and Expenses

(i) Finance Costs

Interest on lease liability is recognized using the incremental borrowing rate implicit in the lease to achieve a constant rate of interest on the remaining balance of the liability by apportionment of lease payments between finance charges and reduction of the lease liability.

(ii) Preliminary Expenses

Preliminary Expenses are recognized as an expense in the year in which it is incurred.

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

2.8 Taxes

(i) Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date for the relevant year.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

(ii) Deferred Tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

(iii) Goods and Services Tax Paid on Acquisition of Assets or on Incurring Expenses

Expenses and assets are recognised net of the goods and services tax paid, except:

Notes forming part of Financial Statements (Contd.) For The Year Ended 31st March, 2020

- 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.

2.9 Earnings Per Share (EPS)

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

2.10 Foreign Currency Transactions

Initial recognition:

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

Conversion:

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

Non-monetary items that are measured at

historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

2.11 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.

2.12 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.

Notes forming part of Financial Statements (Contd.)
As At 31st March, 2020

3. Cash and cash equivalents

(₹)		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Cash on hand	-	-
Balances with Banks		
- in current accounts	6,502,169	-
Total	6,502,169	-

4. Other financial assets

(₹)		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Deposits with stock exchanges	5,674,875	-
Other deposits	646,277	246,280
Total	6,321,152	246,280

5. Deferred Tax Assets (Net)

(₹)		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Deferred Tax (Assets)		
Difference due to Ind As Adjustment-Lease Liability	1,035,700	-
	1,035,700	
Deferred Tax Liability		
Difference due to Ind As Adjustment-Rights -of -use assets	1,002,700	-
	1,002,700	
Deferred Tax Liability (Net)	33,000	-

6. Capital Work-in Progress

(₹)		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Capital Work-in Progress	1,678,568	-
Total	1,678,568	-

7. Right-of-use assets

(₹)		
Particulars	Right-of-use assets	Total
Gross carrying amount		
Additions	-	-
Disposals	-	-
At 31st March, 2019	-	-
Additions	3,998,425	3,998,425
Disposals	-	-
At 31st March, 2020	3,998,425	3,998,425
Accumulated depreciation	-	-

Notes forming part of Financial Statements (Contd.)
As At 31st March, 2020

		(₹)
Particulars	Right-of-use assets	Total
Charge for the year	-	-
Disposals	-	-
At 31st March, 2019	-	-
Charge for the year	142,117	142,117
Disposals	-	-
At 31st March, 2020	142,117	142,117
Net Block		
At 31st March, 2019	-	-
At 31st March, 2020	3,856,308	3,856,308

8. Other non financial assets

		(₹)
Particulars	As at 31st March, 2020	As at 31st March, 2019
Capital advances	122,717	-
Prepaid Expenses	121,806	10,000
Advances recoverable in cash or kind or for value to be received	11,406	-
Advance to others	60	-
Total	255,989	10,000

9. Other Payables

		(₹)
Particulars	As at 31st March, 2020	As at 31st March, 2019
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises*	339,768	843,604
Total	339,768	843,604
Notes:		

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

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

*Includes ₹ Nil (P.Y. ₹820004/-) due to holding company.

Notes forming part of Financial Statements (Contd.)
As At 31st March, 2020

10. Other Financial Liabilities

(₹)		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Lease Liability	3,743,406	-
Total	3,743,406	-

11. Current tax liabilities

(₹)		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Current tax liabilities	56,000	-
Total	56,000	-

12. Other non financial liabilities

(₹)		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Statutory Liabilities	10,633	-
Total	10,633	-

13. EQUITY SHARE CAPITAL

(₹)		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Authorised:		
20,00,000 (P.Y.20,00,000) Equity Shares of ₹10/- each	20,00,000	20,00,000
	20,00,000	20,00,000
Issued, subscribed and fully paid up		
Equity shares		
15,00,000 (P.Y. Nil) Equity Shares of ₹10/- each	15,00,000	-
Total Equity	15,00,000	-

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

Equity Shares

(₹)				
Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No of shares	Amount	No of shares	Amount
At the beginning of the reporting period	-	-	Not Applicable	Not Applicable
Add: Shares issued during the reporting period	1,500,000	15,00,000	-	-
Outstanding at the end of the reporting period	1,500,000	15,00,000	-	-

Notes forming part of Financial Statements (Contd.) As At 31st March, 2020

b. Terms/rights attached to Equity Shares:

The company has only one class of equity shares having a par value of ₹10/- per share. Each holder of equity shares shall be entitled to one vote per share. The company declares and pay dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting except interim dividend. In the event of liquidation of the company, the holders of Equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by holding company :

The entire 15,00,000 (P. Y. Nil) equity shares of ₹10/- each fully paid are held by Emkay Global Financial Services Limited, the holding company.

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

(₹)

Name of the Shareholders	As at 31st March, 2020		As at 31st March, 2019	
	No of shares	% of holding	No of shares	% of holding
i) Equity Shares				
Emkay Global Financial Services Limited (Holding Company) and its nominees	1,500,000	100	-	-

14. Other equity

(₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019
a) Retained Earnings		
Balance at the beginning of the reporting period	(587,324)	-
Less: Loss for the year/period	(637,707)	(587,324)
Available For Appropriations	(1,225,031)	(587,324)
Less: Appropriations	-	-
Balance at the end of the reporting period	(1,225,031)	(587,324)
b) Other Comprehensive Income		
Foreign Exchange Translation Reserve		
Balance at the beginning of the reporting period	-	-
Add: Movement in Other Comprehensive Income (Net) during the year/period	722,410	-
Balance at the end of the reporting period	722,410	-
Total	(502,621)	(587,324)

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) Other Comprehensive Income

Foreign Exchange Translation Reserve

Accumulated gains/(losses) (net) on translation of financial statements from functional currency USD to presentation currency INR.

Notes forming part of Financial Statements (Contd.)
For The Year Ended 31st March, 2020

15. Other Income

(₹)

Particulars	For the Year Ended 31st March, 2020	For the Period Ended 31st March, 2019
Foreign Exchange Rate Fluctuations Gain (Net)	10,563	-
Interest Income unwinding of Security Deposit	5,698	-
Total	16,261	-

16. Finance Costs

(₹)

Particulars	For the Year Ended 31st March, 2020	For the Period Ended 31st March, 2019
Interest on Lease Liability	122,100	-
Total	122,100	-

17. Depreciation and amortisation expenses

(₹)

Particulars	For the Year Ended 31st March, 2020	For the Period Ended 31st March, 2019
Depreciation on Right-of-use assets	142,117	-
Total	142,117	-

18. Other expenses:

(₹)

Particulars	For the Year Ended 31st March, 2020	For the Period Ended 31st March, 2019
Legal and Professional fees	118,209	69,140
Membership and Subscription	21,315	-
Payment to Auditors (refer note below) #	35,239	23,600
Preliminary Expenses	-	457,942
Sebi Fees	50,854	-
SEZ Online Services Fees	-	25,000
Electricity Charges	7,014	-
Repairs and Maintenance	38,531	-
Communication, Postage and Courier Charges	28,648	450
Security Charges	34,949	-
Miscellaneous Expenses	31,992	11,192
Total	366,751	587,324

Notes forming part of Financial Statements (Contd.)
For The Year Ended 31st March, 2020

#		(₹)
Particulars	For the Year Ended 31st March 2020	For the Period Ended 31st March 2019*
a) for audit fees	9,584	11,800
b) for taxation matters	9,584	11,800
c) for Limited Review and Certificates	16,071	-
Total	35,239	23,600

* Inclusive of Goods and Service Tax, wherever applicable.

19. Earnings Per Share:

		(₹)
Sr. No.	Particulars	
	For the Year Ended March, 2020	For the Period Ended March, 2019
a)	Net Profit after tax available for Equity Shareholders(₹)	(637,707)
b)	Weighted average number of Equity Shares of ₹.10/- each outstanding during the period (No. of Shares)	(587,324)
	- For Basic Earnings	-
	- For Diluted Earnings	-
c)	Basic Earnings per Equity Share (₹)	Not Applicable
d)	Diluted Earnings per Equity Share (₹)	Not Applicable

20. Segment Reporting

The Company is yet to commence its business operations and therefore there is no identifiable business segment. Hence segment disclosures as per Ind AS 108 on Operating Segments is not applicable.

21. Financial Instruments:

I. Financial instruments by categories and their carrying value as of 31st March, 2020 is as follows:

Particulars	Measured at			Total Carrying Value
	Amortised Cost	Fair value through P&L	Fair value through OCI	
Financial assets				
Cash and cash equivalents	6,502,169	-	-	6,502,169
Other Financial assets	6,321,152	-	-	6,321,152
Total	12,823,321	-	-	12,823,321
Financial liabilities				
Other Payables	339,768	-	-	339,768
Other Financial liabilities	3,743,406	-	-	3,743,406
-Lease Liability				
Total	4,083,174	-	-	4,083,174

Notes forming part of Financial Statements (Contd.)
For The Year Ended 31st March, 2020

II. Financial instruments by categories and their carrying value as of 31st March, 2019 is as follows:

(₹)

Particulars	Measured at			Total Carrying Value
	Amortised Cost	Fair value through P&L	Fair value through OCI	
Financial assets				
Other Financial assets	246,280	-	-	246,280
Total	246,280	-	-	246,280
Financial liabilities				
Other Payables	843,604	-	-	843,604
Total	843,604	-	-	843,604

III. Financial instruments not measured at fair value

Financial assets not measured at fair value include cash and cash equivalents and other financial assets which comprise mainly of security deposits with exchanges and other deposits. These are financial assets whose carrying amounts approximate fair value, due to their short term nature.

Financial liabilities such as other payables and other financial liabilities are not measured at FVTPL, whose carrying amounts approximate fair value.

At 31st March 2020, and 31st March 2019, the Company did not held any financial assets or financial liabilities which could have been categorized as level 3.

22. 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 counterparties to financial instruments fail to meet its contractual obligation.

The Company's financial assets comprises of bank balances and other financial assets which comprise mainly of security deposits with exchanges and other deposits.

Credit risk in case of bank balances is very low as the Company is banking with top rated banks. Also credit risk in security deposits with exchanges is very low. Amount of other deposits are not material.

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 is setting up capital market intermediary, i.e., Stock Broking activities in IFSC and hence require funds for that purpose and it manages liquidity risk by maintaining adequate funds in cash and cash equivalents.

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

Notes forming part of Financial Statements (Contd.)
For The Year Ended 31st March, 2020

(₹)

Particulars	As at 31st March, 2020		
	Total	Within 12 months	After 12 Months
Assets			
Financial Assets			
Cash and cash equivalents	6,502,169	6,502,169	-
Other Financial assets	6,321,152	327,638	5,993,514
	12,823,321	6,829,807	5,993,514
Non Financial Assets			
Deferred tax Assets (Net)	33,000	-	33,000
Capital Work-in Progress	1,678,568	-	1,678,568
Right-of-use assets	3,856,308	-	3,856,308
Other non financial assets	255,989	133,272	122,717
	5,823,865	133,272	5,690,593
Total Assets	18,647,186	6,963,079	11,684,107
Liabilities			
Financial Liabilities			
Other Payable	339,768	339,768	-
Other Financial Liabilities – Lease Liability	3,743,406	104,609	3,638,797
	4,083,174	444,377	3,638,797
Non-financial Liabilities			
Current tax liabilities	56,000	56,000	-
Other non-financial liabilities	10,633	10,633	-
	66,633	66,633	-
Total Liabilities	4,149,807	511,010	3,638,797
Net	14,497,379	6,452,069	8,045,310

(₹)

Particulars	As at 31st March, 2019		
	Total	Within 12 months	After 12 Months
Assets			
Financial Assets			
Other Financial assets	246,280	-	246,280
	246,280	-	246,280
Non-Financial Assets			
Other non-financial assets	10,000	10,000	-
	10,000	10,000	-
Total Assets	256,280	10,000	246,280

Notes forming part of Financial Statements (Contd.)
For The Year Ended 31st March, 2020

(₹)

Particulars	As at 31st March, 2019		
	Total	Within 12 months	After 12 Months
Liabilities			
Financial Liabilities			
Other Payable	843,604	843,604	-
	843,604	843,604	-
Total Liabilities	843,604	843,604	-
Net	(587,324)	(833,604)	246,280

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. Presently, the Company does not have any material exposure to financial instruments whose fair value may get effected due to market risk.

23. Disclosure as per Ind-AS 1 on Capital Management

The Company's objective for capital management is to fund the setting up of capital market intermediary, i.e., Stock Broking activities in IFSC which are met through equity. On commencing its operation, it will determine capital requirement and its funding based on its business needs and prevailing market conditions.

In addition to above the Company is required to maintain a minimum networth as prescribed from time to time by the Securities and Exchange Board of India under SEBI (Stock Brokers & Sub-Brokers) Regulations, 1992, read with, SEBI (IFSC) Guidelines, 2015. The management ensures that this is complied at all times.

24. Tax Reconciliation Disclosure:

a. Income tax expense consists of the followings:

(₹)

Particulars	For the Year ended 31st March, 2020	For the Period ended 31st March, 2019
Current Income Tax	56,000	-
Deferred Tax	(33,000)	-
Tax expense for the year	23,000	-

b. Amounts recognised in other comprehensive income

(₹)

Particulars	For the Year ended 31st March, 2020	For the Period ended 31st March, 2019
Items that will be reclassified to profit or loss		
Foreign Exchange Translation Reserve	722,410	-
	722,410	-

Notes forming part of Financial Statements (Contd.)
For The Year Ended 31st March, 2020

- 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:

(₹)

Particulars	For the Year ended 31st March, 2020	For the Period ended 31st March, 2019
Profit/(Loss) Before Tax	(614,707)	(587,324)
Indian Statutory Income Tax Rate (%)	26.00%	26.00%
Expected Income Tax Expenses	(159,823)	(152,704)
Tax Effect of Adjustments to Reconcile Expected Income Tax Expenses to Reported Income Tax Expenses		
- Expenses Not Allowable/Deductible	-	152,704
- Expenses Allowable	(39,304)	-
- Ind AS Adjustments	34,215	-
- Foreign Exchange Translation Gain	187,827	-
- Others (Net)	85	-
Total Income Tax Expenses	23,000	-

- d. **Deferred Tax Disclosure**

Movement in Deferred Tax Balances

(₹)

Particulars	Lease Liability	Rights -of -use Assets	Total
As at 31st March, 2019	-	-	-
Credited/(Charged) to Profit and Loss	1,035,700	1,002,700	33,000
As at 31st March, 2020	1,035,700	1,002,700	33,000

25. Disclosure pursuant to Ind AS 101 “First Time Adoption of Indian Accounting Standards”:

A. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires a first time adopter to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

a) Reconciliation of Equity as per Indian GAAP and Ind AS Financial Statements

(₹)

Particulars	As At 31st March 2019
Equity under Indian GAAP	(587,324)
Ind AS adjustments:	-
Equity under Ind AS	(587,324)

Notes forming part of Financial Statements (Contd.)
For The Year Ended 31st March, 2020

b) Reconciliation of total comprehensive income as per Ind AS with net profit reported under Indian GAAP:

(₹)	
Particulars	For the Period ended 31st March, 2019
Net profit as per the Indian GAAP	(587,324)
Ind AS adjustments:	-
Net profit after tax (before OCI) as per Ind AS	(587,324)
Other Comprehensive Income	-
Total Comprehensive Income as per Ind AS	(587,324)

c) Reconciliation of Statement of Cash Flows

There are no differences between the statement of cash flows presented under Ind AS and the previous GAAP.

B. Exemptions Applied

Since the beginning of the earliest period (date of transition) for which the Company has presented full comparative information as required by Ind AS is its date of incorporation hence no opening balance sheet as at 21st June, 2018 (being date of incorporation) was prepared. Therefore exemptions prescribed in Ind AS 101 'First Time Adoption of Indian Accounting Standards' as on date of transition are not applicable.

26. Lease

- a) The Company has entered into a lease contract for a property in GIFT Multi-Services Special Economic Zone for its office premise during the year. There are no variable lease payments, residual agreements, sale and leaseback arrangements and other restrictions.
- b) Set out below are the carrying amount of right-of-use assets recognized and movement during the year.

(₹)	
Particulars	For the Year ended 31st March, 2020
Additions	3,998,425
Closure	-
Depreciation expense	142,117
Balance as at 31st March, 2020	3,856,308

- c) Set out are the carrying amount of lease liabilities and movement during the year:

(₹)	
Particulars	For the Year ended 31st March, 2020
Additions	3,773,585
Accretion of interest	122,100
Closure	-
Payments	151,168
Foreign Exchange Rate Difference	1,111
Balance as at 31st March, 2020	3,743,406

Notes forming part of Financial Statements (Contd.)
For The Year Ended 31st March, 2020

- d) The details of the contractual maturities of lease liabilities as at 31st March, 2020 on an undiscounted basis are as follows:

(₹)

Particulars	As at 31 st March, 2020
Up to one year	480,118
From one to five years	22,83,783
From above five years	32,66,980
Total	60,30,881

- e) The effective interest rate of lease liabilities is 10.20% with maturities between one to three years.

- f) The following are the amount recognized in statement of profit or loss.

(₹)

Particulars	For the Period ended 31 st March, 2019
Depreciation expense right of use of assets	142,117
Interest expense on lease liabilities	122,100
Total Amount recognized in statement of profit and loss account	264,217

27. Related Party Disclosures

A. List of related parties

Sr. No.	Name of Related Party	Nature of Relationship
(i)	Directors/ Key Management Personnel a) Saket Agrawal b) Rajesh Sharma (w.e.f. 19.09.2019) c) Krishna Kumar Karwa (upto 24.01.2020) d) Prakash Kacholia (upto 24.01.2020)	Directors/ Key Management Personnel
(ii)	Individuals having control or significant influence a) Krishna Kumar Karwa b) Prakash Kacholia	Individual having significant influence
(iii)	Emkay Global Financial Services Limited	Holding Company

B. Related Party Transactions:

(₹)

Sr No	Particulars	Directors/Key Management Personnel		Holding Company	
		2019-20	2018-19	2019-20	2018-19
I	Expenses Incurred by them on our behalf & Reimbursement to them				
	Emkay Global Financial Services Ltd.	-	-	43,930	820,004
	Saket Agrawal	4,200	-	-	-
II	Outstanding				
a	Other Current Liabilities				
	Emkay Global Financial Services Ltd.	-	-	-	820,004
b	Equity Share Capital				
	Emkay Global Financial Services Ltd.	-	-	15,000,000	-

Notes forming part of Financial Statements (Contd.)
For The Year Ended 31st March, 2020

- 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.

28. Capital commitments.

(₹)

Particulars	As at	
	31st March, 2020	31st March, 2019
Estimated amounts of contracts remaining to be executed on Capital Account and not provided for (Net of Advance)	79,363	-
	79,363	-

29. The provisions of section 135 of the Companies Act, 2013 pertaining to expenditure on Corporate Social Responsibility are not applicable to the Company.

30. Contingent Liability:

Bond cum legal undertakings executed ₹11,98,545/- (P.Y. ₹11,98,545/-).

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

Loans Given - NIL
Investments made - NIL
Guarantee given - NIL

32. Other Additional Information required pursuant to Part II of Division III of Schedule III of the Companies Act, 2013 are not applicable to the Company.

33. Figures of the previous period have been regrouped, recasted and rearranged wherever necessary. However the same are for the period from 21st June, 2018 (the date of incorporation) to 31st March, 2019 and therefore not comparable with the figures of the current year.

34. Figures in brackets represents for previous year.

35. Figures have been rounded off to the nearest rupees.

36. Events after reporting date

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

37. Approval of Financial Statements

These financial statements were approved for issue by the Board of Directors at their meeting held on 16th June, 2020.

AS PER OUR REPORT OF EVEN DATE

For B.L. SARDA & ASSOCIATES
CHARTERED ACCOUNTANTS

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

Place: Mumbai
Date: June 16, 2020

For and on behalf of the Board of Directors of
Emkayglobal Financial Services IFSC Pvt. Ltd.

Saket Agrawal
Director

Rajesh Sharma
Director

Place: Mumbai
Date: June 16, 2020



EMKAYGLOBAL FINANCIAL SERVICES IFSC PRIVATE LIMITED

Registered Office: Unit No. 517, Fifth Floor, Signature, 13B, Zone-1, GIFT SEZ, Gandhinagar – 382355, Gujarat

Administrative Office: C-06, Paragon Centre, Ground Floor, P.B.Marg, Worli, Mumbai - 400013

CIN- U65999GJ2018PTC102945

ATTENDANCE SLIP

I hereby record my presence at the 2nd Annual General Meeting of the Company held on Thursday, August 27, 2020 at 3.00 p.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

This page is intentionally left blank



EMKAYGLOBAL FINANCIAL SERVICES IFSC PRIVATE LIMITED

Registered Office: Unit No. 517, Fifth Floor, Signature, 13B, Zone-1, GIFT SEZ, Gandhinagar – 382355, Gujarat

Administrative Office: C-06, Paragon Centre, Ground Floor, P.B.Marg, Worli, Mumbai - 400013

CIN- U65999GJ2018PTC102945

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):	_____
RegisteredAddress:	_____
E-mail ID:	_____
Folio No./ Client ID:	_____
DP ID:	_____

I/We, being the member (s) of Emkayglobal Financial Services IFSC Private Limited holding _____ equity shares of the above named company, hereby appoint.

Name:

Address:

E-mail ID:

Signature: _____ or failing him

Name:

Address:

E-mail ID:

Signature: _____ or failing him

Name:

Address:

E-mail ID:

Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 2nd Annual General Meeting of the Company, to be held on Thursday, August 27, 2020 at 3.00 p.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 Balance Sheet of the Company for the year ended on 31st March, 2020 and the Profit & Loss Account for the year ended on that date and the report of the Directors and the Auditors thereon.

Signed this ____ day of _____, 2020

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.

This page is intentionally left blank



Emkay®

Your success is our success

Emkayglobal Financial Services IFSC Private Limited

CIN: U65999GJ2018PTC102945

Registered Office: Unit no. 517, Fifth floor,

Signature, 13-B, Zone-1,

GIFT SEZ, Gandhinagar,

Gujarat - 382355

