



GEOJIT

PEOPLE YOU PROSPER WITH

21.08.2017

To,
The Manager,
Listing Department,
National Stock Exchange of India Ltd,
Exchange Plaza, C-1, Block-G,
Bandra-Kurla Complex,
Bandra (E), Mumbai - 400 051,
Ph: No: 022-26598100
Scrip Code: GEOJITFSL - EQ

To,
The Manager,
listing Department,
The BSE limited,
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai - 400 001,
Ph No: 022-22721233
Scrip Code: 532285

Dear Sir/Madam,

Sub: Annual Report for the year 2017-18

Please find enclosed herewith the Annual Report of the Company for the year 2017-18 as required under Regulation 34 of SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, a copy of the 24th Annual Report of the Company for the financial year 2017-18 is also available on our website at 'www.geojit.com/investors'.

This is for your information and record.

Thanking you,
Yours faithfully,

For Geojit Financial Services Ltd


Liju K Johnson
Company Secretary





STRONG PERFORMANCE.



STRONGER PROSPECTS.

2017-18
ANNUAL REPORT



GEOJIT
PEOPLE YOU PROSPER WITH

GeoJit Financial Services Limited

What's in this Report



Company Overview

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View our Annual Report and Accounts and other information about Geojit Financial Services Limited on **www.geojit.com**

Cautionary Statement Regarding Forward-Looking Statement

Statements in this Annual Report describing the Company's objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results might differ materially from those in such forward-looking statements. Important developments that could affect the Company's operations include a downtrend in the infrastructure sector, significant changes in political and economic environment in India or key financial markets abroad, tax laws, litigation, exchange rate fluctuations, interest and other costs.

Our strong performance in FY 2017-18 manifests the growing success of our business strategy.

We encouraged investments in annuity-based products, which are proven, stable and less vulnerable to market vagaries to de-risk our clients.

We empowered clients with more research, digital technologies and financial planning tools.

And these, we did, with one common goal: protect and grow investors wealth.

The
result:



89,750+

Customers added

1.9x

Growth in SIP book

41%

Growth in total MF AUM

158 basis points

Growth in PAT margin

92%

Growth in financial products income

This profitable growth with addition of new customers and shift towards annuity-based income, having better margins, reinforces our conviction of being on the right path.

With positive macro developments, evolving customer preference towards MF/SIP products and our recent re-entry into the commodities business,

our prospects for a better future are stronger than ever.

F&O – Futures & Options, SIP – Systematic Investment Plan, MF – Mutual Fund, AUM – Asset under Management

A transparent, digitally-driven and client-centric organization

Geojit Financial Services Limited (Geojit) is a leading investment services company with strong presence in India and Middle East.

We have a track-record of consistently protecting and building investors wealth and undertaking pioneering initiatives to redefine investing culture.

We offer a wide range of value-added products and services in equities, derivatives, mutual funds, online financial planning, portfolio management and investment advisory.

934,000

Customers

₹38,620 Crore

Assets under Custody & Management

₹2,167 Crore

Market Capitalization

2,836

Employees

326,000

Total SIP count

₹165 Crore

SIP and STP book

512

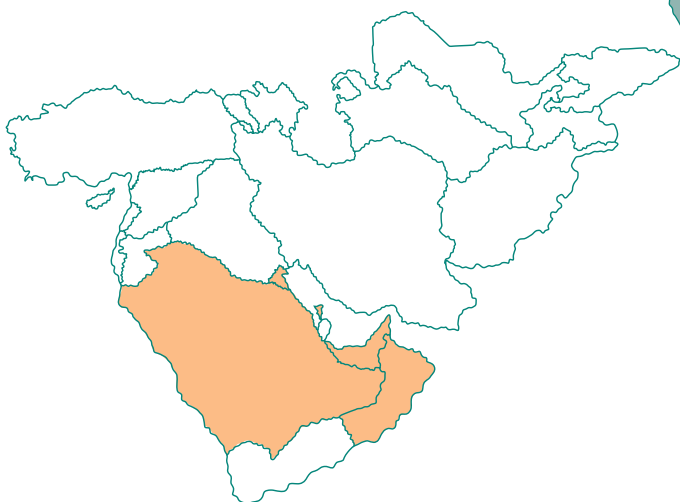
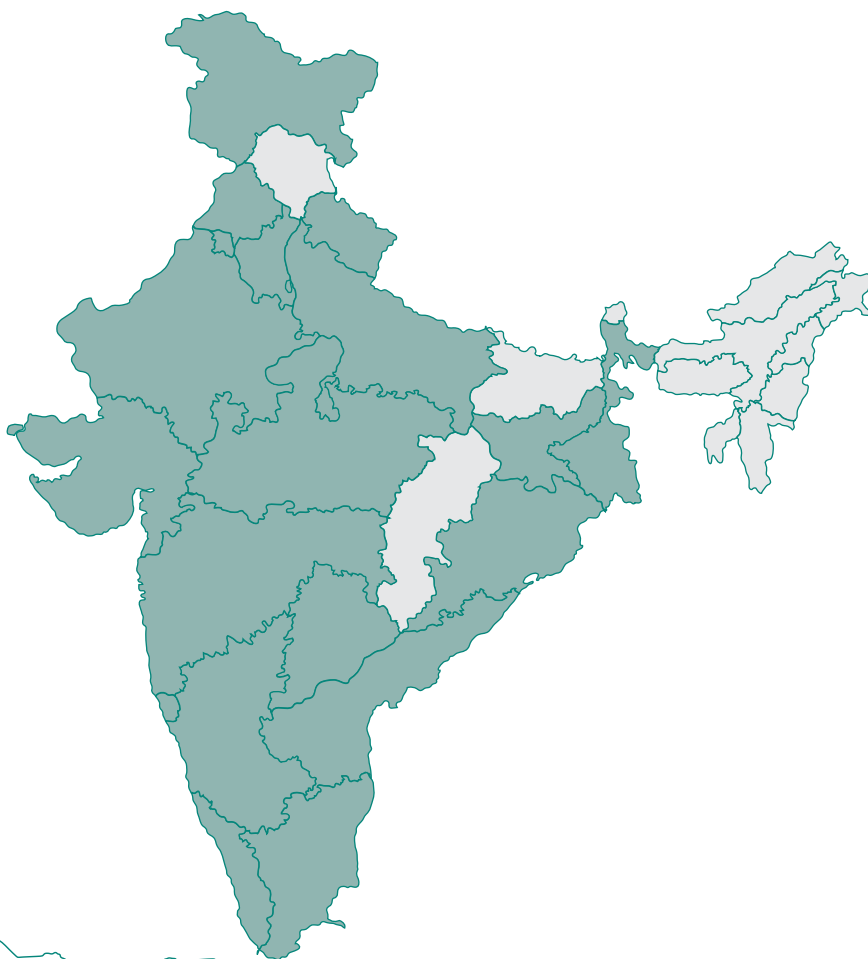
Offices

**All numbers are pertaining to 31st March, 2018*

Our global presence

India: 19 States and 2 Union Territories

Andhra Pradesh, Goa, Gujarat, Haryana, Jammu & Kashmir, Karnataka, Kerala, Madhya Pradesh, Maharashtra, New Delhi, Odisha, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh, Uttarakhand, Jharkhand, Telangana and West Bengal, Puducherry and Chandigarh.



Middle East: 5 countries

Saudi Arabia (Riyadh, Dammam), United Arab Emirates (Dubai, Abu Dhabi, Al Ain, Sharjah), Oman (Muscat), Kuwait, Bahrain.

Map not to Scale

Strategic partnerships

We have entered into strategic B2B partnerships with Federal Bank, Oriental Bank of Commerce, South Indian Bank, Corporation Bank, Shamrao Vithal Cooperative Bank, Andhra Bank and Catholic Syrian Bank. This allows us to open integrated 3-in-1 accounts for clients.

Marquee stakeholders

- BNP Paribas S.A.
- Mr. C. J. George, Founder and Managing Director
- Kerala State Industrial Development Corporation Limited (KSIDC)
- Mr. Rakesh Jhunjunwala

Our reputation

We have the distinction of various firsts as a stock broking company:

Internet trading in 2000

Integrated internet trading system for cash and derivative segments in 2002

**Cardamom futures in 2004
(first in the world)**

Trading through mobile phones in 2010

Domestic retail operations in a foreign country in 2001

Commodity trading in rubber futures in 2003

Exclusive branches for women in 2005



Awards and accolades



Mr. Satish Menon, Executive-Director receiving the Stock Broking Company of the Year award at the Dhanam Banking, Finance and Investment Summit and Award Nite 2018



Mr. A. P. Kurian, Chairman and Non-Executive Independent Director receiving the Lifetime Achievement Award at the Dhanam Banking, Finance and Investment Summit and Award Nite 2018



Won NSDL awards for fifth time in a row across three categories at the 32nd DP Conference and NSDL Star Performer Awards-2017. Awards won for excellent performance in the South Region included:

- o Top Performer New Accounts Opened (Non-Bank Category) - 1st Position
- o Top Performer in Active Accounts (Top DPs)
- o Leader in Go Green Initiative - 2nd Position

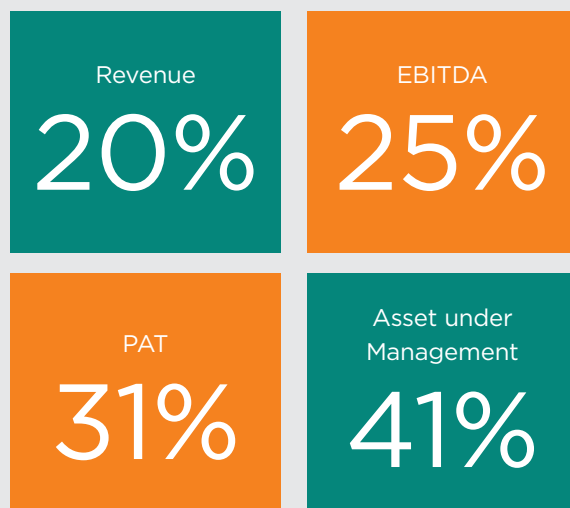


UTI Mutual Fund in association with CNBC-TV18 held its ninth edition of Financial Advisor Awards 2017-18 recently in Mumbai and Barjeel Geojit won the Best Performing National Advisor Award from UTI CNBC-TV18 for the 8th consecutive year.

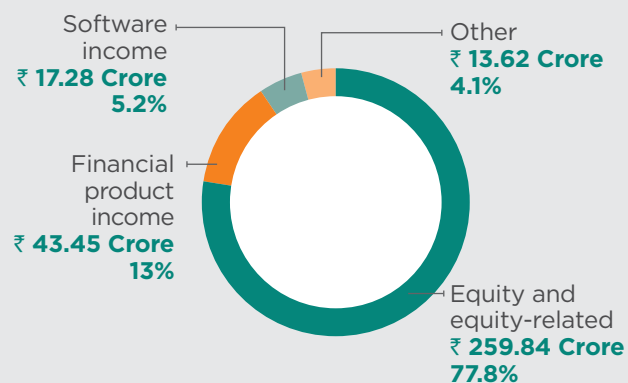
Key Performance Indicators



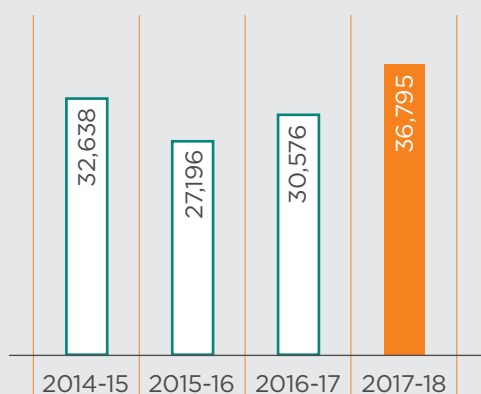
Growth in key performance indicators in FY 2017-18 vs FY 2016-17



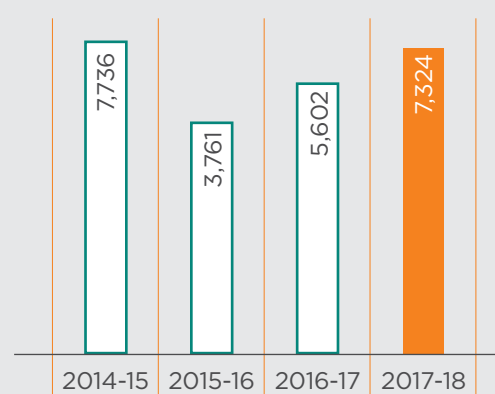
Product-wise operational revenues



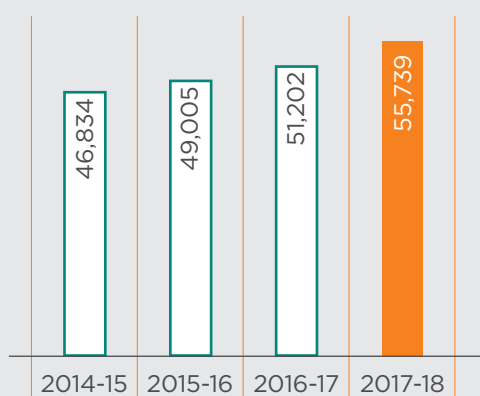
Revenues (₹ lakhs)



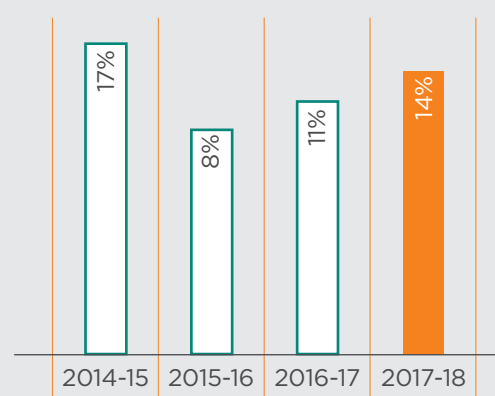
Profit after Tax (₹ lakhs)



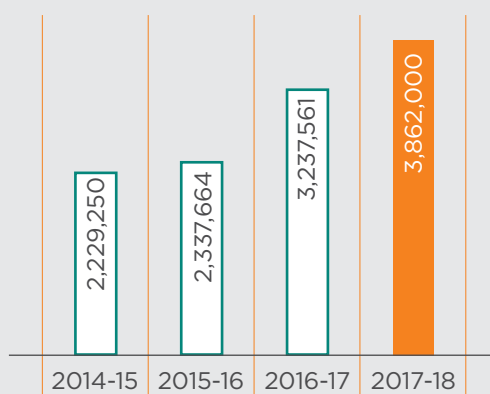
Net Worth (₹ lakhs)



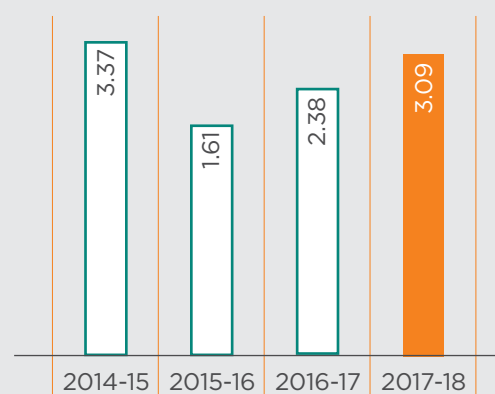
Return on Equity



Asset under Holding and Management (₹ lakhs)



Earnings Per Share (₹)



Chairman's Message



Indian markets have rallied to be one of the top performing ones in the world.

Mutual Fund Assets under Management nearly doubled in three years' time to over ₹ 21 lakh crores as on March 2018.

Dear Shareholders,

It is my honor and privilege to present before you the 24th annual report of the Company.

Making the markets available to more and more Indians, is the driving force of Geojit. Our aim is not just about giving people access to the markets. It's about helping them to understand the markets better, and enabling them to make confident decisions that add greater value to their financial matters. It is this focus on customer-centricity that has helped us deliver spectacular results, making 2017 an exceptional year for the Company, its shareholders and clients.

Almost a decade since the financial crisis which sparked global economic decline, 2017 saw the global growth come back with a bang. Global stock markets roared ahead, with the MSCI index of stock markets in 47 countries up by 22%. Progress of Brexit talks, Trump tax cuts, fears of war in North Korea, upheaval in Europe and bitcoin bubble failed to dampen the spirits.

2017 was also a spectacular year for emerging markets, and India was a huge beneficiary of this trend. Indian markets have rallied to be one of the top performing ones in the world. India's benchmark S&P BSE Sensex earned 35% return in dollar terms in 2017, its best since 2009. The reasons were mainly - easy availability of money globally, burgeoning domestic flows, improving economic fundamentals, the Government's strong resolve and momentum in implementing structural reforms, signs of a reversal in corporate earnings and consumer-driven credit growth.

The year 2017 will also be remembered for the implementation of GST, Insolvency and Bankruptcy Code, and announcement of bank recapitalization. It also witnessed significant steps being taken towards the resolution of problems associated with non-performing assets of the banks and further liberalization of FDI.



India's benchmark S&P BSE Sensex earned 35% return in dollar terms in 2017, its best since 2009.

These reforms will have a long-lasting impact on the Indian economy. Formalization of economy, rapid digitization, Government incentives, regulatory initiatives, and a deliberate push for improving investor education, have been the key factors driving financialization of savings.

Domestic flows have been on the higher side given the trend of financialization of savings in India, and this will keep the equity markets afloat with ample liquidity. Household savings in shares and debentures are also on the rise, and this may be a consequence of low returns on physical assets. The big jump has been in mutual funds as growth of savings in mutual funds registered a phenomenal increase. Mutual Fund Assets under Management nearly doubled in three years' time to over ₹ 21 lakh crore as on March 2018.

Technology has now become an integral part of the financial services industry and is used widely in each and every aspect - from fund management to transaction processing.





Our total AUM (Mutual Funds) stood at ₹3,431 crore as on 31st March 2018, compared to ₹2,180 crore as on 31st March 2017, indicating a rise of 57%.

Against this exciting backdrop, let me take you through the key developments of the Company:

The strategic realignment we undertook in 2016 is clearly getting us traction. By laying equal emphasis on marketing and distribution of Mutual Fund and Mutual Funds SIPs, we have not only broadened our business horizon, we are also in line with our thrust towards creating investor wealth. Our total MF distribution income grew substantially, validating our efforts and commitment being a customer-centric financial services intermediary.

Geojit has re-entered the commodity futures broking business after 10 years as the clause which prevented the Company from engaging in commodity brokerage has been removed. We received trading cum clearing membership from MCX India, NCDEX and NMCE for

commodities derivatives broking. We believe there is a strong correlation between currency and commodity derivative, which we plan to leverage through our single platform. With the acquisition of client base of Geofin Comtrade Limited, the Company has added another promising business line and will leverage its existing business infrastructure.

Looking beyond the numbers, you can see our success reflected in our strong consumer brand value that appeals to clients and prospects. Towards the end of 2017, we launched major branding and advertising campaigns. This has significantly increased our consumer mindshare, and played a role in increasing our clientbase. The success of this advertising campaign has prompted us to continue investing in brand building campaigns for over the next few years.

Our Mutual Funds distribution business continues to grow impressively. On a standalone basis, our total AUM (Mutual Funds) stood at ₹3,431 crore as on 31st March 2018, compared to ₹2,180 crore as on 31st March 2017, indicating a rise of 57%. Our SIP book has also increased from ₹76 crore as on 31st March 2017 to ₹143 crore as on 31st March 2018. This robust performance is driven by the strong brand equity of the Geojit brand, especially in South India, where the Company enjoys a widespread customer base.

Today, financial products and services are not available in all parts of the country and we believe they should be available even in smaller cities. An integral part of our expansion plan is to increase our footprint in the B15 cities. B15 cities are cities beyond the top 15 cities where the Government encourages financial intermediaries to expand as part of the larger financial inclusion agenda.

When it comes to empowering clients through online platforms, our subsidiary, Geojit Technologies, has played an instrumental role. We have successfully launched the Geojit Online Financial Planner, a user-friendly platform that allows clients to do comprehensive financial planning, and Funds Genie, an innovative application for mutual funds investment. With these, we are able to provide enriched user experience to



our clients. Digitization has improved our distribution efficiencies, use of Aadhaar for e-KYC has proved to be a game changer ensuring instant on-boarding and it also enables seamless tracking and transaction of MF investments through mobile and online apps.

Financial Performance

Driven by our clearly crafted strategy, our financial performance for the year was exceptional. Not only did our MF distribution income increase by 92%, our brokerage income also increased by 18% on the back of bullish stock markets and increased participation by retail investors. The combined effect meant a 20% increase in consolidated Total Income, which grew from ₹305.76 crore in FY2017 to ₹367.95 crore in FY2018. With operational efficiencies, our Profit After Tax on a consolidated basis improved by 31%, rising to ₹73 crore in FY2018 from ₹56 crore in FY2017. The Board has recommended a dividend of ₹2 per share on the paid-up value of ₹1 per share, which is 200% for FY 2017-18.

Outlook

Our focus will be to provide long-term investing solutions customized around investor needs through Geojit Online Financial Planning and Funds Genie, our advice-embedded online investment solutions. We will also continue to give attention to our personalized Portfolio Management Services, commodity and equity business, thus creating wealth for our diverse clientele.

We've set the bar high, but the future is bright, and thanks to your continued support, together we will make it a success.

Yours faithfully,

AP Kurian
Chairman

MD's Message



36.7%

individual mutual funds investment has grown



60%

individual investors from T15 cities



Dear Shareholders,

At Geojit, we have always been driven by a larger purpose and a core philosophy which is to create wealth for investors. It is this focus that is our key strength as well as our differentiator.

As you know, the financial markets are constantly evolving. Since 1987, when Geojit was established, the financial markets have witnessed continuous change and many a time we have spearheaded the change. The last few years saw a shift in the way people trade and invest. On one side, we have seen day traders turning to online discount brokers. Now, full service brokers have started offering deep discounts through their technology platforms. We have even seen some of these traders coming back to us as they tend to lose more due to compulsive trading as securities margin and brokerage are low.

On the other side, investors are turning to annuity-based financial products that offer a stable return as well as security. Many investors have realized the advantages of long-term investing through mutual funds. Especially, considering the fact that direct investments in the capital markets require in-depth knowledge, constant attention to one's portfolio and is time-consuming. In fact, individual investors held ₹11.66 lakh crore in mutual funds as of March 2018, an increase of 36.79% over March 2017. Investments of individual investors in equity schemes have increased by 53.4% over March 2017.

Geojit recognized this trend early on and for the past two years we shifted our focus to guiding our clients to Mutual Fund investments, especially through the SIP route.

We believe that distributors play a key role in understanding and addressing the needs of clients. They assist them in choosing the right mutual fund and manage their portfolio. This is where Geojit steps in, guiding investors by offering sound advice and advanced technology platforms that are easy to use.

Our efforts in promoting the benefits of investing through MF SIP paid rich dividends and we have now become the 3rd largest distributor of SIP among non-banks in the country. The Company's distribution income has increased by 92% YoY. In fact, Geojit has



At Geojit, by investing in people and processes, we are geared to meet the constantly revamped regulations and norms.

an SIP book size of around ₹143 crore at the end of March 2018, including STP (Systematic Transfer Plan) the book size is ₹165 crore.

To effectively cater to the needs of our growing clientele, we have upskilled our staff, enhanced our online platforms and introduced new digital initiatives. Thus, we have ensured that everything in place has wealth creation for investors underlined.

Investor protection continues to be a priority for us and compliance norms are changing. The costs of ensuring compliance are going up with every passing year. At Geojit, by investing in people and processes, we are geared to meet the constantly revamped regulations and norms.

Going forward, we have initiated the process of setting up an AMC, only for passive funds, as we believe that these funds will pick up in India. We will also be focusing on building the PMS business over the next three years.

In conclusion, let me re-emphasize that as an organization, we are totally committed to continue expanding into stable and steady growth opportunities, both for our clients as well as our investors.

Warm regards,

C J George
Managing Director



Strengthening prospects... **With a balanced and sustainable business model**

We have the apt building blocks for growth with investments in promising business areas and right geographies. The impact of this is visible with more customers choosing us, higher revenue growth, increasing proportion of steady income, and enhanced margins.

Strategic realignment from broking-based to investment services-based model

Retail broking is our primary business, yet we took a decisive call to promote SIPs and mutual fund investments. This is because in retail broking, many of the traders do not have the right expert knowledge to tackle the vagaries of market and ended-up with capital erosion. Though rising equity and F&O trading meant

business for us, we realized our clients are losing and this will not be sustainable. And so, we shifted focus to safer financial products that generate healthy returns, facilitates wealth creation and protect downside risks. This enabled us to safeguard our clients and gain their trust. From the Company's point of view, this move has enhanced our brand equity and provided us avenues to steady income and enhance margins.



**Geojit is ranked #3 non-bank
SIP distributor in India.**

Re-entry in the commodities business

With the recent change in regulations allowing banking entities to engage in commodities business, we seized the opportunity. We entered into an agreement with Geofin Comtrade to acquire its client base (without any other assets or liabilities), on an arm's-length basis at a consideration of ₹ 8.1 crore. The diversification is a natural extension to all our existing services to clients and will help in scaling our currency derivatives business, as both share integral relations. It will provide us a jumpstart in the commodity trading business and open-up cross selling opportunities to Geofin's 40,000 registered clients base.

Building business in B15 (beyond top15) cities

With the regulator enhancing incentives for conducting business beyond the top15 cities of India to enhance mutual fund penetration, we have focused on intensifying activities in these regions. Our strong presence in these regions with a majority of our branches being located here provide us attractive opportunity to enhance margins. We have already intensified activities in these regions to capture more clients.

Multi-channel service architecture

Our multi-channel service architecture comprising 512 offices across 19 States and 2 Union Territories, robust online (web and mobile) platform and call centers optimizes our distribution business and strengthens reach to customers.

70%

of new SIP business in FY 2017-18 were sourced from B15 cities

13%

of overall revenues in FY 2017-18 sourced from annuity products, indicating steady future income

Strengthening prospects... Through Digital Leadership

In a knowledge-driven and consumer-facing industry, the future depends on new ideas being driven through the business. Our pioneering efforts to leverage digital technologies are redefining the speed and convenience with which customers transact with us. It is enabling us to make our operations scalable and efficient, while providing superior customer experiences.

Strengthening operational efficiency

We made our web and mobile platform more user-friendly and seamless to facilitate paperless, secure, and instant onboarding and provide efficient services to customers. We leveraged analytics with customer data gathered over the years to empower our team with information to better understand customers and satisfy their needs. We equipped our sales team with tablets to enhance sales force automation, thus improving turnaround times and facilitating higher productivity. We implemented intelligent business application and distributed CRM solution that facilitates in reducing operational issues, effective plugging of gaps and accelerates remedial action. We introduced a mobile application which enables employees to constantly upgrade their knowledge. The platform is useful for initiating orientation and induction programmes that can be taken as per employee convenience.

Automating customer onboarding

Customer onboarding, being an expensive and time-consuming function, we focused on automating the process in line with the SEBI guidelines. We enrolled with the Unique Identification Authority of India (UIDAI) as KYC User Agency (KUA) to facilitate instantaneous Aadhaar-based e-KYC and authentication service. We also provide assisted onboarding using tablets that have platform with built-in biometrics and Mobile Device Management (MDM) security mechanism.

Strengthening mobile platform

We have strengthened our mobile trading app to provide customers a seamless and powerful trading experience. With this mobile has emerged as important medium with over 45% clients using mobile channels for transactions. The mobile platform attracts 65,000 logins daily with 32,000 of them being unique. On an average, it accounts for 40-45% of our overall daily trading volumes.

Empowering clients

We provide clients with powerful tools to assist them in taking informed decision. For this, we have tied-up with a service provider whose multi-algorithm-based integrated financial investment platform analyze a client's portfolio on several parameters. It further provides clients access to market indices, breaking news alerts, and helps keep track of stock performance.

We also launched our blog, Foresight, through which we provide current, objective and fully comprehensive resources to investors. It features articles and videos about various investment products and services and provides insights on savings and investments.

Launching innovative and premium digital technologies

Innovative Mutual Fund (MF) app

In FY 2017-18, we launched the innovative Funds Genie app for facilitating instant onboarding of prospective MF customers on our platform using PAN and Aadhaar numbers to start investing. With advantage of zero paperwork, it offers customers access to 14,000+ MF schemes along with our research-backed, short-listed recommendations. Embedded with a Robo advisory feature, it allows advanced features likes goal planning and tracking, tax planning, portfolio performance tracking and generate comprehensive reports.



Geojit Online Financial Planning (GOFP) platform

GOFP, our premium online platform was launched to enable clients plan, execute and monitor the entire gamut of financial planning, including retirement planning without engaging the services of an advisor.

Developed by our technology arm, Geojit Technologies, the intelligent and user-friendly platform analyzes profile, risk tolerance and goals of individuals to provide customized solutions. With a structural shift in savings towards financial asset class, this platform will prove utilitarian in guiding investors.

42%

brokerage revenues derived through online transactions

33%

of the new accounts are opened using web and mobile apps

65%

clients are using online channels for transactions (including mobile channels)

Strengthening prospects... With an Unparalleled Customer Service Strategy

We are a dependable partner of choice for customers. They trust our advice, value our opinions and respect our services. All our decisions and actions, strategies and technologies are guided by the focused vision to enhance customer satisfaction.



Protecting client's interests

We believe in the philosophy that protecting client's interests is the only way that we can build long-term relationships and ensure business sustainability.

Empowering client with research

We have a strong research team, who undertake detailed macro and micro research to empower clients with knowledge and facilitate them in taking correct investment decisions. We regularly provide them various research reports and investment tips based on the market scenario.

Providing customized solutions

Our investment managers, empowered with digital technology specialize in analyzing clients' risk-return profile based on their income-expense levels and financial goals, based on which customized solutions are provided. We also leverage the power of big data to understand client behavior and provide them necessary services. Employees are trained regularly to strengthen their financial prowess and better service clients. We leverage digital technologies to effectively handle client grievances and ensure they can reach out to us instantly for anything. With our strategic B2B agreement with seven leading commercial banks, we facilitate clients to open integrated 3-in-1 accounts and seamlessly trade via our sophisticated Online Trading platform.

Delivering right products

We have strengthened our operational back-end to expedite development of new products centered around investor needs. Our teams have shortlisted 56 mutual funds from a massive list of 14,000+ circulating in the market to facilitate customers selecting best products.

Driven By Values and Ethics

We are not just amongst India's leading investment services company, we are also one of the most trusted. With our sound business fundamentals, strong corporate governance practices, and proven track record of value creation, we have a reputation of being a transparent and ethical organization.

Culture of trust and transparency

We are reputed in the industry for our transparent processes and brokerage structure. We strongly follow the principle of providing correct and accurate information to clients and have zero tolerance for malpractices.

Strong corporate governance and professional management

We have an unblemished record of compliance. Our organization is built on the foundation of values and ethics, professional integrity and personal commitment as we remain focused on achieving sustainable growth. Our Board comprise of members, highly-respected for their professional integrity. Holding directorship in several reputed companies and having rich knowledge in the

BFSI space, they contribute immensely to the organization's functioning.

Leadership-driven values and ethics

Our leadership team has high regards for values and ethics. With their knowledge and client-centric approach, they drive Geojit's organizational culture of creating wealth for shareholders with regards to ethical practices.

We have an unblemished record of compliance and lowest percentage of unresolved customer grievances



A Responsible Company

As responsible as we are to customers, we ensure being responsible to the communities as well. We carry out these activities through our dedicated charitable trust, Geojit Foundation.

Our CSR activities are focused in the areas of education, supporting special school for differently abled children, skill development for employment and infrastructure development (houses) for underprivileged sections of the society.



Life Skill Training with Malayala Manorama



Life Skill Training



Subash Chandra Bose Park



Toilet Complex for Girls



VIO VANDANAM

Management and Leadership

Mr. A P Kurian

Chairman and Independent Non-Executive Director

A P Kurian is the former Executive Trustee of Unit Trust of India and an advisor to the Economics Department of the Reserve Bank of India. He holds directorship position in Granules India, Muthoot Capital Services, Muthoot Fincorp, Union Trustee Company and Geojit Credits. A postgraduate in Economics and Statistics, he has been on the Company's Board since February 1995

Mr. C J George

Managing Director and Promoter

The Company was founded by C. J. George in 1987. He has over 33 years of professional experience in the securities market. He has presented numerous papers related to the industry in seminars at national and international forums. He frequently contributes articles to financial publications and serves as a guest faculty at reputed management institutes. He has a Masters Degree in Commerce and is a Certified Financial Planner.

Mr. Radhakrishnan Nair

Independent Non-Executive Director

Radhakrishnan Nair has over four decades of experience in financial sector. He started his career as Probationary Officer with Corporation Bank and rose up to the level of General Manager. He was the Executive Director at Securities Exchange Board of India and a Member (Finance and Investments) of Insurance Regulatory and Development Authority of India. He holds directorship in ICICI Bank, ICICI Prudential Life Insurance, ICICI Securities Primary Dealership and ICICI Prudential Trust among other Companies.

Mr. Ramanathan Bupathy

Independent Non-Executive Director

R Bupathy is the founder partner of the Chartered Accountant firm R Bupathy & Co. headquartered at Chennai. He holds directorship position in Jubilant Industries, Jubilant Agri and Consumer Products, Geojit Technologies and Geojit Credits. He is the Former President of Institute of Chartered Accountants of India (ICAI). A Graduate in Commerce and a Fellow Member

of the ICAI, he has been on the Company's Board since January 2006.

Mr. Mahesh Vyas

Independent Non-Executive Director

Mahesh Vyas is the Managing Director and CEO of the Centre for Monitoring Indian Economy (CMIE), India's leading private sector independent business information company. It provides economic and business information, analysis and forecasts. During his 38 years' stint at CMIE, he steered the Company through multiple transitions. He is the chief architect of CMIE's databases, database-products and services. He currently engages in integrating CMIE's database services with clients' business processes and conducting large complex household surveys to generate fast-frequency socio-economic indicators. He has been on the Company's Board since July 2003.

Dr. M Beena

Nominee Director (KSIDC), Non-Executive Director

A Kerala State Industrial Development Corporation (KSIDC) nominated member, Dr. M Beena joined the Indian Administrative Services (1999) from Kerala cadre and is a medical doctor by profession. She started her career as the Assistant Collector of Kottayam District in 2001 and later became its Sub-Collector in 2002. She served as the Deputy Secretary in the General Administration Department, Thiruvananthapuram in 2004. Currently, she is the Managing Director of KSIDC, the State Mission Director to National Rural Health Mission and Director to Kerala Medical Service Corporation.

Mr. Punnoose George

Non-Executive Director

He is a reputed industrialist with interests in manufacturing industries, plantations and educational institutions. He is the Executive Director of Kottukulam Group - Kottayam, Unity Realtors, Yulfono Estates, Geojit Technologies and Youth Empowerment Skills Foundation. He is also the Executive Chairman of SAINTGITS Group of Institutions. A Graduate in Engineering and a Master of Law, he has been on the Company's Board since April 1995.

Corporate Information

Name of the Company : Geojit Financial Services Limited
(Formerly known as Geojit BNP Paribas Financial Services Limited)

CIN : L67120KL1994PLC008403

Board of Directors

| | |
|--------------------|--|
| A P Kurian | : Chairman, Non-Executive Independent Director |
| C J George | : Managing Director |
| R Bupathy | : Non-Executive Independent Director |
| Mahesh Vyas | : Non-Executive Independent Director |
| Radhakrishnan Nair | : Non-Executive Independent Director |
| M Beena (IAS) | : Nominee Director (KSIDC), Non-Executive Director |
| Punnoose George | : Non-Executive Director |

Management Team

| | |
|----------------------|--|
| C J George | : Managing Director |
| Satish Menon | : Executive Director |
| A Balakrishnan | : Managing Director, Geojit Technologies Private Limited |
| Sanjeev Kumar Rajan | : Chief Financial Officer |
| Jaya Jacob Alexander | : Chief of Human Resources |

Registrar & Share Transfer Agents:

S.K.D.C Consultants Limited,
Kanapathy Towers, 3rd Floor,
1391 / A - 1, Sathy Road, Ganapathy,
Coimbatore - 641 006
Tamil Nadu

Statutory Auditors:

M/s B S R & Associates LLP
(ICAI Regn. No. 116231W/W-100024)
Chartered Accountants
3rd Floor, Syama Business Centre,
N H Bypass Road, Vytilla
Kochi - 682 019, Kerala, India

Bankers:

Axis Bank Ltd
HDFC Bank Ltd
State Bank of India
B N P Paribas
Federal Bank Ltd.
Bank of Bahrain and Kuwait BSC
ICICI Bank
IndusInd Bank
South Indian Bank
IDBI Bank

Registered Office:

11th Floor, 34/659-P,
Civil Line Road,
Padivattom, Kochi - 682 024,
Kerala, India
Phone : 0484 - 2901000
Fax : 0484 - 2979695
E-mail : mailus@geojit.com

Website: www.geojit.com

Listed at:

National Stock Exchange of India
Limited (NSE)
BSE Limited (BSE)

Company Secretary:

Liju K Johnson



Corporate Overview

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GLOBAL ECONOMIC OVERVIEW

2017 was a year in which global economic environment stabilized. Decent recovery and rebound were seen in investment, trade and manufacturing activity. This was driven by accommodative policies and firming commodity prices. The pickup in investment reflected in increased capacity utilization, favorable financial conditions, rising profits, and favorable business sentiment. Economic growth is expected to further accelerate with a broad base and a positive upswing in European and Asian economies.

The IMF's Primary Commodities Price Index increased by 3.9% between July 2016 and June 2017. In the oil market, inventories continue to fall amid strong demand, OPEC production restraint, and stabilizing United States shale oil production. The prices of industrial commodities continued to strengthen, while most of the agricultural prices remained broadly stable. *(Source: World Bank)*

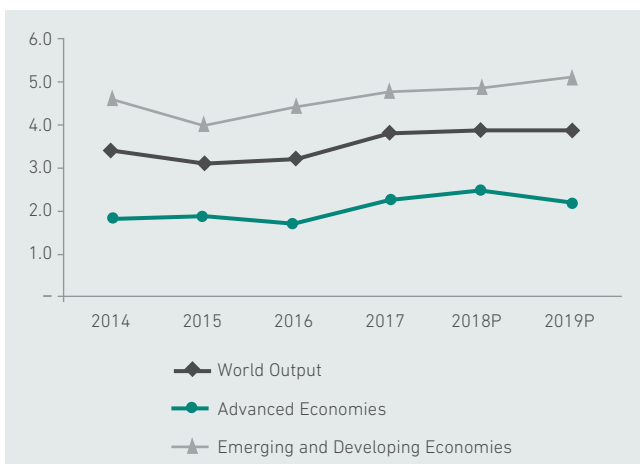
Equity markets in emerging markets and developing economies strengthened in the first three quarters of FY 2017-18. But towards the end of FY 2017-18, a significant portion of the gains were erased due to geopolitical uncertainties and the United States' trade policies.

As per the World Economic Outlook Report dated April 2018, World output was expected to grow at 3.8% in 2017 on the back of rebound in global investment growth and is projected to increase at 3.9% in 2018 and 2019. The increased global growth is a reflection of the expected impact of the tax policy changes of the United States. The tax cut by the United States will have an overall favorable impact, while in the short term; impact in the United States will be mostly driven by the investment in response to the policy changes. In the United States, the economic expansion is expected to trend northwards in 2018 and 2019, supported by buoyant asset prices, strong business and consumer confidence. The wage growth acceleration will offset the impact of slowing employment growth on consumption. Lowering tax rates on corporate and personal income will support fiscal policy in 2018.

Growth in advanced markets is driven by a recovery in capital spending and exports. Economic activity in advanced economies is forecasted to grow at 2.5% in 2018 and 2.2% in 2019 as compared to 2.3% growth registered in 2017. This growth is driven by a pickup in capital spending, a turnaround in inventories, and strengthening external demand. While growth accelerated in all major economies, the improvement was markedly stronger than expected in the Euro Area.

Emerging markets and developing economies are forecasted to grow at about 4.9% and 5.1% in 2018 and 2019 respectively from 4.8% in 2017. Growth in emerging markets reflects firming activity in commodity exporters and continued solid growth in commodity importers. The contribution of net exports declined in commodity exporters, as import growth rebounded substantially.

Global Economy growth

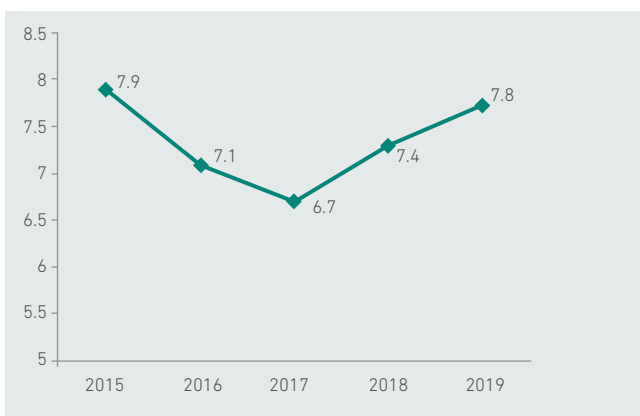


(Source: IMF, World Economic Outlook Report dated April 2018)

INDIAN ECONOMIC OVERVIEW

Indian economy is projected to achieve 7.4% growth rate in 2018, gradually recovering from the transitory adverse impact of rolling out the GST and demonetization. As per World Economic Outlook Report dated April 2018, the GDP growth is expected to be 7.4% and 7.8% in 2018 and 2019 respectively. This growth will be largely driven by the accelerated pace of structural reforms, focus towards a rule-based policy framework, and improvement in the ease of doing business. India's recent reforms are expected to encourage formal sector activity, broaden the tax base, and improve long-term growth prospects.

India GDP



(Source: World Economic Outlook Report dated April 2018)

One Nation One Tax "GST" has created a single market, leading to increase in productivity and boost in corporate investment. It has also helped in reducing the cost of capital. These investments are further supported by the Centre's move to recapitalize public sector banks, creating fresh liquidity in the market. On the direct tax front, plans to reduce the corporate income tax rate and broaden the base will also promote growth.

As a reflection of the cumulative actions to improve the business environment, India's rank jumped 30 spots on the World Bank's Ease of Doing Business rankings. Although higher oil prices kept the fiscal deficit and inflation higher than expected, the Economic Survey suggests that if the pace of structural reform continues and fiscal stability is kept under control, growth in the medium term has the potential to reach 8%.

WPI Inflation surged in early 2017 due to the sudden spurt in global crude oil prices. The WPI inflation stood at 2.9% in 2017-18 (Apr-Dec) as against 0.7% in 2016-17 (Apr-Dec). Till July 2017, the moderation in global crude prices led to moderation in inflation. But as the oil prices bounced back along with the rise in food prices, inflation rose and reached the level of 3.6% in December 2017.

(Source: OECD report dated Nov 2017 & Economic Survey dated Jan 2018)

India's service sector contributed approximately 72.5% in 2017-18 to the country's Gross Value Added growth and grew at 8.3% during FY 2017-18. The Banking, Financial Services and Insurance (BFSI) sector contracted on account of periodic cyclicalities but is expected to rebound from the sectoral trough in 2018 with a gradual movement towards digitization. The BFSI sector growth has accelerated following an increase in electronic banking and insurance transactions with the Indian market outperforming the rest.

India's total foreign exchange reserves stood at USD 424.36 billion for the week ended 30th March 2018. This was on account of constant inflows from overseas investors thus helping India's import coverage ratio to reach a comfortable level of 10x in Financial Year 2018. India's Current Account Deficit (CAD) doubled to 1.2% of GDP or USD 7.2 billion in the second quarter ending September 2017 from 0.6% of GDP or USD 3.5 billion in the September quarter of 2016. The widening of the CAD was primarily on account of a higher trade deficit of USD 32.8 billion on account of larger increase in merchandise imports relative to exports.

(Source: RBI website and <https://economictimes.indiatimes.com/news/economy/indicators/indias-current-account-deficit-doubles-to-1-2-of-gdp-in-the-september-quarter/articleshow/62054946.cms>)

The Indian BFSI sector

The BFSI sector in India witnessed steady growth in the recent past with people becoming more aware of various financial products and services. The Central Government's Pradhan Mantri Jan Dhan Yojana aims at ensuring that every household



There is a clear trend of financialization of savings, and within financial assets, there is an increasing preference for equity as an asset class. The Indian capital market seems poised to maintain its uptrend for a long time.

has access to financial services, insurance, and pension facilities. 314.5 million bank accounts were opened till date under this scheme. India's HNI population of 219,000 account holders, holding a wealth of USD 877 billion is expected to double by 2020. The Mutual Fund industry AUM recorded a CAGR of 15.25% over the period FY 2007-17. The total amount of Initial Public Offerings increased to ₹84,357 crore for FY 2017-18. (Source: IBEF April 2018)

Highlights

- Trading turnover at NSE from the capital market (CM) segment was ₹7,234,827 crore with a market capitalisation of ₹14,044,152 crore in FY 2017-18.
- The asset base of the mutual fund industry in India surged 21.8% to an all-time high of ₹21.4 lakh crore in FY 2017-18.
- Investors have committed about ₹67,190 crore through SIPs, a massive 53% increase over the previous financial year. This is the highest ever mobilization in a financial year.
- Equity mutual funds have registered a net inflow of ₹60,270 crore, thereby taking their asset base to ₹6.96 lakh crore in March 2018.
- Indian asset management industry is among the fastest growing in the world with 42 Asset Management Companies operating in the country.
- Category 3 Alternative Investment Funds have raised ₹8,521 crore during the first nine months of 2017.

(Source: NSE, AMFI, IBEF, TOI <https://timesofindia.indiatimes.com/business/india-business/mf-sip-kitty-crosses-10bn-mark-in-fy18/articleshow/63806333.cms>)

Money and capital market

Capital market is the one-stop solution for companies looking to raise capital and investors looking to invest money. Money markets provide short-term finance; capital markets provide a much longer and broader avenue. A healthy and booming capital market is a strong indication of the confidence of people in the financial ecosystem of the country. Strong capital market volume aids economic growth by mobilization of savings and providing funds to the needy. In recent times, the overall performance of the Indian market has been good. SEBI facilitates transparency, investor protection and efficient pricing in the market. This has made the Indian capital market attractive for domestic as well as foreign investors. The investing pattern in the country is changing fast. There is a clear trend of financialization of savings, and within financial assets, there is an increasing preference for equity as an asset class. The Indian capital market seems poised to maintain its uptrend for a long time.

Equity markets: Following the global trend, Indian equity market also remained stable in 2017 and has turned volatile in 2018. India's equity market turnover (including F&O) for FY 2017-18 stood at ₹174,816,632 crores, increasing significantly by 78% over the previous year. The BSE saw its consolidated revenues jump by 13% for FY 2017-18 to ₹698.9 crore, from ₹618.3 crore in FY 2016-17. Indian equity valuations have mostly been at a premium to other emerging markets, reflecting the country's higher growth and potential growth. As on 29th January 2018, MSCI India is valued at a premium of 35% to the Asia ex-Japan Index.

(Source: <https://www.livemint.com/Money/ns1QNhqss0Il1MBRoaUwyL/What-the-India-premium-tells-us-about-the-markets.html>)

Commodity markets: For an emerging market like India, commodities are an important driver of the capital market and commodity derivatives have a huge potential in such a market. There is a huge untapped potential, as Indian commodity market is hardly explored when compared to some developed nations. With significant efforts by all the stakeholders in this segment it's now evolving into a fully developed market. India has a long way to go in commodity derivatives segment. This is evident from the fact that the notional value of commodity derivatives is less than USD 1 trillion or almost half of the country's GDP whereas it is almost 2x GDP in China and almost 2.4x in the United States and 6.4x in the UK. The commodity market in India has grown slowly with newer options (agricultural as well as non-agricultural commodities) becoming increasingly available to customers. In 2017, the total turnover was at ₹51.26 lakh crore as against ₹61.11 lakh crore in 2016. Also, the institutional participation in the commodity market is in discussion stage and could be live very soon; this will deepen the volumes in the commodity market further.

(Source: HDFC Research Report on MCX dated Jan 2018)

Derivatives: In India, equity derivative market is rapidly growing with 9 major indices and 207 securities currently trading in the futures and options segment. SEBI has initiated the process of improving the equity derivative market in the country by seeking views from the market participants. The notional F&O turnover in FY 2016-17 was 15.6 times the cash market. In FY 2017-18, trading index and stock options contributed around 87.26% to the total turnover, followed by stock futures at 9.45%, and index futures at 2.92%.

Response to the Indian Derivative Market is very positive. The derivatives turnover has surpassed the equity market turnover. Between the financial years 2005 and 2017, cash market turnover increased by CAGR of 11.4%, while F&O turnover rose by CAGR of 35%.

India is one of the most successful developing countries in terms of a vibrant market for exchange-traded derivatives. As the equity derivative market is garnering higher volumes and a healthy growth rate, timely and relevant changes to this segment are necessary and the market regulator rightly intends to do so as is evident from the recent changes brought about in the P-note regulations.

(Source: https://www.indiainfoline.com/article/general-editors-choice/sebi-steps-forward-to-develop-equity-derivatives-market-117071900320_1.html)

Insurance: The average penetration for the life insurance industry globally is 3.5% as on 2016 which is 75 bps more than the Indian life insurance industry. Among comparable Asian counterparts, life insurance penetration for Thailand, Singapore, and South Korea stood at 3.7%, 5.5% and 7.4%, respectively, as of 2016, much higher compared with India. India's life insurance penetration declined to almost 2.7% in 2016 as compared to 4.4% in FY 2009-10, this is attributed to the fact that GDP is growing at a faster pace compared to

growth in premiums. Further, due to a higher share of savings than protection in the premium, the actual protection provided by insurance in India would be much lower compared with other developing markets. The average insurance penetration in emerging markets increased to 3.2% in 2016 from 2.9% in 2015. The insurance density in India, at USD 46.5 billion in 2016, remains low as compared to that of other developed and emerging market economies.

The insurance industry in India has recorded significant growth post-liberalization with currently about 24 life insurance and 33 non-life insurance companies operating in the Indian market. Within Life Insurance, as of FY 2016-17, non-linked products were the most popular, accounting for 87% of total premium collected. The life insurance players have also started to offer health insurance products covering individuals and groups. As of FY 2016-17, health insurance premium collections were ₹307 billion. Currently, low penetration and low density offers large growth potential for Indian insurance market. Going forward, the new business premium of life insurers is expected to grow at 11-13% CAGR to ₹3,000-3,100 billion over the next five years.

Mutual funds: Indian mutual fund industry started its operation in 1963 with the formation of Unit Trust of India. India's mutual fund industry's asset base has grown 4.3x in the past 10 years and collections have jumped sharply over the last two years especially post demonetization and with investors becoming aware of the mutual fund market. The assets under management of the Indian mutual fund industry have quintupled from ₹3.26 trillion as on 31st March 2007 to ₹21.36 trillion as on 31st March 2018. The total number of accounts as on 31st March, 2018 stood at 7.13 crore, while the number of folios under equity, ELSS and balanced schemes, wherein the maximum investment is from the retail segment, stood at 5.94 crore. Indian mutual funds have a significantly higher share of equity AUM compared with most emerging markets. As on December 2017, corporate investors accounted for almost 43.03% of the total Assets Under Management in India, while high net worth individuals and retail investors accounted for 29.65% and 25.25% respectively. The rising monthly SIP book presents an encouraging picture for the sector. From less than ₹1,000 crore a month a few years ago, the SIP flows have crossed ₹7,000 crore by mid 2018. In 2017, over ₹53,000 crore of money has flowed in through the SIP mode; most of it is in equity. With this pace of growth, the sector expects SIP monthly flows to touch ₹10,000 crore by the end of 2018.

(Source: IBEF; AMFI)

Growth drivers

- **Digitization:** India has almost 432 million Internet users and over 1.2 billion mobile users and 30% of them are smartphone users. The smartphone penetration rate in India is expected to increase rapidly over the next few years, reaching 66% by the end of FY 2021-22. The share of mobile data subscribers is projected to increase from 34% in

FY 2016-17 to 66% by the end of FY 2021-22. With the increase in smartphone penetration and faster data speeds, consumers are increasingly finding digital platforms more convenient.

- **Financial Inclusion:** The Central Government is promoting financial inclusion by several initiatives like Pradhan Mantri Jan-Dhan Yojana which aims to bring all citizens under the purview of a formal banking system and ensures access to financial services at an affordable price, including savings and deposit bank accounts, remittances, credit, and insurance. Pradhan Mantri Jeevan Jyoti Bima Yojana is a Government-backed insurance scheme that offers life insurance coverage while Pradhan Mantri Suraksha Bima Yojana is an accident insurance scheme that provides coverage of ₹ 200,000. Over 100 million people have registered for these schemes.
- **Aadhaar Linkage:** UIDIAI's Aadhaar is the world's largest biometric ID system and has received over 1.4 billion unique identification accounts as of December 2017. Over 99% of Indians above the age of 18 have enrolled in the Aadhaar program. This will enable seamless electronic KYC, which has facilitated a rapid transformation of India from a cash-dominated economy into a "digital" economy.
- **Recapitalization Package:** Recapitalization of public sector banks in October 2017 with ₹ 2.11 trillion package is a major initiative towards revitalizing these institutions. As these institutions are grappling with large portfolios of NPAs and inadequate capital, this will help them to focus on credit growth.
- **GST:** Introduced in July 2017, One India One Tax Reform "GST", has removed multiple cascading effects of taxes levied by the central and state governments thereby streamlining the tax system. The GST enables business decisions to be taken based on supply chain efficiency, instead of state-wise tax arbitrage.
- **Insolvency and Bankruptcy Code:** Insolvency and Bankruptcy Code is a key long-term initiative that structurally strengthens the identification and resolution of insolvencies. Insolvency and Bankruptcy Code aims to resolve insolvencies within definite timelines and by enhancing the credit enforcement structure.
- **Increasing per capita income:** The per capita income in India is expected to cross ₹ 1.11 lakhs in FY 2017-18, an 8.3% increase over that in the last fiscal (~₹ 1.03 lakhs). This could channelize more savings into financial markets including debt and equity instruments.
- **Record demat account openings:** India saw record demat account openings in the FY 2017-18. Over 3.76 million fresh demat accounts have been opened, surpassing the previous record of 3 million in the peak of the previous bull market of FY 2007-08.

Investments (FDI/FPI/FII)

Services sector including financial services were amongst the top 5 sectors in terms of FDI equity Inflows during FY 2016-17. Services sector recorded a growth of 26% from USD 6.9 billion during FY 2015-16 to reach USD 8.7 billion during FY 2016-17.

During the FY 2017-18, India received net investments of USD 19.8 billion from FIIs touching a record high investments in Indian equities and debt. This was backed by expectations of an economic recovery, falling interest rates and improving earnings outlook.

India-focused offshore funds and exchange-traded funds (ETFs) witnessed inflows of USD 6.5 billion in 2017. Inflows in January 2018 reached a 10-month high of USD 1.1 billion.

Outlook

The year gone by was a revolutionary year for Indian financial services sector. With new emerging technologies, options for e-payments and online banking, the ease of doing transactions improved and institutions are now increasingly focusing on risk management by adopting a holistic approach towards the same to keep themselves up to the mark. Most of the banks have already put in place a framework for asset-liability match and credit and derivatives risk management. As per IBEF report dated April 2018, gross national savings in India is likely to grow at a CAGR of 8.87% over 2015 to 2019 to reach USD 940 billion. HNI's wealth is likely to grow at 19.7% CAGR till 2020 giving an indication of the robust growth in innovative financial products. (Source: <https://www.ibef.org/download/Financial-Services-April-2018.pdf>)

RISK EVALUATION AND MITIGATION

1. **Product risk:** Product risk refers to the risks arising out of the products a company offers to its customer in the market.

Risk mitigation: Geojit Financial Services Limited offers its customers a well-diversified product range in line with customers need and market conditions. The Company offers brokerage, mutual fund distribution and portfolio management to its customers. This diversification and product range helps the Company reduce risks arising out of products.

2. **Regulatory risk:** Regulatory risk is the risk arising out of a change in laws and regulation governing business. It could also arise on account of inadequate observance of regulatory requirements or differences in interpretation of regulations vis-à-vis the regulators. New laws or regulations or changes in the enforcement of existing laws and regulations may adversely affect business/revenue/profits.

Risk mitigation: The Company has a team of experienced professionals who take care of compliance with applicable laws, rules, regulations, and guidelines affecting our



As per IBEF report dated April 2018, gross national savings in India is likely to grow at a CAGR of 8.87% over 2015 to 2019 to reach USD 940 billion.

businesses. The team is strongly supported by our Corporate Functions team to quickly calibrate the action in case of a change in regulation. All the new guidelines, circulars, notifications are complied with. Formulation of the policies as well as its implementation is taken due care of. Internal audit is also carried out to monitor compliance with best practices, approved policies, and applicable regulations.

3. **Operational risk:** Risks arising due to inadequate control or insufficient checks of the controls in the internal processes, people, and systems or from external factors or a combination of internal as well as external factors is known as Operational Risk. The businesses are dependent on people and processes. Shortcomings or failure in internal processes or systems may have a material adverse impact on financial position as well as affecting its operations.

Risk mitigation: The Company has well-defined policies, operational processes, and systems that have been devised for operations. The Company also gets systems audit carried out periodically. Maker/Checker mechanism has been put in place to ensure compliance with laid down systems and procedures in all areas of functioning of the Company. Also, the Company's key management team consists of professionals with a high level of commitment.

4. **Financial risk:** This risk arises out of loss due to non-trading, changes in consumer preference, failure in terms of generating adequate revenue.

Risk mitigation: The Company now has diversified into different areas and products. This diversification has

reduced the financial risk as profit out of one or more segments could nullify loss from another. In the mutual fund business, we have focused on the SIP-based approach to reduce the risk to a great extent and ensure steady cash flow into the business.

5. **Technological risk:** This relates to the risk of lacking the technological bent in offering financial services and delivering financial products.

Risk mitigation: The Company has made timely investment in procuring the latest hardware and software to meet the requirements of business, risk, and finance teams, which has led to higher productivity. The Company endeavors to upgrade technological processes constantly and believes that IT initiatives will play a crucial role in fueling higher growth.

6. **Strategy risk:** Risk arising out of major strategic moves that the Company takes and those that the competitors may replicate.

Risk mitigation: The Company has put in place its strategies to always be competitive and ahead of time. These strategies give the Company an edge over market and competitors. As a result of this trading platforms like SELFIE have expanded the Company's product distribution and services network by offering both online and offline access to customers across its product categories. This platform has features to plan much ahead and to safeguard the business from internal and external threats.

7. **Competition risk:** The industry in which the Company operates is growing at a rapid pace and is exposed to tremendous competition at the national as well as international level. Strong growth prospects combined with the liberalization of financial services sector have prompted the entry of newer foreign and domestic financial services companies.

Risk mitigation: Diversified and innovative products and services are offered to keep the customers and other stakeholders intact. Further, continuous research and development helps in mitigating the competition risk. Fair and transparent practices help the entity gain a competitive advantage over other entities.

OUR PERFORMANCE:

The year under review was another satisfying year for the Company. The Company continued to grow on its set targets with high level of corporate governance and robust internal control system. The Company had also tapped on an inorganic growth opportunity by acquiring the client base of commodity broker 'Geofin Commodities'. During the year, a new Independent Director joined the board of the Company to strengthen the board structure. Now, the Company has seven directors on board of which four directors are independent directors.

FINANCIAL PERFORMANCE ANALYSIS

Segment-wise performance

Equity: Equity markets had a spectacular year with both benchmark indices touching all-time highs in the month of January 2018. Reforms in indirect tax, RERA, and other reforms pushed the growth in the market. Equity trading increased with the increased use of online trading platform 'SELFIE'.

The average equity cash volume per day went up from ₹ 397 crore to ₹ 473 crore, an increase of 19%. In the Futures and Options segment, however, the comparable increase was 50%, i.e. from ₹ 853 crore witnessed last year to ₹ 1,281 crore in FY 2017-18. Revenue from Mobile Trading was ₹ 52 crore, as compared to ₹ 35 crore recorded in the previous year, an increase of 47%. Similarly, income from internet broking, including mobile, increased from ₹ 68.63 crore last year to ₹ 87 crore, an increase of 26%.

The number of clients has increased from 865,000 to 934,000, an increase of 8.0%. Assets under Management and Custody increased from ₹ 32,376 crore to ₹ 38,620 crore, an increase of 19%. Our network of offices stands at 512. We are present in 19 States and 2 Union Territories.

Mutual Fund: The mutual fund distribution income reported a growth of 92%, from ₹ 22.69 crore in the FY 2016-17 to ₹ 43.45 crore in FY 2017-18. Our sharper focus and efforts in promoting Mutual Funds, particularly SIPs have led to higher revenues. Higher returns from diversified investments and growing awareness relating to mutual funds industry resulted in business segment growth along with better buying experience for customers.

Depository Services: In line with the increase in the number of clients, the number of depository accounts increased by nearly 6% during the year, from 5.77 lakhs at the end of March 2017 to 6.12 lakhs at the end of March 2018.

OVERSEAS OPERATIONS

The Company's overseas operations continued to grow in strength even as the austerity and localization drives affected Indian migrants. While India continued to top the world rankings in terms of remittances, the Non-Resident Indians faced uncertainty as the Gulf Region underwent seismic changes. However, there is no let-up in our business activity there. BBK Geojit Securities in Kuwait and Barjeel Geojit Securities in the UAE, remained highly profitable while others like Aloula Geojit Capital in Saudi Arabia and QBG Geojit Financial in Oman are showing strong volumes. We expect their performance to only get better.

EMERGING OPPORTUNITIES AND CHALLENGES

Interest rate in the US is returning to normalcy with short-term rates moving up to 1.5-1.75%. The rate hikes started last year, and there are expectations of a rate hike in future also. The interest rate hike in the world's largest economy has implications for emerging economies like India. The dollar inflows from FIIs have been robust but with rate hike, expectations are that a part of the money will flow back to the US as there will be investment safety. There have been spurts

in Indian stock prices till January 2017, which were purely liquidity-driven without much support from earnings growth. The over-leveraged corporate houses of India are already facing the wrath of the government and the RBI as they are keen to push the stressed companies to bankruptcy proceedings that will see a resolution or liquidation within 180 days. There are signs of uncertainty with geopolitical conflicts in the Middle East and recent trade war between US and other countries. In the midst of all these global uncertainties and geopolitical tensions, Indian markets have performed well consistently, on the back of strong domestic funds inflow, good growth story and fruits of demonetization.

RISK ANALYSIS AND RISK MITIGATION

The financial services industry is subject to continuously evolving legislative and regulatory environment due to increasing globalization, integration of world markets, newer and more complex products and transactions and an increasingly stringent regulatory framework. Risk is an integral part of the business and almost every business decision requires the management to balance risk and reward. The inability to manage these risks can cause permanent damage.

Timely and effective risk management is of prime importance to the Company's continued success. The Company believes that risk assessment is the first step in a sound risk management procedure. The Company has developed comprehensive risk management policies and processes to deal with the risks that are encountered in conducting business activities in an effective manner. The Directors review these reports and the course of action taken or to be taken to manage and mitigate the risks.

Risk is managed through risk management architecture as well as through policies and processes approved by the Board of Directors and the Firm Management encompassing independent identification, measurement, and management of risk across various businesses.

INTERNAL CONTROLS

The Company maintains adequate internal control systems commensurate with the nature of business, size, and complexity of its operations. The Company has well-established processes, guidelines, and procedures to augment the internal controls. This, coupled with adequate internal information systems ensures proper information flow for the decision-making process. Adherence to these processes is ensured through frequent internal audits. The internal control system is designed to ensure maintenance of proper accounting controls, monitoring of operations, protection and conservation of assets and compliances with applicable laws and regulations.

The Audit Committee of the Board provides necessary oversight and directions to the internal audit function and periodically review the findings and ensures corrective measures are taken keeping in mind the organization's requirements, growth prospects, and ever-evolving business environment. This system enables us to capture a precise reflection of the organization's position at all times and also facilitates timely detection and plugging of anomalies by various business groups.

Human resources

The Company's strong management team and talented, professional human capital resource are its biggest strengths. The Human Resource function revolves around creating and developing human capital by improving organizational effectiveness, providing a safe and ethical work environment, and maintaining stability and sustainability amidst the rapidly changing business environment. The Company believes in retaining its employees, who are technologically driven and clear performers. The total strength of the Company's workforce as on 31st March, 2018, was 2,460.

DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting their 24th Annual Report of the Company for the financial year ended 31st March 2018.

FINANCIAL HIGHLIGHTS

(₹ in crore)

| Particulars | Standalone | | | Consolidated | | |
|-------------------------------------|------------|---------|------------|--------------|---------|------------|
| | 2017-18 | 2016-17 | Change (%) | 2017-18 | 2016-17 | Change (%) |
| Total Revenue | 334.18 | 266.75 | 25 | 367.95 | 305.76 | 20 |
| Total Expenditure | 232.74 | 192.71 | 21 | 252.74 | 214.31 | 18 |
| Profit / (Loss) before tax | 101.44 | 74.04 | 37 | 115.21 | 91.45 | 26 |
| Exceptional Item | - | (10.00) | 100 | - | - | - |
| Provision for tax | 33.96 | 25.73 | 32 | 37.60 | 30.19 | 25 |
| Minority Interests | - | - | - | 4.49 | 5.26 | (15) |
| Share of Profit/(loss) in Associate | - | - | - | 0.11 | 0.02 | 365 |
| Profit after tax | 67.49 | 38.31 | 76 | 73.24 | 56.02 | 31 |

FINANCIAL HIGHLIGHTS OF SUBSIDIARIES

(₹ in crore)

| Company Name | FY 2017-18 Total income | FY 2017-18 Total Expense | FY 2017-18 Profit / (Loss) after tax |
|--|----------------------------|-----------------------------|---|
| Indian Subsidiaries (₹ in crores) | | | |
| Geojit Technologies | 30.11 | 15.07 | 11.84 |
| Geojit Credits | 1.62 | 1.83 | (0.27) |
| Geojit Investment Services | 0.81 | 0.29 | 1.12 |
| Geojit Financial Management Services Pvt Ltd | 0.09 | 0.008 | 0.06 |
| Geojit Financial Distribution Pvt Ltd | 0.28 | 0.006 | 0.20 |

Overseas Subsidiaries, joint ventures & Associates

(₹ in crore)

| Company Name | FY 2017-18 Total income | FY 2017-18 Total Expense | FY 2017-18 Profit / (Loss) after tax |
|------------------------------|----------------------------|-----------------------------|---|
| Barjeel Geojit Securities | 10.18 | 7.33 | 2.85 |
| Al-Oula Geojit Brokerage Co. | 2.35 | 4.11 | (1.76) |
| QBG Geojit Securities | 3.32 | 2.59 | 0.73 |
| BBK Geojit Securities | 0.66 | 0.55 | 0.11 |

Note :

- For Barjeel and Aloula (Joint ventures) the figures shown above are the share of GFSL, which is getting consolidated based on "Proportionate consolidation method"
- Consolidation of BBK is on "equity method". Therefore the consolidated profit / (loss) is directly adjusted to the carrying amount of investments in the books. (ie. The total income and total expense do not directly get consolidated. Only the share of GFSL in total gain / (loss) is consolidated into P&L.)

REVIEW OF PERFORMANCE

On a standalone basis, your Company has recorded a total income of ₹ 334.18 crores for the financial year ended 31st March 2018, an increase of 25% compared to last year's figure of ₹ 266.75 crores. The profit before tax is ₹ 101.44 crores and the net profit after tax is ₹ 67.49 crores. Basic earnings per share work out to ₹ 2.85 compared to ₹1.63 in the previous year.

On a consolidated basis your company earned a total income of ₹ 367.95 crores for the financial year, an increase of 20% over the previous year's figure of ₹ 305.76 crores, and profit before tax of ₹ 115.21 crores and a net profit of ₹ 73.24 crores.

A detailed analysis of the performance is given in the Management Discussion and Analysis Report appended hereto.

DIVIDEND

The Board in its meeting held on 16th May, 2018 has recommended a final dividend of ₹ 2 per equity share (200%) for the financial year 2017-18. The proposal is subject to the approval of the shareholders of the Company at its ensuing Annual General Meeting to be held on 2nd August, 2018.

INCREASE IN SHARE CAPITAL

During the year under review, the paid up share capital of the Company increased from ₹ 23,55,44,665/- divided into 23,55,44,665 equity shares of ₹ 1/- each to ₹ 23,78,69,523/- divided into 23,78,69,523 equity shares of ₹ 1/- each, consequent to the issue of 23,24,858 equity shares to employees upon exercise of stock options under Employee Stock Option Plan-2010 of the Company.

STATE OF COMPANY'S AFFAIRS AND OPERATIONS

Your Company's income is largely driven by equity brokerage. But the Company's strategic move to the active distribution of Mutual Fund SIP has also shown impressive growth. Your Company has re-entered the commodity broking business after 10 years and has obtained trading cum clearing membership of MCX India, NCDEX and NMCE for commodities derivatives broking. Sensing a potential for passive funds in India, the Company has also initiated the process of setting up an AMC. The Company will also focus on building the PMS business.

CONSOLIDATED FINANCIAL STATEMENT

The Consolidated Financial Statements of the Company are prepared in accordance with Section 129 of the Companies Act, 2013 read with relevant Accounting Standards issued by the Institute of Chartered Accountants of India and forms part of this Annual Report.

SUBSIDIARIES , JOINT VENTURES AND ASSOCIATE COMPANIES

As on 31st March 2018, following are the subsidiaries/associate/joint ventures of the Company:

Subsidiaries :

- i. Geojit Credits Private Limited
- ii. Geojit Investment Services Limited
- iii. Geojit Financial Management Services Private Limited
- iv. Qurum Business Group Geojit Securities LLC
- v. Geojit Technologies Private Limited
- vi. Geojit Financial Distribution Private Limited

Joint Ventures :

- i. Barjeel Geojit Securities L.L.C
- ii. Aloula Geojit Capital Company

Associates :

- i. BBK Geojit Securities KSC

Geojit Financial Services Limited

The Board of Directors of the company proposed a scheme of merger with Geojit Investment Services Limited (wholly owned subsidiary) pursuant to section 230 - 233 of Companies Act, 2013 and Rules made thereunder .

The Board of Directors of two wholly owned subsidiary companies viz, Geojit Financial Management Services Private Limited and Geojit Financial Distribution Private Limited proposed a scheme of merger with Geojit Investment Service Ltd (another wholly owned subsidiary) pursuant to the provisions of Sections 391-394 of Companies Act 1956(pending notifications of the corresponding provisions of the Companies Act 2013). A Petition was filed seeking sanction of the Scheme of Amalgamation between the said companies. Meetings of the shareholders for approval of the scheme of merger were held on 10 March, 2016 after giving due notice and publication in accordance with the directions of the High Court.

The petition has been transferred to National Company Law Tribunal (NCLT) and is currently pending with NCLT.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

I. CHANGE IN DIRECTORS

Mr. Rakesh Jhunjhunwala resigned as the Director of the Company w.e.f 25th July, 2017. Mr. Radhakrishnan Nair was appointed as an Independent Director (Additional) w.e.f. 25th October, 2017.

II. CHANGE IN KEY MANAGERIAL PERSONNEL

Mr. Joe Peter, Chief Financial Officer of the company resigned from the company w.e.f 30 September, 2017 .The Board has appointed Mr. Sanjeev Kumar Rajan as the Chief Financial officer of the company w.e.f 25th October, 2017.

III. RETIREMENT BY ROTATION

In accordance with Article 80 of the Articles of Association of the Company, Mr. Punnoose George, Non-Executive Director (DIN 00049968) will retire by rotation at the ensuing Annual General Meeting of the company and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

ANNUAL EVALUATION OF THE BOARD, ITS COMMITTEE AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of Companies Act, 2013 and the Listing Regulations, the Board of Directors has carried out an annual evaluation of its own performance, its Committee and individual Directors. Assessment sheets for evaluation of performance of Board, its committees and individual directors were prepared based on various aspects, which among other parameters, included composition of the Board and its Committees, conducting of Board Meetings, effectiveness of its governance practices etc.

Further the Independent Directors, at their meetings held during the year, reviewed the performance of the Board, the non Independent Directors and the Chairman.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Independent Directors of the Company are persons of integrity, possessing rich experience and expertise in the field of corporate management, finance, capital market,

economic and business information. The company has issued appointment letter to the Independent Directors setting out in detail, the terms of appointment, duties, roles & responsibilities and expectations of the Independent Director. The Board of Directors has complete access to the information within the Company. Presentations are regularly made to the Board of Directors / Audit Committee / Nomination & Remuneration Committee / Corporate Social Responsibilities Committee / Stakeholders Relationship Committee on various related matters, where Directors have interactive sessions with the Management.

The details on the Company's familiarization programme for Independent Directors can be accessed at <http://www.geojit.com/pdfs/FAMILIARIZATIONPROGRAMMEFORINDEPENDENTDIRECTORS.pdf>

REMUNERATION POLICY

The company follows a policy on remuneration of Directors, Key Managerial Personnel (KMP), Senior Management Personnel (SMP) and other employees of the Company. The policy was approved by the Nomination & Remuneration Committee of the Company.

The Non-Executive Directors of the Company shall be entitled to receive remuneration by way of sitting fees for attending meeting of the Board and Committees thereof.

The remuneration to KMP's and SMP's and employees shall include direct remuneration and indirect remuneration primarily and strategic remuneration which can be Performance Linked and/or Profit linked incentive.

Remuneration Policy of the Company is given as Annexure VIII to the Directors Report.

RISK MANAGEMENT POLICY

Risks are an integral part of business and it is imperative to manage these risks at acceptable levels in order to achieve business objectives. The risks to which the Company is exposed are both external and internal. Your company has formulated a Risk Management Policy to provide an integrated and standardized approach in managing all aspects of risk to which your Company is exposed. An Internal Risk Management Committee monitors the Enterprise risk management policy with participation from officers responsible for risk management and to take appropriate steps to ensure that these risks are at acceptable levels.

WHISTLE BLOWER POLICY & VIGIL MECHANISM

Your Company has laid down a Vigil Mechanism and formulated a Whistle Blower Policy in order to provide a framework for responsible and secure whistle blowing mechanism. The Policy aims to provide an avenue for Employees and Directors to raise their concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct and it also empowers the Audit Committee of the Board of Directors to investigate the concerns raised by the employees.

All Directors and Employees of the Company are eligible to make protected disclosures under the Policy addressed to the Vigilance Officer of the Company in relation to matters concerning the Company. We further affirm that, no employee

of the Company was denied access to the Audit Committee.

The details on the Company's Whistle Blower Policy and Vigil Mechanism can be accessed at http://www.geojit.com/pdfs/VIGIL_MECHANISM%20_%20Final%20Draft_Revised.pdf

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Loans guarantees and investments covered under Section 186 of the Companies Act, 2013 forms part of the notes to the financial statements provided in this Annual Report.

INTERNAL CONTROL SYSTEM

The Company has put in place an adequate system of internal control commensurate with its size and nature of business. These systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company and ensuring compliance with corporate policies.

The scope and authority of the Internal Audit activity are well defined in the Internal Audit Charter, approved by the Audit Committee. The Company has a dedicated Internal Audit team with skills commensurate with the size, nature & complexity of operations of the Company. Internal Audit reports functionally to the Audit Committee of Board which reviews and approves risk based annual internal audit plan. Audit Committee periodically reviews the performance of internal audit function. During the year, the Audit Committee met regularly to review reports submitted by the Internal Audit department. All significant audit observations and follow-up actions there on were reported to the Audit Committee.

The Company's Board & Audit Committee reviews adherence to internal control systems, internal audit reports and legal compliances. The Audit Committee reviews all quarterly and yearly financial results of the Company and recommends the same to Board for its approval.

TRANSFER OF UNPAID AND UNCLAIMED AMOUNTS TO IEPF

Pursuant to the provisions of Section 124 of the Companies Act, 2013, money transferred to the Unpaid Dividend Account of the Company and which has remained unpaid or unclaimed for a period of seven years from the date of transfer has been transferred by the Company to the Investor Education and Protection Fund ("IEPF") established by the Central Government pursuant to Section 125 of the said Act.

MANAGEMENT'S DISCUSSION & ANALYSIS

The Management's Discussion and Analysis is given separately and forms part of this Board's Report.

INSIDER TRADING REGULATIONS

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the Company has adopted a Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosures which is applicable to all Directors and the Designated Employees of the Company. The Code lays down the guidelines, which advices on the procedures to be followed and disclosures to be made while dealing in shares of the Company and indicate the consequences of non-compliance. A copy of the Code has been put on the Company's website.

CODE OF CONDUCT FOR DIRECTORS & SENIOR OFFICERS

The Board has adopted a Code of Conduct for Directors & Senior Management in accordance with the provisions of the Companies Act, 2013 and Regulation 17(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Code also incorporates the duties of Independent Directors. All the Board Members and Senior Management Personnel have confirmed compliance with the Code. A declaration to that effect signed by the Managing Director forms part of the Corporate Governance Report. A copy of the Code has been put on the Company's website.

HUMAN RESOURCES

As a service Company, the Company's operations are heavily dependent on qualified and competent personnel. As on 31st March 2018, the Company had 2460 permanent employees on its rolls. Your Company takes significant effort in training all employees at various levels.

EMPLOYEE STOCK OPTION SCHEME (ESOS)

The Company presently have three Employee Stock Option Schemes viz, ESOS 2010, ESOS 2016 and ESOS 2017. The Nomination & Remuneration Committee at its meetings held during the year, granted 12,23,568 options under ESOS 2016 and 10,73,780 options under ESOS 2017. The Board of Directors of the Company has allotted total 23,24,858 equity shares of Re.1/- each under ESOS 2010 Scheme to its employees who exercised the stock options on various dates at various exercise prices in accordance with the terms and conditions of ESOS.

The aforesaid ESOS schemes are in compliance with SEBI (Share Based Employees Benefits) Regulations, 2014 and the details are attached as Annexure I to this report and also available on our website and can be accessed at <https://www.geojit.com/pdfs/ESOSDisclosure.pdf>

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Corporate Social Responsibility Committee has formulated and recommended to the Board a Corporate Social Responsibility Policy (CSR Policy) indicating activities to be undertaken by the Company, which has been approved by the Board. The Company established a charitable trust namely Geojit Foundation and carry the CSR activities of the company through the foundation.

The Company has identified Education and Health as key focus areas of engagement for CSR activities. The Company would also undertake other initiatives in compliance with the Section 135 read with Schedule VII of the Companies Act 2013. The Annual Report on CSR activities is annexed herewith and marked as Annexure IV to this report. The CSR Policy of the company is available on website of the company at https://www.geojit.com/pdfs/CSR_Policy_17-5-2018.pdf

PARTICULARS OF EMPLOYEES

Particulars of employees covered by the provisions of Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given as Annexure III to this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirement of Section 134(3)(c) and Section 134(5) of the Companies Act, 2013 and based on the representations received from the Management, your Directors state that :

- i. in the preparation of the annual accounts for the financial year ended 31st March, 2018, the applicable accounting standards have been followed and there are no material departures from the same;
- ii. 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 as at 31st March, 2018 and of the profit of the company for the year ended on that date;
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. the Directors have prepared the annual accounts on a going concern basis;
- v. the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- vi. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

The company ensures optimized and efficient consumption of energy in all the 512 offices, located across India. With the implementation of its digital initiatives the company has also substantially reduced its paper consumption.

The Company has been at the forefront of using technology absorption and has always leveraged technological innovations to improve our operational efficiency and satisfy and retain our customer base. During the year interalia, the Company started providing solutions for automating customer on boarding process in line with SEBI guidelines and it has been approved by the depositories. Launching Fundsgenie an innovative app that uses advanced technology to enable investors to take informed decisions to invest in multiple mutual funds through a single gateway, enrolling with UIDAI as KYC user agency were other major digital initiatives during the year.

The details regarding foreign exchange earnings and outgo are given as Annexure II to this Report.

CORPORATE GOVERNANCE

Your Company has complied with the Corporate Governance requirements under Companies Act, 2013 and as stipulated under the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A detailed Report on Corporate Governance is given as Annexure V to this Report. A certificate of Statutory Auditor confirming compliance of the Corporate Governance requirements by the Company is attached to the Report on Corporate Governance.

SECRETARIAL AUDIT REPORT

In accordance with the provisions of Section 204 of the Companies Act, 2013, the Board has appointed M/s. Satheesh & Remesh - Company Secretaries in Whole Time Practice, Kochi as the Secretarial Auditor for the financial year 2017-18. The report of the Secretarial Auditor for the FY 2017-18 is annexed to this report as Annexure VI.

There are no audit qualifications, reservations, disclaimers or adverse remarks in the said Secretarial Audit Report.

AUDITORS

At the Annual General Meeting held on 4th August, 2016, M/s. B S R & Associates LLP, Chartered Accountants, were appointed as statutory auditors of the Company to hold office till the conclusion of the Twenty Seventh Annual General Meeting to be held in the financial year 2021.

The Auditors' Report to the Shareholders for the year under review does not contain any qualification.

EXTRACT OF ANNUAL RETURN

The extract of the Annual return in Form MGT - 9 is given as Annexure VII to this Report.

NUMBER OF BOARD MEETINGS

The Board of Directors met 6 (six) times in the financial year 2017-18. The details of the board meetings and the attendance of the Directors are provided in the Corporate Governance Report.

COMPOSITION OF AUDIT COMMITTEE

The Audit Committee is constituted with three Non- Executive Independent Directors comprising of Mr. R Bupathy, as the Chairman, Mr. A.P. Kurian and Mr. Mahesh Vyas as other Committee Members.

RELATED PARTY TRANSACTIONS

All contracts/arrangements/transactions entered by the Company during the financial year with the related parties were in the ordinary course of business and on an arm's length basis. During the year the company had not entered into any contract/ arrangement /transaction with any related party which could be considered material in accordance with the policy of the company on materiality of related party transactions. Thus disclosure in Form AOC-2 is not required.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website.

Your Directors draw attention of the members to Note 39 to the financial statement, which sets out related party disclosures.

POLICY RELATING TO DIRECTORS APPOINTMENT

The Company with the approval of Nomination & Remuneration Committee has adopted a policy on Board diversity and the recommendation of candidature for Board appointment will be based on merit that complements and expands the skills, experience and expertise of the Board as a whole, taking into account gender, age, professional experience and qualifications, cultural and educational background, and any other factors that the Board might consider relevant and applicable from time to time towards achieving a diverse Board.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013 that he meets the criteria of Independence laid down in Section 149(6) of the Companies Act, 2013 and in terms of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015.

DISCLOSURE AS PER SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE(PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

The Company has zero tolerance for sexual harassment at work place and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provision of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. As required under the Law, an internal complaints committee has been constituted for reporting and conducting inquiry into the complaints made by the victim on the harassments at the work place.

Your Directors further state that during the year under review, one complaint was received pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013 and the same was investigated in accordance with the procedures prescribed and adequate steps were taken to resolve them.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review.

- Details relating to deposits covered under Chapter V of the Companies Act 2013.
- Issue of equity shares with differential right as to dividend, voting or otherwise
- Issue of shares (including sweat equity shares) to employees of the company under any scheme save and except ESOS referred to in this report.
- No significant or material orders were passed by the regulators or Courts or tribunals which impact the going concern status and Company's operation in future.

ACKNOWLEDGEMENTS

Your Directors wish to acknowledge the valuable guidance and assistance received from Securities and Exchange Board of India, Stock Exchanges, Depositories & other Regulatory Authorities, BNP Paribas, KSIDC, our clients and business partners. We look forward to receiving their continued support and encouragement. The Board of Directors wishes to extend their thanks and appreciation and express their gratitude for the continuing commitment and dedication of employees at all levels. The Directors are thankful to the esteemed shareholders for their support and the confidence reposed in the Company.

For and on behalf of the Board of Directors

Place : Kochi
Date : 16.05.2017

A P Kurian
Chairman

Annexure-I to Directors' Report

[Details of the Employee Stock Option Scheme (ESOS) as of March 31, 2018 pursuant to the requirements under Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014]

- The Company has three ESOS viz. ESOS 2010, ESOS 2016 and ESOS 2017.
- During the year under review, the Company has not amended the terms of stock options granted under ESOS 2010, ESOS 2016 and ESOS 2017.
- The Schemes ESOS 2010, ESOS 2016 and ESOS 2017 are in compliance with the Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Companies Act, 2013.

The following details have been disclosed on the Company's website at <http://www.geojit.com>

- Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time.
- The disclosures are provided in the Note 40 to the financial statements of the Company for the year ended 31st March, 2018.
- Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time.

₹ 2.79

Details related to ESOS:

- The general terms and conditions pertaining to stock options granted under ESOS 2010, ESOS 2016 and ESOS 2017 are given below:

Employee Stock Options as on March 31, 2018

| Plan/Schemes | Date of shareholders approval | Total No. of Options approved | Exercise Price (₹) | Number of options outstanding at the beginning of the year | Number of options granted during the year | Options Vested | Number of options Exercised during the year | Number of Shares allotted during the year | Number of options lapsed/ forfeited during the year | Number of options outstanding at the end of the year | Number of options exercisable at the end of the year |
|--|-------------------------------|-------------------------------|--------------------|--|---|----------------|---|---|---|--|--|
| ESOS 2010- Tranche -II | 12 July 2010 | 1,12,00,000 | 20.55 | 3,52,375 | - | - | 3,18,775 | 3,25,035 | 33,600 | - | - |
| ESOS 2010- Tranche -III | 12 July 2010 | 1,12,00,000 | 23.95 | 9,95,792 | - | - | 7,42,388 | 7,58,568 | -1,110 | 2,54,514 | 2,54,514 |
| ESOS 2010- Tranche -IV | 12 July 2010 | 1,12,00,000 | 41.45 | 21,23,948 | - | - | 12,38,905 | 12,41,255 | 37,180 | 8,47,863 | 8,47,863 |
| ESOS 2016- Grant I | 4 August 2016 | 94,00,000 | 41.60 | 73,90,580 | - | 1,83,717 | - | - | 6,57,920 | 67,32,660 | 1,71,819 |
| ESOS 2016- Grant II | 4 August 2016 | 94,00,000 | 117.40 | - | 11,97,312 | 1,593 | - | - | 1,01,517 | 10,95,795 | - |
| ESOS 2016- Grant III | 4 August 2016 | 94,00,000 | 117.35 | - | 2,582 | - | - | - | - | 2,582 | - |
| ESOS 2016- Grant IV | 4 August 2016 | 94,00,000 | 101.25 | - | 23,674 | - | - | - | - | 23,674 | - |
| ESOS 2017 | 22 November 2017 | 47,10,888 | 117.35 | - | 10,73,780 | - | - | - | 21,785 | 10,51,995 | - |
| Options Exercised during FY 2017-18 | | | | 23,00,068 | | | | | | | |
| Share Capital Money received during the above period (in ₹) | | | | 23,24,858 | | | | | | | |
| Share Premium Money received during the above period (in ₹) | | | | 7,39,72,335 | | | | | | | |
| Perquisite Tax Amount collected during the aforesaid period (in ₹) | | | | 1,16,03,941 | | | | | | | |
| Total amount collected during the aforesaid period (in ₹) | | | | 8,79,01,134 | | | | | | | |

| Particulars | ESOS 2010 | ESOS 2016 | ESOS 2017 |
|----------------------------|--|--|---|
| Vesting Requirement | 100% of granted stock options shall vest on completion of two years from the grant date. | Vesting will be on 1st of October every year starting from 1st Oct 2017, provided the employee has fulfilled the conditions of target achievement for the previous financial year. The vesting would be in four tranches over a period of 4 years. | 100% of granted stock options shall vest on completion of one year from the grant date. |
| Maximum term of options | Five years from the date of grant of stock options | Eight years from the date of grant of stock options | Five years from the date of grant of stock options |
| Source of shares | Primary | Primary | Primary |
| Variation in terms of ESOS | Nil | Nil | Nil |

| Particulars | Method used to account for ESOS | Difference between the employee compensation cost computed under Intrinsic value method and the employee compensation cost that shall have been recognised if it had used the fair value of the options | The impact of the difference on profits and on EPS of the Company |
|-------------------------|---------------------------------|---|---|
| ESOS 2010- Tranche -II | Intrinsic Value | - | Profit for the Year (As reported) ₹ 67,48,59,708 |
| ESOS 2010- Tranche -III | | - | Add: Expense on Employee Stock Option Plans under Intrinsic Value Method- ₹ Nil |
| ESOS 2010- Tranche -IV | | - | Less: Expense on Employee Stock Option Plans under Fair Value Method- ₹ 3,19,01,400 |
| ESOS 2016- Grant I | | 1,75,86,275 | Profit for the Year (Proforma)- ₹ 64,29,58,308 |
| ESOS 2016- Grant II | | 84,63,966 | Basic earnings per share (As reported)- 2.85 |
| ESOS 2016- Grant III | | 7178 | Basic earnings per share (Proforma)- 2.71 |
| ESOS 2016- Grant IV | | 10,076 | Diluted earnings per share (As reported)- 2.79 |
| ESOS 2017 | | 58,33,905 | Diluted earnings per share (Proforma)- 2.66 |

II. Details of Options granted to Directors and Senior Managerial Persons

| Name | Designation | No. of options granted under ESOS 2017 | No. of options granted under ESOS 2016 (Tranche I) | No. of options granted under ESOS 2010 (Tranche II) | No. of options granted under ESOS 2010 (Tranche III) | No. of options granted under ESOS 2010 (Tranche IV) |
|--------------------------|---|--|--|---|--|---|
| Mr. Satish Menon | Executive Director | 1998 | 5,00,000* | 6,900 | 9,876 | 10,390 |
| Mr. A .Balakrishnan | Managing Director, Geojit Technologies (P) Ltd. | 1998 | - | 8,050 | 10,780 | 10,816 |
| Ms. Jaya Jacob Alexander | Chief Human Resources | 76 | - | 4,600 | 4,068 | 4,260 |

* the stock options granted exceeded 5% of the total stock options granted during the year 2016-17.

III. A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:
a) Description

| Schemes | weighted-average fair value of options | weighted-average exercise price | expected volatility | expected option life | expected dividends | risk-free interest rate |
|------------------------|--|--|---------------------|----------------------|--------------------|-------------------------|
| ESOS 2010- Tranche II | 4.71 | 26 May 17- 78.45 25 July 17-107.95 25 Oct 17-128.15 | 39% | 2 | 4.04% | 8% |
| ESOS 2010- Tranche III | 5.70 | 26 May 17- 78.45 25 July 17-107.95 25 Oct 17-128.15 24 Jan 18- 116.95 20 Mar 18- 99.45 | 42% | 2 | 4.59% | 8% |
| ESOS 2010- Tranche IV | 16.64 | 26 May 17- 78.45 25 July 17-107.95 25 Oct 17-128.15 24 Jan 18- 116.95 20 Mar 18- 99.45 | 66% | 2 | 0.46% | 8% |
| ESOS 2016 - Grant I | 13.45 | - | 35% | 2.7-5.7 | 2.00% | 6.70%-6.90% |
| ESOS 2016 - Grant II | 37.48 | - | 37% | 2.6-4.6 | 1.20% | 6.10%-6.30% |
| ESOS 2016 - Grant III | 38.37 | - | 39% | 2.7-4.2 | 1.20% | 6.70%-6.90% |
| ESOS 2016 - Grant IV | 33.56 | - | 40% | 2.5-4.0 | 1.20% | 6.80%-7.00% |
| ESOS 2017 | 33.77 | - | 39% | 2.5 | 1.20% | 6.70% |

b) The method used and the assumptions made to incorporate the effects of expected early exercise:

Black – Scholes Options Pricing Model

c) How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility:

The following factors have been considered for ESOS 2010, ESOS 2016 & ESOS 2017:

- Dividend yield- based on dividend per share and average market price for one year prior to grant date.
- Historical volatility- Based on the highest and lowest market price one year prior to grant date.
- Discount Rate - Bond Equivalent Yield
- Expected Life in Years i.e. the period up to the date of vesting.
- Present Value of Exercise Price

Disclosures in respect of grants made in three years prior to IPO under the ESOS: All the Options granted in the three years prior to the IPO have either been exercised or have lapsed.

Annexure-II to Directors' Report

Statement of Foreign Exchange Earnings and Outgo

(In ₹)

| Particulars | 2017-18 | 2016-17 |
|---------------------------|-------------|-------------|
| Foreign Exchange earnings | 1,95,10,746 | 2,06,14,697 |
| Foreign Exchange outgo | 24,76,531 | 20,11,922 |

Annexure III to the Directors' Report

Statement of Disclosure of Remuneration

Pursuant to Section 197 of the Act and Rule 5(1) of Companies

(Appointment and Remuneration of Managerial Personnel), Rules 2014

- Ratio of the remuneration of each Whole-time Director* to the median remuneration of the employees of the Company for the financial year 2017 - 18, the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and Company Secretary during the financial year 2017-18,

| Sr. No. | Name of Director/ Key Managerial Personnel | Designation | Ratio of remuneration of each Director to median remuneration of employees | Percentage increase in Remuneration |
|---------|--|---|--|-------------------------------------|
| 1. | Mr. C J. George | Managing Director and Chief Executive Officer | 164.94 | 26% |
| 2. | Mr. Joe Peter / Mr. Sanjeev Kumar Rajan | Chief Financial Officer | Not applicable | 19% |
| 3. | Mr. Liju K Johnson | Company Secretary | Not applicable | 21% |

* None of the Non Executive Directors of the Company was paid remuneration except sitting fees paid for Board/Committee Meetings.

- The percentage increase/decrease in the median remuneration of employees for the financial year was -1%.
- The Company had 2460 permanent employees on the rolls of Company as on 31st March, 2018.
- Average percentage increase made in the salaries of employees other than the key managerial personnel in the last financial year was 21%.
- It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

**On behalf of the Board of Directors
For Geojit Financial Services Limited**

**Place : Kochi
Date : 16.05.2018**

**A.P. Kurian
Chairman
DIN : 00008022**

Annexure-IV to Directors' Report

Annual Report On Corporate Social Responsibility (CSR) Activities (2017-18)

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website and the web link for the same is https://geojit.com/pdfs/CSR_Policy_17-5-2018.pdf

2. Composition of the CSR Committee:

1. Mr. A P Kurian - Independent Director
2. Mr. C J George - Managing Director
3. Mr. Punnoose George - Non Executive Director

3. Average net profit of the Company for last three financial years: (2014-15, 2015-16, 2016-17)

Average Net Profit - 76.32 CR

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):

The Company is required to spend ₹ 1,52,64,821 towards CSR.

5. Details of CSR spend for the financial year (2017-18)

a. Total amount spent for the financial year : ₹ 1,52,64,821

b. Amount unspent, if any: NIL

| 1 | 2 | | 3 | 4 | 5 | 6 | 7 | 8 |
|--------|------------------------------------|--|---|--|---|--|--|---|
| Sl No. | CSR Project or Activity Identified | | Projects or Programs (1) Local Area or Other (2) Specify the state and district where projects or programs was undertaken | Sector in which the project is covered | Amount outlay (budget) - Project or Programs wise | Amount spent on the projects or programs (1) Direct expenditure on projects or programs (2) Overhead | Cumulative Expenditure upto the reporting period | Amount spent: Direct or through implementing agency |
| 1 | Education | Education support for Underprivileged Children | (1) Kerala State- Districts of Ernakulam, Alappuzha, Kozhikode and Palakkad. | Schedule VII (ii) | 16,62,500 | 16,62,500 | 16,62,500 | Through Implementing Agency - 16,62,500 |
| 2 | | Scholarships for Professional Education of Poor and deserving students | (1) Local Area (2) Kerala, Karnataka, Maharashtra, Andhra Pradesh | Schedule VII (ii) | 5,00,000 | 7,17,000 | 7,17,000 | Through Geojit Foundation - 7,17,000 |
| 3 | | Student Police Cadet (SPC) Project | (1) Local Area (2) Kerala | Schedule VII (ii) | 10,89,000 | 10,89,000 | 10,89,000 | Through Geojit Foundation - 10,89,000 |
| 4 | | SPC -Summer Camp | (1) Local Area (2) Kerala | Schedule VII (ii) | 0 | 2,00,000 | 2,00,000 | Through Geojit Foundation - 2,00,000 |
| 5 | | Life Skill Training | (1) Local Area (2) Kerala | Schedule VII (ii) | 0 | 75,000 | 75,000 | Through Geojit Foundation - 75,000 |
| 6 | | Smart Class Room & Infrastructure for a Govt. Aided School | (1) Local Area (2) Madurai | Schedule VII (ii) | 0 | 3,00,000 | 3,00,000 | Through Geojit Foundation - 3,00,000 |
| 7 | | Smart Class Room & Infrastructure for a Govt. Aided School | (1) Local Area (2) Madurai | Schedule VII (ii) | 0 | 15,29,594 | 15,29,594 | Through Geojit Foundation - 15,29,594 |
| 8 | | Vocational Training Academy for Financial Services | (1) Local Area (2) Kerala | Schedule VII (ii) | 20,00,000 | 20,00,000 | 20,00,000 | Through Geojit Foundation - 20,00,000 |
| 9 | | Education for Differently Abled Children | (1) Local Area (2) Kerala | Schedule VII (ii) | 0 | 1,00,000 | 1,00,000 | Through Geojit Foundation - 1,00,000 |

| 1 | 2 | | 3 | 4 | 5 | 6 | 7 | 8 |
|--------------|------------------------------------|---|---|--|---|--|--|---|
| Sl No. | CSR Project or Activity Identified | | Projects or Programs (1) Local Area or Other (2) Specify the state and district where projects or programs was undertaken | Sector in which the project is covered | Amount outlay (budget) - Project or Programs wise | Amount spent on the projects or programs (1) Direct expenditure on projects or programs (2) Overhead | Cumulative Expenditure upto the reporting period | Amount spent: Direct or through implementing agency |
| 10 | Health | Sparsh | (1) Local Area (2) Kerala (3) Tamilnadu (4) Karnataka | Schedule VII (i) | 33,00,000 | 24,73,824 | 24,73,824 | Through Geojit Foundation - 24,73,824 |
| 11 | | Soukhyam | (1) Local Area (2) Ernakulam District | Schedule VII (i) | 2,00,000 | 0 | 0 | 0 |
| 12 | | Support to Alzheimers patients | (1) Local Area (2) Ernakulam District | Schedule VII (i) | 0 | 31,478 | 31,478 | Through Implementing Agency - 31,478 |
| 13 | | Suicide Prevention Awareness Programme | (1) Local Area (2) Ernakulam District | Schedule VII (i) | 0 | 10,000 | 10,000 | Through Implementing Agency - 10,000 |
| 14 | | Toilet Complex for Girls | (1) Local Area (2) Ernakulam District | Schedule VII (i) | 5,00,000 | 5,15,657 | 5,15,657 | Through Geojit Foundation - 5,15,657 |
| 15 | | Water Purifier for Govt. Schools | (1) Local Area (2) Ernakulam District | Schedule VII (i) | 1,31,608 | 40,800 | 40,800 | Through Implementing Agency- 40,800 |
| 16 | | Footwear for Filariasis Patients | (1) Local Area (2) Alappuzha | Schedule VII (i) | 0 | 50,000 | 50,000 | Through Implementing Agency-50,000 |
| 17 | | Support to Citizen India Foundation for Mobile Blood Donation Van | (1) Local Area (2) Kerala | Schedule VII (i) | 0 | 22,00,000 | 22,00,000 | Through Geojit Foundation-22,00,000 |
| 18 | Social Inclusion | Support to Blind Federation, Pothanikkad | (1) Local Area (2) Ernakulam District | Schedule VII (iii) | 6,50,000 | 7,45,000 | 7,45,000 | Through Geojit Foundation - 7,45,000 |
| 19 | | Support to Senior Citizens | (1) Local Area (2) Ernakulam (3) Alappuzha (4) Kozhikode (5) Palakkad | Schedule VII (iii) | 0 | 1,91,250 | 1,91,250 | Through Implementing Agency - 1,91,250 |
| 20 | | Home for the Homeless | (1) Local Area (2) Ernakulam | Schedule VII (iii) | 0 | 1,50,000 | 1,50,000 | Through Geojit Foundation - 1,50,000 |
| 21 | | Home for the Homeless | (1) West Bengal | Schedule VII (iii) | 0 | 70,000 | 70,000 | Through Geojit Foundation - 70,000 |
| 22 | | Home for the Homeless | (1) Local Area (2) Ernakulam | Schedule VII (iii) | 0 | 2,00,000 | 2,00,000 | Through Geojit Foundation-2,00,000 |
| 23 | Promoting Rural Sports | Support to a woman Asian Veterans champion | (1) Local Area (2) Ernakulam | Schedule VII (vii) | 0 | 1,00,000 | 1,00,000 | Through Geojit Foundation - 1,00,000 |
| 24 | Arts & Heritage | Support to Kerala Fine Arts Society | 1) Local Area (2) Ernakulam District | Schedule VII (v) | 0 | 5,00,000 | 5,00,000 | Through Geojit Foundation - 5,00,000 |
| 25 | Environment | Maintenance and upkeep of Subash Park | (1) Local Area (2) Ernakulam District | Schedule VII (iv) | 50,00,000 | 0 | 0 | Through Geojit Foundation-0 |
| 26 | | Eco Friendly Bags to Paingottoor Panchayath | (1) Local Area (2) Ernakulam District | Schedule VII (iv) | 0 | 75,000 | 75,000 | Through Geojit Foundation - 75,000 |
| 27 | Administrative Expenses | Salary and Travel Expenses to CSR Staff | (1) Local Area (2) Kerala | | 2,31,713 | 2,38,718 | 2,38,718 | Directly spent by the Company-2,38,718 |
| TOTAL | | | | | 1,52,64,821 | 1,52,64,821 | 1,52,64,821 | 1,52,64,821 |

- ₹ 15,29,594/- transferred to Geojit Foundation will be utilized for Smart Class Room & Infrastructure for a Govt Aided School
 - ₹ 2,00,000/- transferred to Geojit Foundation will be utilized for Home for the Homeless, Aroor
6. The Company entirely consumed the required CSR spent. We have not factored in the money equivalent of the time spent by the managing Committee members in carrying out the CSR Projects.
7. The CSR committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

SD/-

C J George

Member CSR Committee, Managing Director & CEO

SD/-

A P Kurian

Member, CSR Committee & Independent Director

Annexure - V to Directors' Report

Corporate Governance Report

[Pursuant to Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The basic philosophy of Corporate Governance at 'Geojit Financial Services Ltd' is to achieve business excellence and to create and enhance the value for its Stakeholders, Customers, Employees and Business Associates and thereby to make a significant contribution to the economy. The Company endeavors to achieve the highest levels of transparency, accountability, integrity and responsibility by following the best practices in Corporate Governance.

BOARD OF DIRECTORS

The Board of Directors comprises of one Executive and six Non-Executive Directors of which four are Independent Directors. Except for the Managing Director, Independent Directors and Nominee Director, all other Directors are liable to retire by rotation as per the provisions of the Companies Act, 2013.

Meeting and Composition

During the year ended 31st March 2018, six Board Meetings were held on 26th May 2017, 25th July 2017, 26th September 2017, 25th October 2017, 24th January 2018 and 20th March 2018.

The composition of the Board of Directors and their attendance at the Board Meetings during the year and at the last Annual General Meeting and also the number of other directorships and memberships of committees are given below:

| Name of Director | Category | Number of shares held in the Company as on 31.03.2018 | Attendance at | | Directorships and Chairmanship / Membership of Board Committees in Other Companies as on 31.03.2018 | | |
|--------------------------------------|-----------|---|----------------|----------|---|------------------|--------------------|
| | | | Board Meetings | Last AGM | Director | Committee Member | Committee Chairman |
| Mr. A.P.Kurian | C, NE & I | 3,99,600 | 5 | Yes | 3 | 3 | 1 |
| Mr. C.J.George | MD & P | 4,32,79,636 | 6 | Yes | 2 | 3 | 1 |
| Mr. R.Bupathy | NE & I | 18,000 | 5 | Yes | 2 | 3 | 3 |
| Dr. M Beena* | N, NE | Nil | 2 | No | 3 | Nil | Nil |
| Mr. Mahesh Vyas | NE & I | Nil | 5 | Yes | 1 | 1 | Nil |
| Mr. Punnoose George | NE | 99,25,000 | 3 | Yes | 1 | 1 | Nil |
| Mr. Rakesh Jhunjhunwala [^] | NE | 1,80,37,500 | 1 | No | 2 | Nil | Nil |
| Mr. Radhakrishnan Nair [§] | NE & I | Nil | 3 | No | 2 | 1 | Nil |

C: Chairman; NE: Non-Executive Director; I: Independent Director; MD: Managing Director; N: Nominee Director; P: Promoter

*Kerala State Industrial Development Corporation Limited (KSIDC) a public financial institution owned by Government of Kerala which holds about 8.4% of equity shares of the Company nominated Dr. M Beena, IAS, Managing Director of KSIDC Limited as their Nominee Director in the Board of the Company w.e.f 5th February 2016.

[^] Mr. Rakesh Jhunjhunwala resigned as director of the Company on 25th July, 2017.

[§] Mr. Radhakrishnan Nair was appointed as Independent Director (Additional) on 25th October, 2017.

Other directorships include listed companies and do not include directorships of unlisted Public Companies, Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.

Chairmanship / Membership of Board Committees include Chairmanship / Membership of Audit Committee and Stakeholders Relationship Committee only as clarified under Regulation 26 of SEBI (LODR) Regulations, 2015. The Membership / Chairmanship of Board Committees of unlisted Public Companies, Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013. are excluded for the purpose. None of the directors of the Company are related to each other.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The details on the Company's familiarization programme for IDs can be accessed at: <http://www.geojit.com/pdfs/FAMILIARIZATIONPROGRAMMEFORINDEPENDENTDIRECTORS.pdf>

REAPPOINTMENT OF DIRECTORS

Mr. Punnoose George shall retire by rotation at the ensuing Annual General Meeting pursuant to Section 152 of Companies Act, 2013 and being eligible offers himself for reappointment. The brief resume and information relating to Mr. Punnoose George is furnished as part of the Notice convening the Annual General Meeting.

AUDIT COMMITTEE

The Company's Audit Committee consisted of three Non-Executive Independent Directors during the year.

The qualification of the members of the Committee, its composition and terms of reference are as per the requirements of Regulation 18 of SEBI (LODR) Regulations, 2015. The Audit Committee inter-alia monitors and provides effective supervision of financial reporting process and ensures that financial statement is accurate, sufficient and credible. The Chairman of the Audit Committee, Mr. R. Bupathy has expert knowledge of finance and accounting. The Company Secretary of the Company acts as the Secretary to the Audit Committee.

Meeting and Composition

During the year ended 31st March 2018, the Committee met six times on 25th May 2017, 24th July 2017, 26th September 2017, 24th October 2017, 23rd January, 2018 and 20th March, 2018.

The composition of the Committee and their attendance details are given below:

| Name of Members of Audit Committee | Category | No. of meetings attended |
|------------------------------------|--|--------------------------|
| Mr. R.Bupathy | Chairman, Non – Executive Independent Director | 6 |
| Mr. A.P.Kurian | Member, Non – Executive Independent Director | 5 |
| Mr. Mahesh Vyas | Member, Non – Executive Independent Director | 5 |

The Audit Committee is empowered pursuant to its terms of reference which includes its duties, review of information and reporting as provided below:

Duties

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by management
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - Qualifications in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

Review of Information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

Reporting

1. The Secretary shall circulate the minutes of the meetings of the Committee to all members of the Committee and the Chairman of the Committee shall, at a minimum attend the Board meeting at which the accounts are approved.
2. The Audit Committee shall annually review its terms of reference and its own effectiveness and recommend to the Board any necessary changes.
3. If the Board does not accept the audit committee recommendation the same shall be disclosed in the Board's report along with the reasons therefore.
4. The Audit Committee Chairman shall attend the AGM and shall answer questions, through the Chairman of the Board, on the Audit Committees activities and its responsibilities.

NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee (NRC), comprising three independent directors as its members, inter-alia oversees the Company's nomination process for the Directors, senior management and coordinates the annual self-evaluation of the performance of the Board, Committees and of individual Directors. The NRC further reviews and monitors the implementation of the Employee Stock Option Plans (ESOP) approved by the Board from time to time.

The broad terms of reference of the Remuneration Committee are as follows

- 1) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- 2) Formulation of criteria for evaluation of Independent Directors and the Board.
- 3) Devising suitable policy on board diversity
- 4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.
- 5) To formulate a policy to ensure that:
 - a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 - b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c. remuneration to directors, key managerial person and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goal.
- 6) to consider other topics as determined by the Board of Directors of the Company.

Meeting and Composition

Eight meetings of the Committee were held during the year on 26th May 2017, 25th July 2017, 2nd September 2017, 26th September 2017, 24th October 2017, 23rd January 2018, 1st March 2018 and 20th March 2018. The composition of the Committee and their attendance details are given below:

| Name of Members of Nomination & Remuneration Committee | Category | No. of meetings attended |
|--|--|--------------------------|
| Mr. R.Bupathy | Chairman, Non – Executive Independent Director | 8 |
| Mr. Mahesh Vyas | Member, Non – Executive Independent Director | 7 |
| Mr. Punnoose George | Member, Non- Executive Director | 6 |
| Mr. Radhakrishnan Nair | Member, Non- Executive Independent Director | 2 |

During the year the Committee was reconstituted on January 24, 2018 by appointing Mr. Radhakrishnan Nair, Independent Director as a member in place of Mr. Punnoose George, Director.

The Committee recommended following criteria for evaluation of Independent Directors:

- Qualification and Experience
- Sufficient understanding and knowledge of the Company and the industry
- Effective contribution to the Board with Independent views and judgement
- Independence from the entity and other Directors

Remuneration to Managing Director

The remuneration structure of the Managing Director comprises of salary, commission, perquisites and allowances, contribution to Provident Fund and Gratuity. The service contract is for a period of 5 years w.e.f.24.11.2014.

The details of remuneration paid / payable to the Managing Director for the year 2017-18 is given below –

- Salaries - ₹ 86,72,124
- Perquisites - ₹ 5,29,537
- Commission - ₹ 1,55,81,000
- Stock option - Nil

Remuneration to Non-Executive Directors

The Non-Executive Directors do not draw any remuneration from the Company except sitting fees. The sitting fees paid for each Meeting is as below:

| | |
|--|---------------------------|
| Board Meeting | ₹ 40,000 for each Meeting |
| Audit Committee Meeting | ₹ 40,000 for each Meeting |
| Other Committees (Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee) | ₹ 10,000 for each Meeting |
| Independent Directors' Meeting | ₹ 40,000 for each Meeting |

The total amount of sitting fees paid during the year was ₹ 20,20,000/- as follows –

| Name of Director | Details of Sitting Fees Paid | | | | | |
|--------------------------------------|------------------------------|-----------------------------|---|--|---|------------------------------------|
| | For Board Meeting | For Audit Committee Meeting | For Nomination and Remuneration Committee Meeting | For Stakeholders' Relationship Committee Meeting | For Corporate Social Responsibility Committee Meeting | For Independent Directors' Meeting |
| Mr. A P Kurian | 2,00,000 | 2,00,000 | NA | NA | 10,000 | 40,000 |
| Mr. R Bupathy | 2,00,000 | 2,40,000 | 80,000 | 10,000 | NA | 40,000 |
| Mr. Mahesh Vyas | 2,00,000 | 2,00,000 | 70,000 | NA | NA | 40,000 |
| Mr. Punnoose George | 1,20,000 | NA | 60,000 | 10,000 | - | NA |
| Dr. M Beena (KSIDC Nominee) | 80,000 | NA | NA | NA | NA | NA |
| Mr. Rakesh JhunJhunwala [^] | 40,000 | NA | NA | NA | NA | NA |
| Mr. Radhakrishnan Nair [§] | 1,20,000 | NA | 20,000 | NA | NA | 40,000 |
| Total | 9,60,000 | 6,40,000 | 2,30,000 | 20,000 | 10,000 | 1,60,000 |

[^]Mr. Rakesh JhunJhunwala resigned as Director on 25th July, 2017.

[§]Mr. Radhakrishnan Nair was appointed as Independent Director (Additional) on 25th October, 2017.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company's Corporate Social Responsibility Committee (CSR) consisted of one Independent Director, one Whole-time Director and one Non Executive Director as its members during the year. The Board of Directors have adopted a CSR Policy to streamline the CSR activities and convey to all the stakeholders the CSR focus areas adopted by the Company.

The CSR committee recommends the specific CSR initiatives to be adopted by the Company, the amount of expenditure to be budgeted for the activities, monitors the CSR Policy of the company and provide to the Board a responsibility statement on the implementation and monitoring of CSR Policy

Meeting and Composition

During the year ended 31st March 2018, one CSR committee meeting was held on 20th March 2018. The composition of the Committee and their attendance details are given below:

| Name of Members of Corporate Social Responsibility Committee | Category | No. of meetings attended |
|--|--|--------------------------|
| Mr. A P Kurian | Chairman, Non – Executive Independent Director | 1 |
| Mr. C J George | Member, Whole time Director | 1 |
| Mr. Punnoose George | Member, Non- Executive Director | 0 |

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee (SRC) consisted one Independent Director, one Whole-time Director and one Non Executive Directors as its members during the year.

The Stakeholders Relationship Committee reviews and redresses shareholder grievances / complaints and oversees the performance of the Registrars and Share Transfer Agents and recommends measures for overall improvement of the quality of investor services. Mr. Liju K Johnson, Company Secretary of the Company acts as the Secretary to the Committee and as the Compliance Officer.

Meeting and Composition

One meeting of the Committee was held during the year on 23rd January, 2018. The composition of the Committee and their attendance details are given below:

| Name of Members of Stakeholders Relationship Committee | Category | No. of meetings attended |
|--|--|--------------------------|
| Mr. R Bupathy | Chairman, Non – Executive Independent Director | 1 |
| Mr. C J George | Member, Whole time Director | 1 |
| Mr. Punnoose George | Member, Non- Executive Director | 1 |

Given below is the position of investor queries / complaints and other correspondences received and attended to during 2017-18 :

| Nature of complaint / queries | No. of complaints |
|---|-------------------|
| For non-receipt of dividend, shares lodged for transfer, issue of duplicate share certificates. | Nil |
| Queries / Complaints redressed | Nil |
| Pending queries / complaints as on 31.03.2018 | Nil |
| Other letters received from shareholders and replied | 31 |

Every letter received from the investors is replied generally within two weeks of receipt unless the issues involved require investigation or looking into very old records to be retrieved from record room or information is to be obtained from banks or others.

ENTERPRISE RISK MANAGEMENT COMMITTEE

The Company re-constituted the committee namely Enterprise Risk Management Committee w.e.f 27th January, 2017 with committee members consisting of one Whole-Time Director, one Non Executive Independent Director and one Non-Executive Director.

The Board of Directors have adopted a Risk Management Policy to provide an integrated and standardised approach to managing all aspects of the risk to which the Company is exposed.

Meeting and Composition

No meetings of the Committee were held during the year 2017-18. The details on composition of the Committee is given below:

| Name of Members of Enterprise Risk Management Committee | Category |
|---|------------------------------------|
| Mr. Mahesh Vyas | Non Executive Independent Director |
| Mr. C J George | Managing Director |
| Mr. Punnoose George | Non Executive Director |

DE-MATERIALISATION OF SHARES AND TRANSFERS

99.84% of shares of the Company are traded in de-materialized form. A table showing the requests received for de-materialization / transfer during 2017-18 is given below –

| | Transfers | | Demats | | Remats | |
|--------------------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|
| | No. of requests | No. of shares | No. of requests | No. of shares | No. of requests | No. of shares |
| Lodged | 1* | 2,000* | 12 | 42,600 | Nil | Nil |
| Processed | Nil | Nil | 12 | 42,600 | Nil | Nil |
| Objections | Nil | Nil | 2 | 1,300 | Nil | Nil |
| Pending as on 31.03.2018 | Nil | Nil | Nil | Nil | Nil | Nil |

*Issue of Duplicate Share Certificate

GENERAL BODY MEETINGS

The last three Annual General Meetings of the Company were held as under:

| Year | Location | Date | Time | No. of Special Resolutions approved at the AGM |
|-----------|--|------------|----------|--|
| 2016-2017 | The Renai Cochin, Palarivattom, Kochi - 682025 | 25.07.2017 | 4.00 p.m | Nil |
| 2015-2016 | The Renai Cochin, Palarivattom, Kochi - 682025 | 04.08.2016 | 4.00 p.m | 1 |
| 2014-2015 | The Renai Cochin, Palarivattom, Kochi - 682025 | 30.07.2015 | 3.00 p.m | Nil |

Extra-Ordinary General Meetings

No Extra- Ordinary General Meeting was held during the year 2017-18.

Postal Ballot

No special resolution requiring postal ballot is being proposed on or before the ensuing Annual General Meeting of the Company.

During the year under review, three special resolutions and one ordinary resolution have been passed through the exercise of postal ballot. A snapshot of the voting results of the postal ballot is as below:

Date of Postal Ballot Notice : 09.10.2017 Voting Period : 24.10.2017 to 22.11.2017

Date of Declaration of Results : 24.11.2017 Date of Approval : 22.11.2017

| Name of Resolution | Type of resolution | No: of votes polled | Votes cast in favour | | Votes cast against | |
|---|---------------------|---------------------|----------------------|-------|--------------------|------|
| | | | No: of Votes | % | No: of Votes | % |
| 1. Alteration of Objects Clause in the Memorandum of Association of the Company | Special Resolution | 12,60,87,826 | 12,43,54,788 | 98.63 | 17,33,038 | 1.37 |
| 2. Increase in Authorised Capital and thereby amending the Memorandum of Association of the Company | Ordinary Resolution | 12,60,87,836 | 12,34,58,672 | 97.91 | 26,29,164 | 2.09 |
| 3a. Approval and implementation of Employee Stock Option Scheme - ESOS 2017. (Employees of the Company) | Special Resolution | 12,60,87,311 | 12,33,72,654 | 97.85 | 27,14,657 | 2.15 |
| 3b. Approval and implementation of Employee Stock Option Scheme - ESOS 2017. [Employees of the Company's subsidiary(ies)] | Special Resolution | 12,51,98,797 | 12,33,72,208 | 98.54 | 18,26,589 | 1.46 |

The company successfully completed the process of obtaining approval of its shareholders for special resolutions detailed above through postal ballot.

Mr. Satheesh Kumar N, Practicing Company Secretary, (ICSI membership No: ACS 16543 and Certificate of Practice No: 6607), was appointed as the scrutinizer for carrying out the postal ballot process in a fair and transparent manner.

Procedure for Postal Ballot

In compliance with Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Sections 108, 110 and other applicable provisions of the Act, read with related Rules, the Company provides electronic voting facility to all its Members, to enable them to cast their votes electronically. The Company engages the services of NSDL for the purpose of providing e-facility to all its Members. The Members have the option to vote either by physical ballot or by e-voting.

The Company dispatches the postal ballot notices and forms along with postage pre-paid business reply envelopes to its Members whose names appear in the Register of Members/the List of beneficiaries as on a cut-off date. The Postal Ballot Notice is sent to members in electronic form to the email addresses registered with their depository participants (in case of electronic shareholding)/ the Company's Registrar and Share Transfer Agents (in case of physical shareholding). The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and the applicable Rules.

Voting rights are reckoned on the paid-up value of shares registered in names of Members as on the cut-off date. Members desiring to exercise their votes by physical postal ballot forms are requested to return the forms duly completed and signed, to the Scrutinizer on or before the end of the voting period. Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last day of e-voting.

The Scrutinizer submits his/her report to the Chairman, after the completion of scrutiny and the consolidated results of the voting by postal ballot are then announced by the Chairman/authorised officer. The results are also displayed on the website of the Company, www.geojit.com, besides being communicated to the Stock Exchanges, Depositories and the Registrar and Transfer Agent.

DISCLOSURES

1. Related Party Transactions

All related party transactions during the year were on an arm's length price basis and in the ordinary course of business. All these transactions were approved by Audit Committee. The Board approved the policy for related party transactions, which has been uploaded on the website of the company and can be accessed at <http://geojit.com/About-Us/PDFs/Related%20Party%20Policy.pdf>

Loan given to Subsidiary - Geojit Credits Private Limited ₹ 4,27,00,000/- (Maximum amount outstanding during the current year is ₹ 6,47,00,000/-)

Related party disclosures are provided in Note 39 of the Notes forming part of the accounts in accordance with the provisions of Accounting Standard 18 – "Related Party Disclosures" issued by the Institute of Chartered Accountants of India.

In the opinion of the Board, the transactions entered into by the Company with the related parties were not in conflict with the interest of the Company.

2. Details of non-compliance by the Company, penalties, strictures imposed on the Company by the stock exchanges or the Securities and Exchange Board of India or any statutory authority, on any matter related to capital markets, during the last three years: NIL

3. Vigil Mechanism and Whistle Blower Policy

The Company has laid down a Vigil Mechanism and formulated a Whistle Blower Policy in order to provide a framework for responsible and secure whistle blowing mechanism. Details of the Vigil Mechanism are given in the Directors' Report. The Policy can be accessed at: http://geojit.com/pdfs/Vigil_Mechanism_Whistle_blower_policy.pdf

The Company confirms that it has not denied any personnel access to the Audit Committee of the Company in respect of matters involving alleged misconduct and that it has provided protection to "Whistle Blowers" from unfair termination and other unfair or prejudicial employment practices.

4. Policy for Determining Material Subsidiaries

In terms of Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Policy for Determining Material Subsidiaries and the same is available on the Company's website. The Policy can be accessed at: <https://www.geojit.com/pdfs/Policy-on-Material-Subsidiary.pdf>

5. The Company has fulfilled the following non mandatory requirements as prescribed under Schedule II Part E of SEBI (LODR) Regulations, 2015 :

- i. The statutory financial statements of the Company are unmodified.
- ii. Mr. A P Kurian is the Chairman of the Company and Mr. C J George is the CEO and Managing Director of the Company.
- iii. The Internal Auditor of the Company reports directly to the Chairman of the Audit Committee and makes presentations to the Audit Committee on their reports.

UNCLAIMED DIVIDEND

Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 mandates that companies transfer dividend that has remained unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Further, the rules mandate the transfer of shares with respect to the dividend, which has not been paid or claimed for seven consecutive years or more to IEPF. Accordingly, the dividend for the years mentioned as follows will be transferred to the IEPF on the respective dates if the dividend remains unclaimed for seven years, and the corresponding shares will also be transferred to IEPF if dividend is unclaimed for seven consecutive years:

| Year | Type of Dividend | Dividend per share (in Rs) | Date of Declaration | Due Date of Transfer | Amount as on 31.03.2018 (in ₹) |
|------|------------------|----------------------------|---------------------|----------------------|--------------------------------|
| 2011 | Final | 0.75 | 12.07.2011 | 18.08.2018 | 9,61,054 |
| 2012 | Final | 0.75 | 12.07.2012 | 18.08.2019 | 11,17,554 |
| 2013 | Interim | 0.75 | 15.03.2013 | 21.04.2020 | 12,73,077 |
| | Final | 0.25 | 12.07.2013 | 18.08.2020 | 4,31,117 |
| 2014 | Final | 0.10 | 15.07.2014 | 21.08.2021 | 1,63,902 |
| 2015 | Final | 1.75 | 30.07.2015 | 05.09.2022 | 17,08,129 |
| 2016 | Interim | 1.00 | 17.03.2016 | 23.04.2023 | 8,41,359 |
| 2017 | Final | 1.25 | 25.07.2017 | 31.08.2024 | 12,69,207 |

The Company sends periodic intimation to the concerned shareholders, advising them to lodge their claims with respect to unclaimed dividends. Shareholders may note that both the unclaimed dividend and corresponding shares transferred to IEPF including all benefits accruing on such shares, if any, can be claimed back from IEPF following the procedure prescribed in the Rules. No claim shall lie in respect thereof with the Company.

The amount transferred in the past three years are as follows:

| Year | Type of Dividend | Date of Declaration | Amount transferred (in ₹) | Date of transfer to IEPF |
|------|------------------|---------------------|---------------------------|--------------------------|
| 2018 | Final | 12.07.2010 | 9,91,383 | 27.09.2017 |
| 2017 | Final | 11.07.2009 | 6,54,043 | 26.09.2016 |
| 2016 | Final | 26.07.2008 | 9,63,100 | 21.08.2015 |

The details of shareholders not claimed dividend during the last 7 years and details of related shares to be transferred to IEPF is uploaded in the website of the Company at www.geojit.com/pdfs/GFS-7-year-unclaimed-div-shares-to-IEPF-Authority-REVISED.pdf

MEANS OF COMMUNICATION

The quarterly, half-yearly and annual results are published in 'Business Line' and 'Mangalam' newspapers. The results are also posted on the web site of the Company viz. www.geojit.com. The Company's web site also displays all official news releases as well as the presentation made to the institutional investors / analysts, if any.

The Company submits to NSE and BSE all compliances, disclosures and communications through NSE's NEAPS portal and BSE's Listing Centre respectively.

GENERAL SHAREHOLDERS' INFORMATION**Annual General Meeting**

| | |
|-----------------------|--|
| Date | August 02, 2018 |
| Time | 4.00 p.m (IST) |
| Venue | The Renai Cochin, Palarivattom, Kochi, Kerala 682025 |
| Financial year | 1 April 2017 - 31 March 2018 |
| Dividend payment date | Within 30 days from the date of Annual General Meeting |

The Company follows April – March as the Financial Year.

Listing on Stock Exchanges

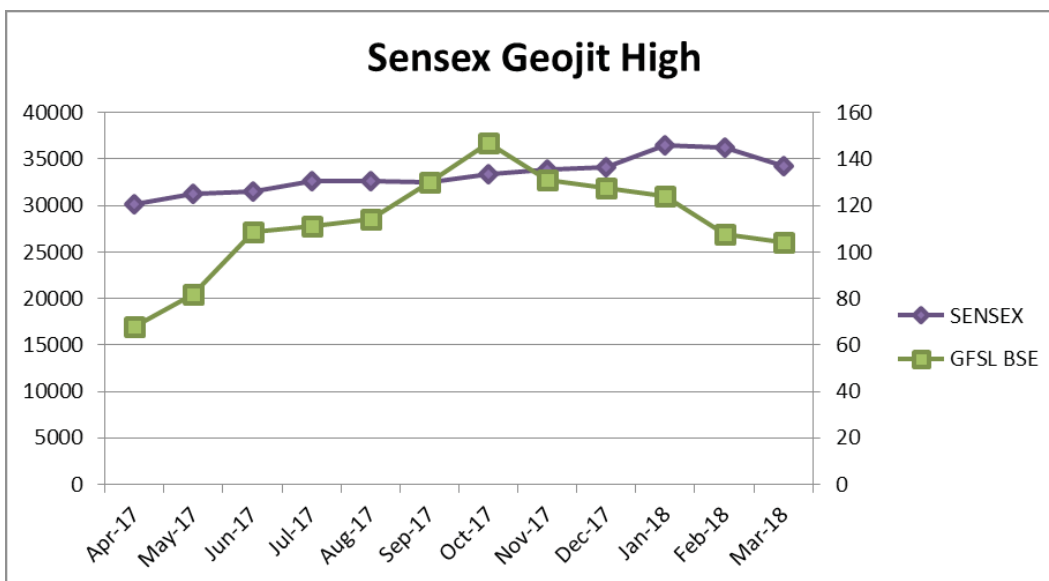
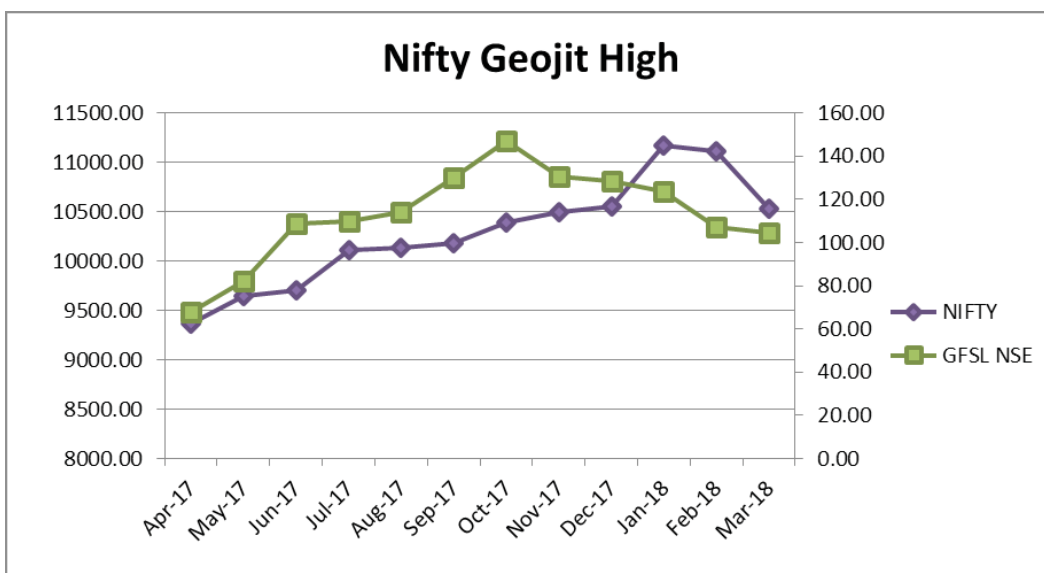
| Stock Exchanges | ISIN | Stock Code |
|---|--------------|------------|
| BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 | INE007B01023 | 532285 |
| National Stock Exchange of India Limited (NSE) Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051 | INE007B01023 | GEOJITFSL |

The Company has paid the annual listing fees to NSE and BSE for the financial year 2017-18.

Market Price data : Market price of the equity shares of the Company during 2017-18 is given in the table below

| | NSE | | BSE | |
|----------------|----------|---------|----------|---------|
| | High (₹) | Low (₹) | High (₹) | Low (₹) |
| April 2017 | 68.00 | 58.30 | 67.90 | 58.00 |
| May 2017 | 82.00 | 62.55 | 81.90 | 62.75 |
| June 2017 | 108.70 | 76.10 | 108.45 | 76.10 |
| July 2017 | 110.00 | 98.00 | 111.00 | 98.00 |
| August 2017 | 114.00 | 95.00 | 114.10 | 92.00 |
| September 2017 | 130.00 | 108.80 | 130.00 | 108.90 |
| October 2017 | 147.05 | 111.70 | 147.00 | 122.70 |
| November 2017 | 130.40 | 113.30 | 131.00 | 113.40 |
| December 2017 | 128.30 | 111.25 | 127.50 | 111.05 |
| January 2018 | 123.75 | 103.40 | 123.95 | 103.65 |
| February 2018 | 107.20 | 90.00 | 107.60 | 89.05 |
| March 2018 | 104.35 | 88.20 | 104.30 | 88.75 |

PERFORMANCE OF THE COMPANY'S STOCK IN COMPARISON TO SENSEX & NIFTY



Distribution of the shareholding on the basis of categories of shareholders as on 31st March 2018 is as under:

| Category Code | Category of shareholder | No. of shareholders | Total no. of shares | Percentage to Total Shares |
|---------------|--|---------------------|---------------------|----------------------------|
| (A) | Shareholding of Promoter and Promoter Group | | | |
| (1) | Indian | | | |
| (a) | Individuals/Hindu Undivided Family | 11 | 49198812 | 20.68 |
| (b) | Central Government State Government(s) | 0 | 0 | 0 |
| (c) | Financial Institutions/Banks | 0 | 0 | 0 |
| (d) | Any Other (specify) | | | |
| | Bodies Corporate | 2 | 21873650 | 9.20 |
| | Sub-Total (A1) | 13 | 71072462 | 29.88 |
| (2) | Foreign | | | |
| (a) | Individuals (Non-Residents Individuals/ Foreign Individuals) | 0 | 0 | 0 |
| (b) | Government | 0 | 0 | 0 |
| (c) | Institutions | 0 | 0 | 0 |
| (d) | Foreign Portfolio Investor | 0 | 0 | 0 |
| (e) | Any other (specify) | | | |
| | Bodies Corporate | 1 | 76688959 | 32.24 |
| | Sub-Total (A2) | 1 | 76688959 | 32.24 |
| | Total shareholding of Promoter and Promoter Group (A) = (A1 + A2) | 14 | 147761421 | 62.12 |
| (B) | Public Shareholding | | | |
| (1) | Institutions | | | |
| (a) | Mutual Funds/UTI | 2 | 1672148 | 0.70 |
| (b) | Venture Capital Funds | 0 | 0 | 0 |
| (c) | Alternate Investment Funds | 2 | 1360380 | 0.57 |
| (d) | Foreign Venture Capital Investors | 0 | 0 | 0 |
| (e) | Foreign Portfolio Investors | 0 | 0 | 0 |
| (f) | Financial Institutions/Banks | 3 | 61322 | 0.03 |
| (g) | Insurance Companies | 0 | 0 | 0 |
| (h) | Provident Funds/Pension Funds | 0 | 0 | 0 |
| (i) | Any Other | | | |
| | Foreign Portfolio Investment -Individual | 0 | 0 | 0 |
| | Foreign Portfolio Investment - Corporate | 21 | 14651510 | 6.16 |
| | Sub-Total (B1) | 28 | 17745360 | 7.46 |
| (2) | Central/State/Govt./President of India | 0 | 0 | 0 |
| | Sub-Total (B2) | 0 | 0 | 0 |
| (3) | Non-Institutions | | | |
| (a) | Shareholders Holding Nominal Share Capital Upto ₹ 2 Lakhs | 34915 | 24076133 | 10.12 |
| | Shareholders Holding Nominal Share Capital in excess of ₹ 2 Lakh | 15 | 26208797 | 11.02 |
| (b) | NBFC Regd. With RBI | 0 | 0 | 0 |
| (c) | Employee Trusts | 0 | 0 | 0 |
| (d) | Overseas Depositories (Holding DRs) | 0 | 0 | 0 |
| (e) | Any other | | | |
| | Directors & Relatives | 3 | 10342600 | 4.35 |
| | Bodies Corporate | 260 | 3260951 | 1.37 |
| | Trusts | 3 | 40470 | 0.02 |
| | Non resident Indians | 971 | 6736800 | 2.83 |
| | Clearing members | 115 | 679151 | 0.28 |
| | Hindu undivided families | 590 | 928473 | 0.39 |
| | Inv. Education and Protection Fund | 1 | 89367 | 0.04 |
| | Sub-Total (B3) | 36873 | 72362742 | 30.42 |
| | Total Public Shareholding Group B = (B1+B2+B3) | 36901 | 90108102 | 37.88 |
| | Grand Total | 36915 | 237869523 | 100.00 |

Distribution of shareholding as on 31st March 2018 is as under:

| Shareholding of nominal value of ₹ | No. of Shareholders | % of Shareholders | Amount of Share Capital in ₹ | % of Shareholding |
|------------------------------------|---------------------|-------------------|------------------------------|-------------------|
| Upto 5,000 | 36610 | 97.40 | 1,37,10,818 | 5.76 |
| 5,001 – 10,000 | 462 | 1.23 | 34,15,706 | 1.44 |
| 10,001 – 20,000 | 245 | 0.65 | 35,39,064 | 1.49 |
| 20,001 – 30,000 | 85 | 0.23 | 20,75,139 | 0.87 |
| 30,001 – 40,000 | 52 | 0.14 | 18,90,904 | 0.79 |
| 40,001 – 50,000 | 21 | 0.06 | 9,59,299 | 0.40 |
| 50,001 – 100,000 | 46 | 0.12 | 33,46,745 | 1.41 |
| 100,001 and above | 68 | 0.18 | 20,89,31,848 | 87.83 |
| Total | 37589 | 100.00 | 23,78,69,523 | 100.00 |

- Registrar and Transfer Agents : S.K.D.C. Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore, Tamil Nadu - 641 006
- Share Transfer System : Application for transfer of shares held in physical form is received at the office of the Registrars and Share Transfer Agents of the Company. The share certificates in physical format are returned within a period of 10 to 15 days from the date of receipt, subject to the documents being valid and complete in all respects. Shares held in de-materialised form are electronically traded and the Registrars and Share Transfer Agents of the Company periodically receive from the Depository, the beneficiary holdings so as to enable them to update their records. Physical shares received for de-materialisation are processed and completed within a period of 15 days from the date of receipt, provided they are in order in every respect.
- De-materialisation of shares and liquidity : 99.84% of the Company's paid-up equity share capital has been de-materialised upto 31st March, 2018. Trading in equity shares of the Company is permitted only in de-materialised form.
- Outstanding ADRs / GDRs / Warrants and Convertible instruments, conversion date and likely impact on equity. : The Company has not issued any GDRs/ADRs/ Warrants or any convertible instruments in the past and hence as on March 31, 2018 the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.
- Plant Locations : In view of the nature of the Company's business viz, financial services, the company operates from various offices in India.
- Address for Correspondence : For any assistance regarding de-materialisation of shares, share transfers, transmission, change of address, non-receipt of dividend or any other query relating to shares or for any general correspondence, contact:
- : S.K.D.C. Consultants Limited
 Kanapathy Towers, 3rd Floor, 1391/A-1,
 Sathy Road, Ganapathy, Coimbatore,
 Tamil Nadu - 641 006
 Phone: 0422-4958995, 2539835-836, Fax: 0422- 2539837
 Email: info@skdc-consultants.com
- : The Company Secretary
 Geojit Financial Services Limited,
 34/659-P, Civil Line Road, Padivattom,
 Kochi, Kerala - 682024
 Phone: 0484- 2901000, Fax: 0484- 2979695
 Email: companysecretary@geojit.com

CEO / CFO CERTIFICATE

(Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Board of Directors,
Geojit Financial Services Ltd

We, C J George, Managing Director and CEO and Sanjeev Kumar Rajan, Chief Financial Officer (CFO) of the Company hereby certify that-

- a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2018 and to the best of our knowledge and belief :
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have not found any significant deficiencies in the design or operation of such internal controls.
- d) We have indicated to the auditors and the Audit Committee that there are
 - i) no significant change in internal control over financial reporting during the year;
 - ii) no significant change in accounting policies during the year; and
 - iii) no instances of any significant fraud have come to our notice, which involve the management or an employee of the Company having significant role in the Company's internal control system over financial reporting.

Place : Kochi

Date : 16.05.2018

C.J George

Managing Director & CEO

Sanjeev Kumar Rajan

Chief Financial Officer

DECLARATION ON CODE OF CONDUCT

As required by Regulation 17(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby affirmed that all the Board members and Senior Management personnel have complied with the Code of Conduct of the Company.

Place : Kochi

Date : 16.05.2018

C.J George

Managing Director

Auditors' certificate on Corporate Governance

To the Members of Geojit Financial Services Limited

(formerly known as Geojit BNP Paribas Financial Services Limited)

Independent Auditor's certificate on Compliance of Corporate Governance Report

This certificate is issued in accordance with the terms of our engagement letter dated 3 May 2018.

Geojit Financial Services Limited (formerly known as Geojit BNP Paribas Financial Services Limited) ('the Company') requires Independent Auditor's Certificate on Corporate Governance as stipulated in Regulations 17-27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period 1 April 2017 to 31 March 2018.

Managements' Responsibility

The preparation of the Corporate Governance report is the responsibility of the Management of the Company along with the maintenance of all its relevant supporting records and documents. The Management is responsible for ensuring that the Company complies with the requirements as stipulated in Regulations 17-27, Clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Listing Regulations for the period 1 April 2017 to 31 March 2018. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the report and applying an appropriate basis of preparation.

Auditor's Responsibility

Pursuant to the requirements of the Listing Regulations, our responsibility is to state whether the Company has complied with the above said conditions of Corporate Governance for the period 1 April 2017 to 31 March 2018.

We have examined the compliance of conditions of Corporate Governance by the Company for the period 1 April 2017 to 31 March 2018 as per Regulations 17-27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

In our opinion and to the best of information and according to the explanations given to us and representations made by the Management, we state that the Company has complied with the conditions of Corporate Governance as specified in Regulations 17-27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable.

We state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restriction on use

This certificate is issued solely for the purpose of complying with Regulations 17-27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations for the period 1 April 2017 to 31 March 2018 and may not be suitable for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

for **BSR & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/W-100024

N Sampath Ganesh

Partner

Membership No: 042554

Mumbai

16 May 2018

Annexure- VI to Directors' Report'

FORM NO. MR-3

Secretarial Audit Report

(For the period 01.04.2017 to 31.03.2018)

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

To,

The Members

Geojit Financial Services Limited

(Formerly Known as Geojit BNP Paribas Financial Services Limited) (L67120KL1994PLC008403)

Kochi

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Geojit Financial Services Limited (L67120KL1994PLC008403) (hereinafter called the **Company**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our limited verification of the Company's Books, Papers, Minute Books, Forms and Returns filed with various regulatory authorities and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year ended on **March 31, 2018** ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to reporting made hereinafter.

We further report that maintenance of proper and updated Books, Papers, Minutes Books, filing of Forms and Returns with applicable regulatory authorities and maintaining other records is responsibility of management and of the Company, our responsibility is to verify the content of the documents produced before us, make objective evaluation of the content in respect of compliance and report thereon.

We have examined on test check basis, the books, papers, minute books, forms and returns filed and other records maintained by the Company and produced before us for the financial year ended March 31, 2018, as per the provisions of:-

1. The Companies Act, 2013 (**the Act**) and the Rules made there under;
2. Provisions of the Reserve Bank of India Act, 1934 to the extent the same is applicable to the Company.
3. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of compliance by the Indian company receiving amount of consideration for issue of shares under company's stock option scheme.

We further states that as the Company is a listed Company and the following acts, rules, regulations are applicable to the Company

- a. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made there under;
- b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ; (Not applicable to the Company during the audit period)
- e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period)
- g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period) and
- h. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.
- i. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015,.

We further report that, based on the representation made by the Company and its Officers in respect of systems and mechanism formed/followed by the Company and on examination of the relevant documents and records in pursuance thereof, on test check basis, the following laws, regulations, directions, orders are applicable specifically to the Company:

1. SEBI (Stock-Brokers and Sub-Brokers) Regulations, 1992, as amended.

2. SEBI (Intermediaries) Regulations, 2008, as amended.
3. SEBI {KYC(Know Your Client) Registration Agency} Regulations, 2011, as amended
4. SEBI (Depositories and Participants) Regulations, 1996, as amended.

Based on the aforesaid information provided by the Company, we report that during the financial year under review, the Company has complied with the provisions of the above mentioned Act/s, Rules, Regulations, Guidelines, Standards etc. mentioned above and we have no material observation or instances of non-compliance in respect of the same except some minor observations suggested at the time of MSEI in its regular inspection conducted during the year 2017-18 and payment of additional fee for the filing of some E-Forms with Registrar of Companies, Kerala.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. The Changes in the Composition of Board of Directors that took place during the period under review were carried out in compliance with provisions of the Companies Act 2013.

Adequate notice along with detailed notes on agenda is given to all the directors to schedule the Board meetings at least 7 days in advance and a reasonable system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through and proper system is in place which facilitates / ensure to capture and record, the dissenting member's views, if any, as part of the Minutes.

Based on the representation made by the Company and its Officers explaining us in respect of internal systems and mechanism established by the Company which ensures compliances of other Acts, Laws and Regulations applicable to the Company, We report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines

We further report that during the audit period, there are no specific events / actions having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, etc, referred to above.

For Satheesh and Remesh
Company Secretaries

N. Satheesh Kumar
Company Secretary in Practice
Partner
C P No.6607

Place : Kochi
Date : 16.05.2018

To,
The Members
Geojit Financial Services Limited (L67120KL1994PLC008403)
(Formerly Known as Geojit BNP Paribas Financial Services Limited)
Kochi

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

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

For Satheesh and Remesh
Company Secretaries

N. Satheesh Kumar
Company Secretary in Practice
Partner
C P No.6607

Place : Kochi
Date : 16.05.2018

Annexure- VII to Directors' Report

Form No. MGT-9

Extract of Annual Return

As on the financial year ended on March 31, 2018

[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 | L67120KL1994PLC008403 |
| ii | Registration Date | 24.11.1994 |
| iii | Name of the Company | Geojit Financial Services Limited |
| iv | Category / Sub-Category of the Company | Public Company/ Limited by shares |
| v | Address of the Registered office and contact details | 11th Floor, 34/659-P, Civil Line Road, Padivattom, Kochi – 682 024, Ph:0484 - 2901000, Fax: 0484 - 2979695, email: mailus@geojit.com, www.geojit.com |
| vi | Whether listed company | Yes |
| vii | Name, Address and Contact details of Registrar and Transfer Agent, if any | S.K.D.C. Consultants Limited Kanapathy Towers, 3 rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore, Tamil Nadu – 641 006 Ph: 0422 - 2539837, email: info@skdc-consultants.com |

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:

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|---------|--|----------------------------------|------------------------------------|
| 1 | Securities Brokerage Services | 99715210 | 90.99 |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sl. No. | Name and address of the company | CIN/GLN | Holding/ Subsidiary/ Associate | % of holding as on 31.03.2018 | Applicable section |
|---------|---|-----------------------|--------------------------------|---|--------------------|
| 1. | Geojit Investment Services Limited, 34/659-P, Civil Line Road, Padivattom, Kochi - 682 024 | U52599KL1995PLC008606 | Subsidiary | 100% | 2(87)(ii) |
| 2. | Geojit Credits Private Limited, 34/659-P, Civil Line Road, Padivattom, Kochi - 682 024 | U65910KL1991PTC006106 | Subsidiary | 67.75% | 2(87)(ii) |
| 3. | Geojit Financial Management Services Private Limited, 34/659-P, Civil Line Road, Padivattom, Kochi - 682 024 | U67200KL2004PTC017330 | Subsidiary | 100% | 2(87)(ii) |
| 4. | Geojit Technologies Private Limited, 34/659-P, Civil Line Road, Padivattom, Kochi - 682 024 | U72900KL2004PTC017332 | Subsidiary | 65% | 2(87)(ii) |
| 5. | Geojit Financial Distribution Private Limited, 34/659-P, Civil Line Road, Padivattom, Kochi - 682 024 | U67200KL2004PTC017331 | Subsidiary | 100% held by wholly owned subsidiary of the Company | 2(87)(ii) |
| 6. | Qurum Business Group Geojit Securities LLC, PO Box:205, PC:103, Sultanate of Oman, Office - ERNST & YOUNG Building, 2nd Floor, Al Qurum, Muscat | Not Applicable | Subsidiary | 51% | 2(87)(ii) |
| 7. | Barjeel Geojit Securities LLC, Suite M2-203, Commercial Bank Of Dubai Bldg, Near Clock Tower, Al Ain, UAE | Not Applicable | Associate | 30% | 2(6) |
| 8. | Al-oula Geojit Capital Company, Abu Baker Road, Al-Nuzha, Riyadh, P.O BOX: 86303 Riyadh 11622 | Not Applicable | Associate | 28% | 2(6) |
| 9. | BBK Geojit Securities Co. K.S.C.C, 8th Floor, Khalefah Towers, Ahmed Al Jabber Street, Sharq, Kuwait | Not Applicable | Associate | 30% | 2(6) |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year April 01, 2017 | | | | No. of Shares held at the end of the year March 31, 2018 | | | | % Change during the year |
|---|---|----------|---------------------|-------------------|---|----------|---------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/HUF | 4,92,18,812 | 0 | 4,92,18,812 | 20.896 | 4,91,98,812 | 0 | 4,91,98,812 | 20.683 | -0.213 |
| b) Central Govt. | - | - | - | - | - | - | - | - | - |
| c) State Govt. (s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp. | 2,18,73,650 | 0 | 2,18,73,650 | 9.286 | 2,18,73,650 | 0 | 2,18,73,650 | 9.196 | -0.090 |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any Other | - | - | - | - | - | - | - | - | - |
| Sub-total (A) (1) | 7,10,92,462 | 0 | 7,10,92,462 | 30.182 | 7,10,72,462 | 0 | 7,10,72,462 | 29.879 | -0.303 |
| (2) Foreign | | | | | | | | | |
| a) NRIs - Individuals | - | - | - | - | - | - | - | - | - |
| b) Other - Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corp. | 7,66,88,959 | 0 | 7,66,88,959 | 32.558 | 7,66,88,959 | 0 | 7,66,88,959 | 32.240 | -0.318 |
| d) Banks / FI | - | - | - | - | - | - | - | - | - |
| e) Any Other | - | - | - | - | - | - | - | - | - |
| Sub-total (A) (2) | 7,66,88,959 | 0 | 7,66,88,959 | 32.558 | 7,66,88,959 | 0 | 7,66,88,959 | 32.240 | -0.318 |
| Total shareholding of Promoter (A) = (A)(1)+(A)(2) | 14,77,81,421 | 0 | 14,77,81,421 | 62.740 | 14,77,61,421 | 0 | 14,77,61,421 | 62.119 | -0.622 |
| B. Public Shareholding | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a) Mutual Funds /UTI | 49,71,940 | 0 | 49,71,940 | 2.111 | 16,72,148 | 0 | 16,72,148 | 0.703 | -1.408 |
| b) Financial Institutions/ Banks | 15,040 | 0 | 15,040 | 0.006 | 61,322 | 0 | 61,322 | 0.026 | 0.020 |
| c) Central Govt. / State Govt.(s) | - | - | - | - | - | - | - | - | - |
| d) Venture Capital funds | - | - | - | - | - | - | - | - | - |
| e) Insurance Companies | - | - | - | - | - | - | - | - | - |
| f) FIIs | - | - | - | - | - | - | - | - | - |
| g) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| h) Qualified Foreign Investor | | | | | | | | | |
| i) Any Other Specify | - | - | - | - | - | - | - | - | - |
| Alternate Investment Funds | 0 | 0 | 0 | - | 13,60,380 | 0 | 13,60,380 | 0.572 | 0.572 |
| Foreign Portfolio Investors | 56,55,741 | 0 | 56,55,741 | 2.401 | 1,46,51,510 | 0 | 1,46,51,510 | 6.159 | 3.758 |
| Sub-total (B)(1) | 1,06,42,721 | 0 | 1,06,42,721 | 4.518 | 1,77,45,360 | 0 | 1,77,45,360 | 7.460 | 2.942 |
| (2) Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 24,37,233 | 2,020 | 24,39,253 | 1.036 | 32,58,931 | 2,020 | 32,60,951 | 1.371 | 0.335 |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto ₹ 1 lakh | 2,34,27,320 | 3,41,774 | 2,37,69,094 | 10.091 | 2,22,13,346 | 3,68,744 | 2,25,82,090 | 9.493 | -0.598 |
| ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | 93,24,162 | 18,90,49 | 95,13,211 | 4.039 | 2,77,02,840 | 0 | 2,77,02,840 | 11.646 | 7.607 |
| c) Others | | | | | | | | | |
| c-i) Qualified Foreign Investor | - | - | - | - | - | - | - | - | - |
| c-ii) Trusts | 40,400 | 0 | 40,400 | 0.017 | 40,470 | 0 | 40,470 | 0.017 | 0.00 |
| c-iii) Directors & their Relatives | 3,28,80,100 | 0 | 3,28,80,100 | 13.959 | 1,03,42,600 | 0 | 1,03,42,600 | 4.348 | -9.611 |
| c-iv) Clearing Members | 6,93,740 | 0 | 6,93,740 | 0.295 | 6,79,151 | 0 | 6,79,151 | 0.286 | -0.009 |

| Category of Shareholders | No. of Shares held at the beginning of the year April 01, 2017 | | | | No. of Shares held at the end of the year March 31, 2018 | | | | % Change during the year |
|--|---|-----------------|---------------------|-------------------|---|-----------------|---------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| c-v) Hindu Undivided Families | 8,93,993 | 0 | 8,93,993 | 0.380 | 9,28,473 | 0 | 9,28,473 | 0.390 | 0.010 |
| d) NRI's | 68,90,732 | 0 | 68,90,732 | 2.925 | 67,36,800 | 0 | 67,36,800 | 2.832 | -0.093 |
| e) Inv.Education and Protection Fund Auth. | 0 | 0 | 0 | 0 | 89,367 | 0 | 89,367 | 0.038 | 0.038 |
| Sub-total (B)(2): | 7,65,87,680 | 5,32,843 | 7,71,20,523 | 32.741 | 7,19,91,978 | 3,70,764 | 7,23,62,742 | 30.421 | -2.320 |
| Total Public Shareholding (B)=(B)(1)+ (B)(2) | 8,72,30,401 | 5,32,843 | 8,77,63,244 | 37.260 | 8,97,37,338 | 3,70,764 | 9,01,08,102 | 37.881 | 0.622 |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 23,50,11,822 | 5,32,843 | 23,55,44,665 | 100.000 | 23,74,98,759 | 3,70,764 | 23,78,69,523 | 100.000 | 0.000 |

(ii) Shareholding of Promoters

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Share holding at the end of the year | | | % change in shareholding during the year |
|---------|---|---|----------------------------------|--|--------------------------------------|----------------------------------|--|--|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1 | C.J. George | 4,32,79,636 | 18.374 | 0 | 4,32,79,636 | 18.195 | 0 | -0.179 |
| 2 | BNP Paribas S A | 7,66,88,959 | 32.558 | 0 | 7,66,88,959 | 32.240 | 0 | -0.318 |
| 3 | Kerala State Industrial Development Corporation Limited | 2,00,00,000 | 8.491 | 0 | 2,00,00,000 | 8.408 | 0 | -0.083 |
| 4 | Shiny George | 50,38,000 | 2.139 | 0 | 7,50,000 | 0.315 | 0 | -1.824 |
| 5 | BNP Paribas India Holding Private Limited | 18,73,650 | 0.795 | 0 | 18,73,650 | 0.788 | 0 | -0.007 |
| | Total | 14,68,80,245 | 62.357 | 0 | 14,25,92,245 | 59.946 | 0 | -2.411 |

(iii) Change in Promoters' Shareholding

The shareholding of Ms. Shiny George, Promoter has changed during the year 2017-18 as per the details given below:

| Sl. No. | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | At the beginning of the year | 50,38,000 | 2.139 | 50,38,000 | 2.139 |
| 2 | Transfer of shares on 28.11.2017 | 42,88,000 | 1.805 | 7,50,000 | 0.316 |
| 3 | At the End of the year | 7,50,000 | 0.315 | 7,50,000 | 0.315 |

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :

| Sl. No. | Name | Shareholding | | Date | Increase/ Decrease in shareholding | Reason | Cumulative Shareholding during the year (01-04-2017 to 31-03-2018) | |
|---------|---------------------------------------|---|----------------------------------|-------------------|------------------------------------|--------|--|----------------------------------|
| | | No. of Shares in the beginning (01-04-2017)/end of the year(31-03-2018) | % of total shares of the Company | | | | No. of Shares | % of total shares of the Company |
| 1 | Jhunjhunwala Rakesh Radheshyam | 1,80,37,500 | 7.658 | 01.04.2017 | - | - | 1,80,37,500 | 7.658 |
| | | 1,80,37,500 | 7.583 | 31.03.2018 | - | - | 1,80,37,500 | 7.583 |
| 2 | Esvee Capital | 50,65,393 | 2.151 | 01.04.2017 | - | - | 50,65,393 | 2.151 |
| | | | | 07.04.2017 | 5,00,000 | Sell | 45,65,393 | 1.938 |
| | | | | 19.05.2017 | 5,00,000 | Sell | 40,65,393 | 1.726 |
| | | | | 15.09.2017 | 6,26,190 | Sell | 34,39,203 | 1.450 |
| | | | | 02.02.2018 | 4,45,856 | Sell | 29,93,347 | 1.259 |
| | | 29,93,347 | 1.258 | 31.03.2018 | - | - | 29,93,347 | 1.258 |
| 3 | Franklin India Smaller Companies Fund | 49,33,494 | 2.095 | 01.04.2017 | - | - | 49,33,494 | 2.095 |
| | | | | 07.04.2017 | 12,66,235 | Sell | 36,67,259 | 1.557 |
| | | | | 14.04.2017 | 3,88,071 | Sell | 32,79,188 | 1.392 |
| | | | | 21.04.2017 | 10,72,935 | Sell | 22,06,253 | 0.937 |
| | | | | 28.04.2017 | 22,06,253 | Sell | 0 | 0.000 |
| | | | | 31.03.2018 | - | - | 0 | 0.000 |

| Sl. No. | Name | Shareholding | | Date | Increase/ Decrease in shareholding | Reason | Cumulative Shareholding during the year (01-04-2017 to 31-03-2018) | |
|---------|------------------------------|---|----------------------------------|-------------------|------------------------------------|------------|--|----------------------------------|
| | | No. of Shares in the beginning (01-04-2017)/end of the year(31-03-2018) | % of total shares of the Company | | | | No. of Shares | % of total shares of the Company |
| 4 | Jhunjhunwala Rekha Rakesh | 45,00,000 | 1.910 | 01.04.2017 | - | - | 45,00,000 | 1.910 |
| | | | | 10.11.2017 | 24,50,000 | Sell | 20,50,000 | 0.863 |
| | | | | 17.11.2017 | 50,000 | Sell | 20,00,000 | 0.842 |
| | | 20,00,000 | 0.841 | 31.03.2018 | - | - | 20,00,000 | 0.841 |
| 5 | Shamsudheen K V | 21,23,500 | 0.901 | 01.04.2017 | - | - | 21,23,500 | 0.901 |
| | | 21,23,500 | 0.893 | 31.03.2018 | - | - | 21,23,500 | 0.893 |
| 6 | Andicot Velayudhan Baburajan | 10,58,450 | 0.449 | 01.04.2017 | - | - | 10,58,450 | 0.449 |
| | | 10,58,450 | 0.445 | 31.03.2018 | - | - | 10,58,450 | 0.445 |
| 7 | Jagrut Prataprai Gandhi | 10,00,000 | 0.425 | 01.04.2017 | - | - | 10,00,000 | 0.425 |
| | | | | 07.04.2017 | 2,50,000 | Sell | 7,50,000 | 0.318 |
| | | | | 12.05.2017 | 2,50,000 | Sell | 5,00,000 | 0.212 |
| | | | | 19.05.2017 | 2,50,000 | Sell | 2,50,000 | 0.106 |
| | | | | 26.05.2017 | 1,50,000 | Sell | 1,00,000 | 0.042 |
| | | | | 02.06.2017 | 1,00,000 | Sell | 0 | 0.000 |
| | | 0 | 0.000 | 31.03.2018 | - | - | 0 | 0.000 |
| 8 | Manish Prataprai Gandhi | 10,00,000 | 0.425 | 01.04.2017 | - | - | 10,00,000 | 0.425 |
| | | | | 07.04.2017 | 2,50,000 | Sell | 7,50,000 | 0.318 |
| | | | | 12.05.2017 | 2,50,000 | Sell | 5,00,000 | 0.212 |
| | | | | 19.05.2017 | 2,50,000 | Sell | 2,50,000 | 0.106 |
| | | | | 26.05.2017 | 1,23,681 | Sell | 1,26,319 | 0.054 |
| | | | | 02.06.2017 | 1,26,318 | Sell | 1 | 0.000 |
| | | 1 | 0.000 | 31.03.2018 | - | - | 1 | 0.000 |
| 9 | Chander Bhatia | 10,00,000 | 0.425 | 01.04.2017 | - | - | 10,00,000 | 0.425 |
| | | | | 13.10.2017 | 15,000 | Sell | 9,85,000 | 0.415 |
| | | | | 20.10.2017 | 35,000 | Sell | 9,50,000 | 0.401 |
| | | 9,50,000 | 0.399 | 31.03.2018 | - | - | 9,50,000 | 0.399 |
| 10 | Satish Ramakrishnan Menon | 6,39,802 | 0.272 | 01.04.2017 | - | - | 6,39,802 | 0.272 |
| | | | | 11.08.2017 | 4,224 | Sell | 6,35,578 | 0.268 |
| | | 6,35,578 | 0.267 | 31.03.2018 | - | - | 6,35,578 | 0.267 |
| 11 | Binoy Varghese Samuel | 5,39,935 | 0.229 | 01.04.2017 | - | - | 5,39,935 | 0.229 |
| | | 5,39,935 | 0.227 | 31.03.2018 | - | - | 5,39,935 | 0.227 |
| 12 | Armor Qualified, LP | 54,926 | 0.023 | 01.04.2017 | - | - | 54,926 | 0.023 |
| | | | | 07.04.2017 | 10,65,902 | Buy | 11,20,828 | 0.476 |
| | | | | 14.04.2017 | 14,397 | Buy | 11,35,225 | 0.482 |
| | | | | 21.04.2017 | 4,78,649 | Buy | 16,13,874 | 0.685 |
| | | | | 28.04.2017 | 9,56,518 | Buy | 25,70,392 | 1.091 |
| | | | | 02.06.2017 | 49,335 | Buy | 26,19,727 | 1.109 |
| | | | | 15.09.2017 | 34,114 | Buy | 26,53,841 | 1.119 |
| | | | | 22.09.2017 | 54,666 | Buy | 27,08,507 | 1.142 |
| | | | | 23.02.2018 | 15,376 | Buy | 27,23,883 | 1.146 |
| | | | | 02.03.2018 | 51,454 | Buy | 27,75,337 | 1.167 |
| | | | | 09.03.2018 | 59,277 | Buy | 28,34,614 | 1.192 |
| | | | | 16.03.2018 | 90,476 | Buy | 29,25,090 | 1.230 |
| | | 30,28,982 | 1.273 | 31.03.2018 | 1,03,892 | Buy | 30,28,982 | 1.273 |
| 13 | Armor Capital Partners, LP | 36,748 | 0.016 | 01.04.2017 | - | - | 36,748 | 0.016 |
| | | | | 07.04.2017 | 7,00,733 | Buy | 7,37,481 | 0.313 |
| | | | | 14.04.2017 | 9,795 | Buy | 7,47,276 | 0.317 |
| | | | | 21.04.2017 | 3,14,761 | Buy | 10,62,037 | 0.451 |
| | | | | 28.04.2017 | 6,29,558 | Buy | 16,91,595 | 0.718 |
| | | | | 02.06.2017 | 37,959 | Buy | 17,29,554 | 0.732 |
| | | | | 08.12.2017 | 49,159 | Sell | 16,80,395 | 0.707 |
| | | | | 09.02.2018 | 780 | Buy | 16,81,175 | 0.707 |
| | | | | 23.02.2018 | 9,937 | Buy | 16,91,112 | 0.711 |
| | | | | 02.03.2018 | 31,950 | Buy | 17,23,062 | 0.725 |
| | | | | 09.03.2018 | 27,067 | Buy | 17,50,129 | 0.736 |
| | | | | 16.03.2018 | 55,920 | Buy | 18,06,049 | 0.760 |
| | | 18,70,197 | 0.786 | 31.03.2018 | 64,148 | Buy | 18,70,197 | 0.786 |

| Sl. No. | Name | Shareholding | | Date | Increase/ Decrease in shareholding | Reason | Cumulative Shareholding during the year (01-04-2017 to 31-03-2018) | |
|---------|---|---|----------------------------------|------------|------------------------------------|--------|--|----------------------------------|
| | | No. of Shares in the beginning (01-04-2017)/end of the year(31-03-2018) | % of total shares of the Company | | | | No. of Shares | % of total shares of the Company |
| 14 | Armor Capital Offshore Master, LTD | 33,326 | 0.014 | 01.04.2017 | - | - | 33,326 | 0.014 |
| | | | | 07.04.2017 | 6,38,934 | Buy | 6,72,260 | 0.285 |
| | | | | 14.04.2017 | 8,808 | Buy | 6,81,068 | 0.289 |
| | | | | 21.04.2017 | 2,86,886 | Buy | 9,67,954 | 0.411 |
| | | | | 28.04.2017 | 5,73,813 | Buy | 15,41,767 | 0.655 |
| | | | | 02.06.2017 | 35,339 | Buy | 15,77,106 | 0.668 |
| | | | | 15.09.2017 | 82,347 | Buy | 16,59,453 | 0.700 |
| | | | | 22.09.2017 | 34,061 | Buy | 16,93,514 | 0.714 |
| | | | | 08.12.2017 | 49,159 | Buy | 17,42,673 | 0.734 |
| | | | | 09.02.2018 | 45,903 | Buy | 17,88,576 | 0.752 |
| | | | | 23.02.2018 | 10,687 | Buy | 17,99,263 | 0.757 |
| | | | | 02.03.2018 | 33,980 | Buy | 18,33,243 | 0.771 |
| | | | | 09.03.2018 | 95,909 | Buy | 19,29,152 | 0.811 |
| | | | | 16.03.2018 | 61,606 | Buy | 19,90,758 | 0.837 |
| | | 20,60,330 | 0.866 | 31.03.2018 | 69,572 | Buy | 20,60,330 | 0.866 |
| 15 | HSBC Global Investment Funds - Asia Ex Japan Equity Smaller Companies | 0 | 0.000 | 01.04.2017 | - | - | 0 | 0.000 |
| | | | | 17.11.2017 | 23,93,721 | Buy | 23,93,721 | 1.008 |
| | | | | 24.11.2017 | 46,685 | Buy | 24,40,406 | 1.027 |
| | | | | 08.12.2017 | 2,92,119 | Buy | 27,32,525 | 1.150 |
| | | | | 15.12.2017 | 87,719 | Buy | 28,20,244 | 1.187 |
| | | | | 16.03.2018 | 1,87,217 | Buy | 30,07,461 | 1.265 |
| | | | | 23.03.2018 | 3,79,377 | Buy | 33,86,838 | 1.424 |
| | | 33,86,838 | 1.424 | 31.03.2018 | - | - | 33,86,838 | 1.424 |
| 16 | DSP Blackrock Small Cap Fund | 0 | 0.000 | 01.04.2017 | - | - | 0 | 0.000 |
| | | | | 16.06.2017 | 11,68,254 | Buy | 11,68,254 | 0.495 |
| | | | | 23.06.2017 | 1,31,535 | Buy | 12,99,789 | 0.550 |
| | | | | 30.06.2017 | 5,48,900 | Buy | 18,48,689 | 0.783 |
| | | | | 07.07.2017 | 76,230 | Buy | 19,24,919 | 0.815 |
| | | | | 30.09.2017 | 1,47,234 | Sell | 17,77,685 | 0.750 |
| | | | | 13.10.2017 | 5,25,537 | Sell | 12,52,148 | 0.528 |
| | | 12,52,148 | 0.526 | 31.03.2018 | - | - | 12,52,148 | 0.526 |
| 17 | IIFL Focused Equity Strategies Fund | 0 | 0.000 | 01.04.2017 | - | - | 0 | 0.000 |
| | | | | 14.07.2017 | 3,945 | Buy | 3,945 | 0.002 |
| | | | | 21.07.2017 | 1,96,770 | Buy | 2,00,715 | 0.085 |
| | | | | 28.07.2017 | 1,31,658 | Buy | 3,32,373 | 0.140 |
| | | | | 04.08.2017 | 1,28,342 | Buy | 4,60,715 | 0.194 |
| | | | | 11.08.2017 | 93,783 | Buy | 5,54,498 | 0.234 |
| | | | | 15.09.2017 | 3,00,000 | Buy | 8,54,498 | 0.360 |
| | | | | 22.09.2017 | 49,267 | Buy | 9,03,765 | 0.381 |
| | | | | 30.09.2017 | 1,18,769 | Buy | 10,22,534 | 0.431 |
| | | | | 06.10.2017 | 10,387 | Buy | 10,32,921 | 0.436 |
| | | | | 31.10.2017 | 1,52,000 | Buy | 11,84,921 | 0.499 |
| | | 11,84,921 | 0.498 | 31.03.2018 | - | - | 11,84,921 | 0.498 |

(v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------------|--------------------------------|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| A. Directors | | | | | |
| 1 | A.P. Kurian, Chairman | | | | |
| | At the beginning of the year | 3,99,600 | 0.170 | - | - |
| | Market Purchase | - | - | - | - |
| | At the End of the year | - | - | 3,99,600 | 0.168 |
| 2 | C.J. George, Managing Director | | | | |
| | At the beginning of the year | 4,32,79,636 | 18.374 | - | - |
| | Market purchase | - | - | - | - |
| | At the End of the year | - | - | 4,32,79,636 | 18.195 |

| Sl. No. | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|------------------------------------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 4 | Punnoose George, Director | | | | |
| | At the beginning of the year | 99,25,000 | 4.214 | - | - |
| | Market purchase | - | - | - | - |
| | At the End of the year | - | - | 99,25,000 | 4.172 |
| 5 | R. Bupathy, Director | | | | |
| | At the beginning of the year | 18,000 | 0.008 | - | - |
| | Market Purchase | - | - | - | - |
| | At the End of the year | - | - | 18,000 | 0.008 |
| B. Key Managerial Personnel | | | | | |
| 6 | Sanjeev Kumar Rajan, CFO | | | | |
| | At the beginning of the year | - | - | - | - |
| | Shares allotted under ESOP | - | - | - | - |
| | At the End of the year | - | - | - | - |
| 7 | Liju K Johnson, Company Secretary | | | | |
| | At the beginning of the year | - | - | - | - |
| | Shares allotted under ESOP | - | - | - | - |
| | At the End of the year | - | - | - | - |

V. INDEBTEDNESS

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

(in ₹)

| 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) | - | - | - | - |
| Change in Indebtedness during the financial year | | | | |
| Addition | 58,14,05,17,046.00 | 0.00 | 0.00 | 58,14,05,17,046.00 |
| Reduction | 58,14,05,17,046.00 | 0.00 | 0.00 | 58,14,05,17,046.00 |
| 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

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(in ₹)

| Sl. No. | Particulars of Remuneration | C J George – Managing Director | Total Amount |
|---------------------------------------|---|--------------------------------|--------------------|
| C J George - Managing Director | | | |
| 1 | Gross salary | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 86,72,124 | 86,72,124 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 5,29,537 | 5,29,537 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - |
| 2 | Stock Option | - | - |
| 3 | Sweat Equity | - | - |
| 4 | Commission | - | - |
| | - as % of profit | 1,55,81,000 | 1,55,81,000 |
| | - others, specify | - | - |
| 5 | Others, please specify | - | - |
| | Total (A) | 2,47,82,661 | 2,47,82,661 |
| | Ceiling as per the Act | 11,42,63,398 | |

B. Remuneration to other directors:

(Amount in ₹)

| Sl. No. | Particulars of Remuneration | Name of Directors | | | | Total Amount(₹) |
|---------|--|---------------------------|------------------------|--------------------|---------------------------|------------------|
| 1 | Independent Directors | A P Kurian | R Bupathy | Mahesh Vyas | Radhakrishnan Nair | |
| | Fee for attending board/committee meetings | 4,50,000 | 5,70,000 | 5,10,000 | 1,80,000 | 17,10,000 |
| | Commission | - | - | - | - | - |
| | Other specify | - | - | - | - | - |
| | Total (1) | 4,50,000 | 5,70,000 | 5,10,000 | 1,80,000 | - |
| 2 | Other Non-Executive Directors | Rakesh Jhunjunwala | Punnoose George | M Beena | - | |
| | Fee for attending board / committee meetings | 40,000 | 1,90,000 | 80,000 | - | 3,10,000 |
| | Commission | - | - | - | - | - |
| | Others, please specify | - | - | - | - | - |
| | Total (2) | 40,000 | 1,90,000 | 80,000 | - | - |
| | Total (B)=(1+2) | 20,20,000 | | | | |
| | Total Managerial Remuneration | 20,20,000 | | | | |
| | Overall Ceiling as per the Act | 11,42,63,398 | | | | |

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTB (₹)

| Sl.No. | Particulars of Remuneration | Key Managerial Personnel | | | Total Amount |
|--------|---|--------------------------|----------------------------------|----------------------------|------------------|
| | | Joe Peter (CFO) | Sanjeev Kumar Rajan (CFO) | Liju K Johnson (CS) | |
| 1 | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 11,69,801 | 23,84,201 | 13,22,187 | 48,76,189 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 52,959 | 17,673 | 97,443 | 1,68,075 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | - | - |
| 2 | Stock Option | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - |
| 4 | Commission - as % of profit - others, specify | - | - | - | - |
| 5 | Others, please specify | - | - | - | - |
| | Total (C) | 12,22,760 | 24,01,874 | 14,19,630 | 50,44,264 |

*Mr. Joe Peter resigned from the post of Chief Financial Officer of the Company w.e.f. 30.09.2017 and Mr. Sanjeev Kumar Rajan joined as Chief Financial Officer of the Company w.e.f 25.10.2017

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishments levied on the Company during the year.

Annexure- VIII to Directors' Report

Remuneration Policy

1. Introduction

Geojit Financial Services is an intermediary in the savings and investment segment of India since January 1987. The company always believed its "Employees" to be the most vital component and steps have been taken at all times to ensure that the employees are motivated for improving organizational effectiveness.

One of the important tools at the hands of the Company is an appropriate remuneration structure considering the nature of the Industry. The compensation policy has always served the need for attracting and retaining the best employees. Considering the industry being cyclic and unpredictable in nature the Company always looked at a balancing act by providing fixed and variable monetary and non-monetary benefits to employees.

In pursuance of the Company's commitment towards good corporate governance, the Company had a Compensation Committee from May 2000 consisting of three Directors of the Board of which two were Independent Directors. Over the years, the Committee was reconstituted periodically with change in members and with adequate representation of independent members. To align with the statutory requirements under the Companies Act 2013 and the Amended Cl.49 of the Equity Listing Agreement, the Board of the Company in its meeting held on 14th May 2014 has renamed the existing Compensation Committee as "Nomination and Remuneration Committee".

2. Constitution of the Nomination and Remuneration Committee (NRC)

As mandated under Sec.178(1) of the Companies Act, the Board of the Company in exercise of its powers, has constituted the Nomination and Remuneration Committee comprising of the following Directors:

1. R Bupathy (Independent Non-Executive Director) – Chairman of NRC
2. Mahesh Vyas (Independent Non-Executive Director) – Member
3. Radhakrishnan Nair (Independent Non-Executive Director) – Member

3. Applicability of the Policy

This Policy is applicable to:

- Directors (both Executive & Non-Executive)
- Key Managerial Personnel (MD & CEO, Chief Financial Officer, Company Secretary)
- Senior Management Personnel means personnel of the Company who are members of its core management team, comprising of the Heads of Sales, Operations and Human Resources
- All other employees

4. Types of Remunerations and role of NRC

The NRC shall ensure that the level and composition of remuneration to the Directors, KMPs, SMPs and employees of the Company are reasonable and sufficient to attract, retain and motivate quality manpower required to run the company successfully. The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification & experience / merits, performance etc of each employee. The Company while deciding the remuneration package takes into consideration current employment scenario, business environment and remuneration package of the industry. The current structure of remuneration as detailed below shall be reviewed by NRC periodically to ensure its adequacy.

- I. **Direct Remuneration** refers to monetary benefits offered to employees, in return for the services they provide to the organization. The monetary benefits include fixed salary consisting of Basic Salary, allowances, perquisites and statutory contributions. The Direct Remuneration may be designed keeping in mind the industry standards and follows a minimum remuneration benchmark. **Indirect Remuneration** refers to non-monetary benefits offered to employees with some benefits extended to dependent family members, so that employees enjoy work-life balance. It includes additional holidays and leave over and above the statutory requirements, Leave travel reimbursement, , annual Executive medical check-up for employee and spouse, corporate mobile connection, subsidized meals, soft loans, group medical insurance, group personal accident insurance etc.

II. Strategic Remuneration consists of compensation packages determined and provided to the employees that are aligned with the business goals and objectives. Keeping abreast with today's competitive scenario, company has taken special measures regarding compensation of the employees so that it can retain valuable employees. The remuneration includes:

- **Monthly and Annual Incentives:** based on individual and team performance and also on the profitability of the Division/Company.
- **Profit sharing Bonus to Senior Management personnel:** paid annually as a percentage of the net profits of the Company subject to consistent performance.
- **Merit Raise; by way of Promotions and salary hikes** for exceptional performance of employees
- **ESOPs:** given to employees in recognition for their performance and for their association with the company.

5. Remuneration of Non-Executive Directors

1. The Non-Executive Directors of the Company (both promoter director/independent director) shall be paid sitting fees for the meetings that they attend.
2. The Non-Executive Directors shall be reimbursed reasonable costs for attending meeting of the board and committees thereof.

6. Remuneration of Managing Director

The Managing Director of the Company shall be paid remuneration as approved by the Shareholders on the recommendation of the Board and Nomination & Remuneration Committee. It shall consist of direct remuneration, indirect remuneration and also a strategic remuneration based on the performance of the Company which shall be in accordance with the provisions of the Act.

7. Remuneration of KMPs and SMPs

The remuneration to KMPs and SMPs shall include direct remuneration and indirect remuneration primarily. Strategic remuneration appropriate to the performance of KMPs and SMPs will be paid subject to the prevailing policy.

8. Remuneration of Other Employees

The remuneration to employees other than KMPs and SMPs shall include direct remuneration, indirect remuneration and strategic remuneration which can be Performance Linked and/or Profit linked incentive. These incentives include Monthly Incentives and consistent performers are also rewarded with Annual incentives and other strategic remuneration.

9. Effective Date of the Policy

The Policy shall be effective from 1st April 2014.

Financials Section

Independent Auditor's Report

To the Members of Geojit Financial Services Limited

(formerly known as Geojit BNP Paribas Financial Services Limited)

Report on the standalone financial statements

We have audited the accompanying standalone financial statements of Geojit Financial Services Limited (formerly known as Geojit BNP Paribas Financial Services Limited) (the "Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the standalone financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profits 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We are also responsible to 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 the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, its profits and its cash flows for the year ended on that date.

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 Section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, the Statement of Profit and Loss 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;
 - (e) on the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) with respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 28(i) to the standalone financial statements;
 - ii. the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company; and
 - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited standalone financial statements for the period ended 31 March 2017 have been disclosed.

for **B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/W-100024

N Sampath Ganesh

Partner

Membership No: 042554

Mumbai

16 May 2018

Annexure A to the Independent Auditor's Report

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31 March 2018, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The Company is a service company, primarily rendering financial services. Accordingly, paragraph 3 (ii) of the Order is not applicable.
- (iii) The Company has granted a loan to one of its subsidiary covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
 - (a) In our opinion, the rate of interest and other terms and conditions on which the loan had been granted to the subsidiary covered in the register maintained under Section 189 of the Act was not, prima facie, prejudicial to the interest of the Company.
 - (b) In the case of the loan granted to the subsidiary covered in the register maintained under Section 189 of the Act, the borrower has been regular in the payment of the principal and interest as stipulated.
 - (c) There are no overdue amounts in respect of the loan granted to the subsidiary.
- (iv) In our opinion and according to the information and explanations given to us, and based on the legal opinion obtained by the management, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, guarantees given and investments made as applicable to the Company.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits falling under the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed thereunder.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148 of the Companies Act, 2013 for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, goods and services tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, duty of customs, duty of excise, value added tax and cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, service tax, goods and services tax and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, the following dues of income tax and service tax have not been deposited by the Company on account of disputes:

| Name of the statute | Nature of dues | Amount (in ₹) | Period to which the amount relates | Forum where dispute is pending |
|----------------------|----------------|---------------------------|------------------------------------|---|
| Income Tax Act, 1961 | Income Tax | 2,573,221 (2,573,221)* | 2000-01 | Honorable High Court of Kerala |
| Income Tax Act, 1961 | Income Tax | 1,033,321 (1,033,321)* | 2001-02 | Honorable High Court of Kerala |
| Income Tax Act, 1961 | Income Tax | 909,450 (909,450)* | 2002-03 | Assistant Commissioner of Income Tax |
| Income Tax Act, 1961 | Income Tax | 1,516,840 (1,516,840)* | 2007-08 | Commissioner of Income Tax (Appeals), Kochi |

| Name of the statute | Nature of dues | Amount (in ₹) | Period to which the amount relates | Forum where dispute is pending |
|----------------------|---------------------------------|------------------------|------------------------------------|---|
| Income Tax Act, 1961 | Income Tax | 2,800,120 (1,623,570)* | 2008-09 | Commissioner of Income Tax (Appeals), Kochi |
| Income Tax Act, 1961 | Income Tax | 72,056,240 | 2009-10 | Commissioner of Income Tax (Appeals), Kochi |
| Income Tax Act, 1961 | Income Tax | 2,093,220 | 2010-11 | Commissioner of Income Tax (Appeals), Kochi |
| Finance Act, 1994 | Service Tax, Interest & Penalty | 448,298 | 2003-04 | Customs, Excise and Service Tax Appellate Tribunal, Bangalore |
| Finance Act, 1994 | Service Tax & Penalty | 4,901,978 (187,685)* | April 2008 to June 2012 | Commissioner of Central Excise (Appeals), Kochi |
| Finance Act, 1994 | Service Tax & Penalty | 1,095,232 | 2009-10 | Commissioner of Central Excise (Appeals), Kochi |
| Finance Act, 1994 | Service Tax & Penalty | 813,065 | 2010-11 | Commissioner of Central Excise (Appeals), Kochi |
| Finance Act, 1994 | Service Tax & Penalty | 252,629 | 2012-13 | Commissioner of Central Excise (Appeals), Kochi |

* This amount represents the payment made under protest.

- (viii) According to the information and explanations given to us, the Company does not have any term loans from banks, debentures and dues to financial institutions during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) or term loans. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (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 sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (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. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for **B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/W-100024

N Sampath Ganesh

Partner

Membership No: 042554

Mumbai

16 May 2018

Annexure B to the Independent Auditors' Report

Report on the internal financial controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Geojit Financial Services Limited (*formerly known as Geojit BNP Paribas Financial Services Limited*) ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' responsibility

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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 Institute of Chartered Accountants of India. 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.

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.

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

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 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 financial statements.

Inherent limitations of internal financial controls over financial reporting

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

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 31 March 2018, 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 S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/W-100024

N Sampath Ganesh

Partner

Membership No: 042554

Mumbai

16 May 2018

Balance sheet

as at 31 March 2018

| | Note | As at 31 March 2018 ₹ | As at 31 March 2017 ₹ |
|---|------|-----------------------------|-----------------------------|
| A. EQUITY AND LIABILITIES | | | |
| 1. Shareholders' funds | | | |
| (a) Share capital | 3 | 237,869,523 | 235,544,665 |
| (b) Reserves and surplus | 4 | 4,118,033,104 | 3,715,666,433 |
| | | 4,355,902,627 | 3,951,211,098 |
| 2. Share application money pending allotment | 27 | 220,300 | 812,306 |
| 3. Non-current liabilities | | | |
| (a) Long-term liabilities | 5 | 16,883,299 | 15,425,040 |
| (b) Long-term provisions | 6 | 29,065,387 | 49,564,649 |
| | | 45,948,686 | 64,989,689 |
| 4. Current liabilities | | | |
| (a) Trade payables | 7 | - | - |
| Total outstanding dues of micro enterprises and small enterprises | | 99,712,416 | 67,849,145 |
| (b) Other current liabilities | 8 | 2,172,239,187 | 2,262,000,383 |
| (c) Short-term provisions | 9 | 4,467,144 | 11,366,824 |
| | | 2,276,418,747 | 2,341,216,352 |
| TOTAL | | 6,678,490,360 | 6,358,229,445 |
| B. ASSETS | | | |
| 1. Non-current assets | | | |
| (a) Fixed assets | | | |
| Property, plant and equipment | 10A | 487,007,037 | 481,769,205 |
| Intangible assets | 10B | 66,032,740 | 68,860,730 |
| | | 553,039,777 | 550,629,935 |
| (b) Non-current investments | 11 | 274,058,027 | 282,713,619 |
| (c) Deferred tax assets (net) | 12 | 46,853,000 | 32,085,000 |
| (d) Long-term loans and advances | 13 | 1,332,237,527 | 923,114,268 |
| (e) Other non-current assets | 14 | 14,214,782 | 1,996,424 |
| | | 2,220,403,113 | 1,790,539,246 |
| 2. Current assets | | | |
| (a) Current investments | 15 | 872,902,889 | 722,068,702 |
| (b) Trade receivables | 16 | 1,244,372,187 | 1,337,510,651 |
| (c) Cash and bank balances | 17 | 1,880,357,529 | 1,803,077,103 |
| (d) Short-term loans and advances | 18 | 227,237,307 | 212,326,030 |
| (e) Other current assets | 19 | 233,217,335 | 492,707,713 |
| | | 4,458,087,247 | 4,567,690,199 |
| TOTAL | | 6,678,490,360 | 6,358,229,445 |

Significant accounting policies

The notes referred to above form an integral part of the standalone financial statements

As per our report of even date attached
 for **BSR & Associates LLP**
 Chartered Accountants
 Firm registration number: 116231W/W-100024
N Sampath Ganesh
 Partner
 Membership No. 042554

for and on behalf of the Board of Directors of
Geojit Financial Services Limited
 (Formerly known as Geojit BNP Paribas Financial Services Limited)

A.P. Kurian
 Chairman
 DIN : 00008022
Sanjeev Kumar Rajan
 Chief Financial Officer
 Place : Kochi
 Date : 16 May 2018

C.J. George
 Managing Director
 DIN : 00003132
Liju K. Johnson
 Company Secretary

Statement of profit and loss

for the year ended 31 March 2018

| | Note | For the year ended 31 March 2018 ₹ | For the year ended 31 March 2017 ₹ |
|---|------|--|--|
| 1. Revenue: | | | |
| (a) Revenue from operations | 20 | 3,040,795,459 | 2,443,463,004 |
| (b) Other income | 21 | 301,046,503 | 224,035,452 |
| Total revenue | | 3,341,841,962 | 2,667,498,456 |
| 2. Expenses: | | | |
| (a) Operating expenses | 22 | 699,395,949 | 562,012,097 |
| (b) Employee benefits expense | 23 | 930,569,338 | 803,258,539 |
| (c) Finance costs | 24 | 4,025,973 | 5,310,734 |
| (d) Depreciation and amortisation | 10 | 124,180,516 | 123,850,231 |
| (e) Other expenses | 25 | 569,244,683 | 432,650,135 |
| Total expenses | | 2,327,416,459 | 1,927,081,736 |
| 3. Profit before exceptional item and tax (1-2) | | 1,014,425,503 | 740,416,720 |
| 4. Exceptional item | 26 | - | (100,000,000) |
| 5. Profit before tax (3+4) | | 1,014,425,503 | 640,416,720 |
| 6. Tax expense: | | | |
| (a) Current tax | | 355,570,000 | 256,970,000 |
| (b) Current tax for earlier years | | (1,236,205) | 1,000,000 |
| (c) Deferred tax | | (14,768,000) | (707,000) |
| Total tax expense | | 339,565,795 | 257,263,000 |
| 7. Profit for the year (5-6) | | 674,859,708 | 383,153,720 |
| 8. Earnings per share (face value of ₹ 1/- each) | 38 | | |
| (a) Basic | | 2.85 | 1.63 |
| (b) Diluted | | 2.79 | 1.63 |
| Significant accounting policies | 2 | | |

The notes referred to above form an integral part of the standalone financial statements

As per our report of even date attached

for **BSR & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/W-100024

N Sampath Ganesh

Partner

Membership No. 042554

Place : Mumbai

Date : 16 May 2018

for and on behalf of the Board of Directors of

Geojit Financial Services Limited

(Formerly known as Geojit BNP Paribas Financial Services Limited)

A.P. Kurian

Chairman

DIN : 00008022

Sanjeev Kumar Rajan

Chief Financial Officer

Place : Kochi

Date : 16 May 2018

C.J. George

Managing Director

DIN : 00003132

Liju K. Johnson

Company Secretary

Cash flow statement

for the year ended 31 March 2018

A. CASH FLOW FROM OPERATING ACTIVITIES

Profit before exceptional item and tax

Adjustments for:

| | | |
|--|---------------|---------------|
| Depreciation and amortisation | 124,180,516 | 123,850,231 |
| (Profit) / loss on sale of fixed assets | (1,986,148) | (1,939,736) |
| Finance costs | 4,025,973 | 5,310,734 |
| Interest income | (126,238,153) | (133,236,012) |
| Dividend income | (62,758,375) | (20,536,251) |
| Net (gain) on sale of current investments - mutual funds | (55,407,221) | (38,134,052) |
| Net (gain) on sale of non-current investments | (4,387,684) | - |
| Bad debts written off | 540,461 | 9,537 |
| Provision for doubtful debts / (written back) (net) | (144,686) | 336,014 |
| Liabilities no longer payable written back | (5,889,044) | (4,095,154) |
| Provision for diminution in value of non-current investments | 25,000,000 | - |

Operating profit before working capital changes

Changes in working capital:

Adjustments for (increase) / decrease in:

Trade receivables

Loans and advances

Other current assets

Adjustments for increase / (decrease) in:

Trade payables

Other current liabilities

Long-term liabilities

Short-term and long-term provisions

Cash generated from operations

Income tax paid (net)

Net cash flow from operating activities (A)

B. CASH FLOW FROM INVESTING ACTIVITIES

| | | |
|--|------------------|------------------|
| Purchase of fixed assets, including capital advances | (137,943,924) | (70,866,509) |
| Proceeds from sale of fixed assets | 4,706,753 | 2,111,954 |
| Proceeds from sale of non-current investments | 4,388,561 | - |
| Investment in mutual funds | (19,562,149,653) | (14,733,440,229) |
| Proceeds from disposal of mutual funds | 19,466,722,687 | 14,049,505,579 |
| Loan given to subsidiary | - | (20,000,000) |
| Loan realised from subsidiary | 22,000,000 | 29,222,532 |
| Investment in subsidiary | - | (16,345,285) |
| (Increase) / decrease in fixed deposit with banks | 40,134,167 | (2,983,978) |
| Interest received on fixed deposits | 124,316,425 | 129,807,984 |
| Interest received from subsidiary company | 5,960,492 | 5,982,529 |

For the year ended
31 March 2018

For the year ended
31 March 2017

₹

₹

1,014,425,503

740,416,720

124,180,516

123,850,231

(1,986,148)

(1,939,736)

4,025,973

5,310,734

(126,238,153)

(133,236,012)

(62,758,375)

(20,536,251)

(55,407,221)

(38,134,052)

(4,387,684)

-

540,461

9,537

(144,686)

336,014

(5,889,044)

(4,095,154)

25,000,000

-

(103,064,361)

(68,434,689)

911,361,142

671,982,031

92,742,689

(375,312,995)

(436,856,185)

102,461,719

255,338,928

50,532,874

(88,774,568)

(222,318,402)

31,863,271

(1,813,396)

(83,130,021)

751,420,051

1,458,259

(2,754,851)

(19,656,143)

40,258,172

(69,464,634)

787,109,976

753,121,940

1,236,773,605

(379,936,155)

(245,359,252)

373,185,785

991,414,353

(137,943,924)

(70,866,509)

4,706,753

2,111,954

4,388,561

-

(19,562,149,653)

(14,733,440,229)

19,466,722,687

14,049,505,579

-

(20,000,000)

22,000,000

29,222,532

-

(16,345,285)

40,134,167

(2,983,978)

124,316,425

129,807,984

5,960,492

5,982,529

Cash flow statement

for the year ended 31 March 2018

| | For the year ended 31 March 2018 ₹ | For the year ended 31 March 2017 ₹ |
|--|--|--|
| (Increase) / decrease in unpaid dividend bank accounts | (226,755) | 3,491,171 |
| Dividend from non-trade, long term investments | 62,758,375 | 20,536,251 |
| Net cash flow from / (used in) investing activities (B) | 30,667,128 | (602,978,001) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from issue of shares | 75,484,887 | 14,250,041 |
| Share application money received pending allotment | 220,300 | 812,306 |
| Finance cost paid | (4,025,973) | (5,310,734) |
| Dividends paid | (294,930,733) | (3,491,171) |
| Tax on dividend paid | (51,307,884) | - |
| Net cash flow (used in) / from financing activities (C) | (274,559,403) | 6,260,442 |
| Net (decrease) / increase in cash and cash equivalents (A+B+C) | 129,293,510 | 394,696,794 |
| Cash and cash equivalents at the beginning of the year | 899,821,558 | 505,124,764 |
| Cash and cash equivalents at the end of the year | 1,029,115,068 | 899,821,558 |
| Reconciliation of cash and cash equivalents with the balance sheet: | | |
| Cash and bank balances as per balance sheet (Refer note 17) | 1,880,357,529 | 1,803,077,103 |
| Less: Unpaid dividend accounts not considered as 'Cash and cash equivalents', as defined in AS 3 Cash flow statements (Refer note 17) | (7,765,399) | (7,538,644) |
| Less: Earmarked deposits with banks not considered as 'Cash and cash equivalents', as defined in AS 3 Cash flow statements (Refer note 17) | (843,477,062) | (895,716,901) |
| Cash and cash equivalents at the end of the year (Refer note 17) * | 1,029,115,068 | 899,821,558 |
| * Comprises: | | |
| (a) Cash on hand | 1,020,819 | 540,697 |
| (b) Balances with banks | | |
| Current accounts: | | |
| Clients | 930,477,342 | 858,603,688 |
| Others | 36,983,551 | 26,639,719 |
| Deposit accounts | 60,633,356 | 14,037,454 |
| | 1,029,115,068 | 899,821,558 |

Significant accounting policies (Refer note 2)

The notes referred to above form an integral part of the standalone financial statements

As per our report of even date attached

for **BSR & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/W-100024

N Sampath Ganesh

Partner

Membership No. 042554

Place : Mumbai

Date : 16 May 2018

for and on behalf of the Board of Directors of

Geojit Financial Services Limited

(Formerly known as Geojit BNP Paribas Financial Services Limited)

A.P. Kurian

Chairman

DIN : 00008022

Sanjeev Kumar Rajan

Chief Financial Officer

Place : Kochi

Date : 16 May 2018

C.J. George

Managing Director

DIN : 00003132

Liju K. Johnson

Company Secretary

Notes forming part of the standalone financial statements

1. Background

Geojit Financial Services Limited (*Formerly known as Geojit BNP Paribas Financial Services Limited*) ('the Company') had its origin in the year 1987 as a partnership firm of Mr. C. J. George and his associates. In the year 1994, the firm was converted into a Company with the objective of providing technically superior trading platform for the investor community in Kerala. Over the years, the Company has spread its operations across the country through branch and franchisee network. In 2007, BNP Paribas SA became a major shareholder in the Company. The Company offers complete spectrum of financial services including online broking for equities, commodities, derivatives and currency futures, custody accounts, financial products distribution, portfolio management services, margin funding, etc. It has operations outside the country through subsidiaries, an associate and joint ventures in Oman, Kuwait, UAE and Saudi Arabia. The shares of the Company are listed on National Stock Exchange and Bombay Stock Exchange.

2. Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI). The financial statements have been prepared on accrual basis under the historical cost convention and using the going concern basis of accounting as assessed by the management. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.3 Cash and cash equivalents (for purposes of cash flow statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term (with an original maturity of three months or less from the date of acquisition) highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.4 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.5 Property, plant and equipment and intangible assets

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Subsequent expenditure on property, plant and equipment after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Property, plant and equipment retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

Advances paid towards the acquisition of fixed assets, outstanding at each balance sheet date are shown under advances for capital goods. The cost of the property, plant and equipment not ready for their intended use before such date are disclosed under capital work-in-progress.

Notes forming part of the standalone financial statements (contd...)

2.6 Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, less its estimated residual value. Depreciation on property, plant and equipment has been provided under the straight-line method as per the useful life as estimated by management.

Management estimates the useful life for the property, plant and equipment as under:

| Class of assets | Useful life |
|--|-------------|
| Buildings * | 40 years |
| Furniture and fixtures | 10 years |
| Furniture and fixtures in leasehold premises * | 5 years |
| Computers and accessories | 3 years |
| Computers and accessories - Data centre equipments * | 5 years |
| Office equipments | 5 years |
| Electrical equipments * | 5 years |
| Vehicles * | 5 years |
| Plant and machinery | 15 years |

* For these class of assets, the Company has assessed the useful life based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Improvements to leasehold premises are amortised over the lease term or useful lives of the assets, whichever is lower. If the premises are vacated before the expiry of above term, the un-amortised costs are fully written off in the year of vacation.

Computer software, an intangible asset, is amortised under straight-line method over the estimated useful life of 5 years. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern, if any.

2.7 Revenue recognition

Brokerage income is recognized on the trade date of transaction upon confirmation of the transaction by the stock exchange. Income from depository services, penal charges and portfolio management services are recognised on the basis of agreements entered into with clients and when the right to receive the income is established. Commission income from financial products distribution is recognised on the basis of agreements entered into with principals and when the right to receive the income is established. Interest income from margin funding business is recognised on loans given to clients on time proportion basis.

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive the income is established. Shared services cost is recognised based on agreements entered into with the parties.

2.8 Foreign currency transactions and translations

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction. Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities are recognised as income or expense in the statement of profit and loss.

Foreign currency monetary items outstanding at the balance sheet date are translated at the closing exchange rates on that date. Non-monetary items are carried at historical cost.

2.9 Investments

Non-current investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

Notes forming part of the standalone financial statements (contd...)

2.10 Employee benefits

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such short-term compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

Defined contribution plan

The Company's contribution to provident fund scheme is considered as defined contribution plan, and is charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plan

For defined benefit plan in the form of gratuity fund, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the statement of profit and loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

2.11 Employee share based payments

The Company has formulated Employee Stock Option Plans (ESOP) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Schemes provide for grant of options to employees of the Company and its subsidiaries to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. In accordance with the SEBI Guidelines and the Guidance Note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India, the excess, if any, of the closing market price on the day prior to the grant of the options under ESOP over the exercise price is amortised on a straight-line basis over the vesting period under the 'intrinsic value method'.

2.12 Leases

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

Notes forming part of the standalone financial statements (contd...)

2.13 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.14 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

2.15 Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount in the statement of profit and loss. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss, to the extent the amount was previously charged to the statement of profit and loss.

2.16 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes. Contingent assets are not recognised in the financial statements.

Notes forming part of the standalone financial statements (contd...)

3. Share capital

| | As at 31 March 2018 | | As at 31 March 2017 | |
|--|---------------------|--------------------|---------------------|--------------------|
| | Number of shares | Amount (₹) | Number of shares | Amount (₹) |
| Authorised: | | | | |
| Equity shares of ₹ 1/- each | 300,000,000 | 300,000,000 | 250,000,000 | 250,000,000 |
| | 300,000,000 | 300,000,000 | 250,000,000 | 250,000,000 |
| Issued, subscribed and fully paid-up: | | | | |
| Equity shares of ₹ 1/- each | 237,869,523 | 237,869,523 | 235,544,665 | 235,544,665 |
| | 237,869,523 | 237,869,523 | 235,544,665 | 235,544,665 |

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Equity shares of ₹ 1/- each:

| | | | | |
|------------------------------|--------------------|--------------------|--------------------|--------------------|
| At the beginning of the year | 235,544,665 | 235,544,665 | 234,898,476 | 234,898,476 |
| Issued during the year | 2,324,858 | 2,324,858 | 646,189 | 646,189 |
| At the end of the year | 237,869,523 | 237,869,523 | 235,544,665 | 235,544,665 |

(ii) Rights attached to equity shares:

The Company has issued only one class of equity share. The holder of each equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividends proposed by the Board of Directors are subject to the approval of the shareholders in the Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after settling the dues of preferential and other creditors as per priority. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Details of shareholders holding more than 5% of the equity share capital:

| Class of shares / name of shareholder | As at 31 March 2018 | | As at 31 March 2017 | |
|---|-----------------------|-----------------------------------|-----------------------|-----------------------------------|
| | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Equity shares of ₹1/- each: | | | | |
| BNP Paribas SA | 76,688,959 | 32.24% | 76,688,959 | 32.56% |
| C. J. George | 43,279,636 | 18.19% | 43,279,636 | 18.37% |
| Kerala State Industrial Development Corporation | 20,000,000 | 8.41% | 20,000,000 | 8.49% |
| Rakesh Jhunjunwala | 18,037,500 | 7.58% | 18,037,500 | 7.66% |

(iv) As at 31 March 2018, 10,009,083 equity shares (Previous year: 10,862,695 equity shares) of ₹1/- each are reserved towards outstanding employee stock options granted (Refer Note 40).

Notes forming part of the standalone financial statements (contd...)

4. Reserves and surplus

(a) Capital reserve

Balance at the beginning and end of the year

33,345,030 33,345,030

(b) Securities premium

Opening balance

2,024,293,979 2,010,219,449

Add: additions during the year

73,972,335 14,074,530

Closing balance

2,098,266,314 2,024,293,979

(c) General reserve

Balance at the beginning and end of the year

380,296,186 380,296,186

(d) Surplus in statement of profit and loss

Opening balance

1,277,731,238 894,577,518

Add: Profit for the year

674,859,708 383,153,720

Add: Corporate dividend tax credit

8,779,236 -

(Less): Final dividend for 2016-17 paid to equity shareholders @ ₹ 1.25/- per share (Previous year: ₹ Nil per share)

(295,157,488) -

(Less): Corporate dividend tax

(60,087,120) -

Closing balance

1,606,125,574 1,277,731,238

4,118,033,104 3,715,666,433

5. Long-term liabilities

(a) Security deposits from business associates

9,888,919 9,872,633

(b) Rent deposits

2,700,000 2,700,000

(c) Lease equalisation liability

4,294,380 2,852,407

16,883,299 15,425,040

6. Long-term provisions

For employee benefits

Gratuity

23,092,544 44,054,326

Compensated absences

5,972,843 5,510,323

29,065,387 49,564,649

7. Trade payables

(a) Total outstanding dues of micro enterprises and small enterprises (Refer Note 29)

- -

(b) Total outstanding dues of creditors other than micro enterprises and small enterprises

99,712,416 67,849,145

99,712,416 67,849,145

Notes forming part of the standalone financial statements (contd...)

| | As at 31 March 2018 ₹ | As at 31 March 2017 ₹ |
|---|-----------------------------|-----------------------------|
| 8. Other current liabilities | | |
| (a) Unclaimed dividends | 7,765,399 | 7,538,644 |
| (b) Client balances | 1,889,268,662 | 2,090,689,829 |
| (c) Security deposits accepted from business associates | 1,549,186 | 2,262,598 |
| (d) Other payables | | |
| Statutory dues payable | 42,354,849 | 22,137,411 |
| Dues to creditors for capital goods | 2,557,939 | 9,415,869 |
| To stock exchanges | 109,336,611 | 48,311,528 |
| Employee welfare fund | 205,103 | 479,667 |
| Accrued salaries and benefits | 66,250,684 | 52,178,409 |
| Other accrued liabilities | 49,901,964 | 27,061,217 |
| Lease equalisation liability | 3,048,790 | 1,925,211 |
| | 2,172,239,187 | 2,262,000,383 |
| 9. Short-term provisions | | |
| (a) For employee benefits - compensated absences | 4,467,144 | 3,624,025 |
| (b) Provision for income tax | - | 7,742,799 |
| | 4,467,144 | 11,366,824 |

Notes forming part of the standalone financial statements (contd...)

10. Fixed assets

| | Gross block | | | Accumulated depreciation and amortisation | | | | Net block | |
|---|----------------------|--------------------|--------------------|---|--------------------|-------------------|--------------------|--------------------|--------------------|
| | As at | Additions | Disposals | As at | For the year | Disposals | As at | As at | As at |
| | 1 April 2017 | ₹ | ₹ | 31 April 2018 | ₹ | ₹ | 31 March 2018 | ₹ | 31 March 2017 |
| A. Property, plant and equipment | | | | | | | | | |
| Land - freehold | 68,424,536 | - | - | 68,424,536 | - | - | - | 68,424,536 | 68,424,536 |
| Buildings | 68,424,536 | - | - | 68,424,536 | - | - | - | 68,424,536 | 68,424,536 |
| (Refer note (a) below) | 165,734,768 | - | - | 165,734,768 | 4,143,372 | - | 22,290,189 | 143,444,579 | 147,587,951 |
| Furniture and fixtures | 165,734,768 | - | - | 165,734,768 | 4,143,372 | - | 18,146,817 | 147,587,951 | 151,731,323 |
| | 125,915,820 | 16,139,802 | 3,491,991 | 138,563,631 | 10,784,337 | 2,333,414 | 94,870,850 | 43,692,781 | 39,495,893 |
| Leasehold improvements | 120,625,844 | 6,787,945 | 1,497,969 | 125,915,820 | 8,515,527 | 1,493,335 | 86,419,927 | 39,495,893 | 41,228,109 |
| | 131,811,726 | 10,274,383 | 3,523,014 | 138,563,095 | 6,983,985 | 3,296,538 | 117,453,887 | 21,109,208 | 18,045,286 |
| Computers and accessories | 125,925,713 | 8,336,462 | 2,450,449 | 131,811,726 | 5,984,941 | 2,450,423 | 113,766,440 | 18,045,286 | 15,693,791 |
| | 372,742,489 | 47,985,606 | 73,248,087 | 347,480,008 | 53,501,618 | 73,003,373 | 252,400,492 | 95,079,516 | 100,840,242 |
| Office equipments | 357,294,474 | 41,119,953 | 25,671,938 | 372,742,489 | 56,873,830 | 25,547,564 | 271,902,247 | 100,840,242 | 116,658,493 |
| | 133,704,587 | 17,976,119 | 6,958,203 | 144,722,503 | 12,979,789 | 6,386,237 | 113,980,663 | 30,741,840 | 26,317,476 |
| | 132,174,629 | 8,396,727 | 6,866,769 | 133,704,587 | 11,739,820 | 6,824,340 | 107,387,111 | 26,317,476 | 29,702,998 |
| Electrical equipments | 10,886,626 | 300,444 | 245,506 | 10,941,564 | 9,892,101 | 239,821 | 10,250,676 | 690,888 | 994,525 |
| Vehicles | 10,988,150 | 305,701 | 407,225 | 10,886,626 | 848,802 | 406,613 | 9,892,101 | 994,525 | 1,538,238 |
| | 19,493,469 | 15,529,637 | 1,597,802 | 33,425,304 | 5,621,952 | 1,533,984 | 11,542,149 | 21,883,155 | 12,039,288 |
| Plant and machinery | 19,430,383 | 68,286 | 5,200 | 19,493,469 | 3,576,059 | 3,883,320 | 7,454,181 | 12,039,288 | 15,854,324 |
| | 94,838,488 | 265,889 | 11,100 | 95,093,277 | 6,338,466 | 203 | 33,152,743 | 61,940,534 | 68,024,008 |
| | 94,838,488 | - | - | 94,838,488 | 6,325,726 | - | 26,814,480 | 68,024,008 | 74,349,734 |
| Total | 1,123,552,509 | 108,471,880 | 89,075,703 | 1,142,948,686 | 100,951,915 | 86,793,570 | 655,941,649 | 487,007,037 | 481,769,205 |
| Previous year | 1,095,436,985 | 65,015,074 | 36,899,550 | 1,123,552,509 | 98,255,338 | 36,727,473 | 641,783,304 | 481,769,205 | 515,181,546 |
| B. Intangible assets | | | | | | | | | |
| Computer software | 246,434,450 | 20,839,083 | 11,845,845 | 255,427,688 | 23,228,601 | 11,407,373 | 189,394,948 | 66,032,740 | 68,860,730 |
| | 228,017,423 | 29,621,426 | 11,204,399 | 246,434,450 | 25,594,893 | 11,204,258 | 177,573,720 | 68,860,730 | 64,834,338 |
| Total | 246,434,450 | 20,839,083 | 11,845,845 | 255,427,688 | 23,228,601 | 11,407,373 | 189,394,948 | 66,032,740 | 68,860,730 |
| Previous year | 228,017,423 | 29,621,426 | 11,204,399 | 246,434,450 | 25,594,893 | 11,204,258 | 177,573,720 | 68,860,730 | 64,834,338 |
| Grand Total | 1,369,986,959 | 129,310,963 | 100,921,548 | 1,398,376,374 | 124,180,516 | 98,200,943 | 845,336,597 | 553,039,777 | 550,629,935 |
| Previous year | 1,323,454,408 | 94,636,500 | 48,103,949 | 1,369,986,959 | 123,850,231 | 47,931,731 | 819,357,024 | 550,629,935 | 580,015,884 |

Note:

- Part of the Corporate Office building is given on cancellable lease to Geojit Technologies Private Limited, Geojit Investment Services Limited and Geojit Credits Private Limited, subsidiaries of the company, and Geofin Comtrade Limited and Geojit Capital Services Limited, entities over which relative of key management person has control.
- Previous year's figures are shown in italics.

Notes forming part of the standalone financial statements (contd...)

| | As at 31 March 2018 ₹ | As at 31 March 2017 ₹ |
|---|-----------------------------|-----------------------------|
| 11. Non-current investments | | |
| Investments (at cost) | | |
| A. Trade | | |
| (a) Investments in equity instruments - unquoted: | | |
| <u>Wholly owned subsidiaries</u> | | |
| Geojit Investment Services Limited | 16,000,000 | 16,000,000 |
| 4,000,000 (Previous year: 4,000,000) equity shares of ₹10/- each, fully paid-up | | |
| Geojit Financial Management Services Private Limited | 276,971,000 | 276,971,000 |
| 27,700,000 (Previous year: 27,700,000) equity shares of ₹10/- each, fully paid-up | | |
| <u>Other subsidiaries</u> | | |
| Geojit Credits Private Limited | 842,368,780 | 842,368,780 |
| 417,197,420 (Previous year: 417,197,420) equity shares of ₹2/- each, fully paid-up | | |
| Qurum Business Group Geojit Securities LLC, Oman | 18,829,725 | 18,829,725 |
| 127,500 (Previous year: 127,500) equity shares of Omani Riyal 1/- each, fully paid-up | | |
| Geojit Technologies Private Limited | 16,345,285 | - |
| 750,000 (Previous year : Nil) equity shares of ₹10/- each, fully paid-up | | |
| <u>Joint ventures</u> | | |
| Barjeel Geojit Securities LLC, United Arab Emirates | 19,138,560 | 19,138,560 |
| 1,500 (Previous year: 1,500) equity shares of Arab Emirates Dirham 1,000/- each, fully paid-up | | |
| Aloula Geojit Capital Company, Saudi Arabia | 301,990,457 | 301,990,457 |
| 1,456,000 (Previous year: 11,200,000) equity shares of Saudi Riyals (SR) 10/- each, fully paid-up | | |
| <u>Associate</u> | | |
| BBK Geojit Financial Brokerage Company K.S.C. | 26,550,000 | 26,550,000 |
| 1,500,000 (Previous year: 1,500,000) equity shares of Kuwaiti Dinar 0.10/- each, fully paid-up | | |
| | 1,518,193,807 | 1,501,848,522 |
| B. Other investments | | |
| (a) Investments in equity instruments - unquoted: | | |
| Muvattupuzha Co-operative Super Speciality Hospital Limited | 200,000 | 200,000 |
| 400 (Previous year: 400) 'C' class shares of ₹500/- each, fully paid-up | | |
| Bombay Stock Exchange Limited | - | 877 |
| Nil (Previous year: 5,700) equity shares of ₹1/- each, fully paid-up | | |
| Cochin Stock Exchange Limited | 1,000 | 1,000 |
| 100 (Previous year: 100) equity shares of ₹10/- each, fully paid-up | | |
| | 201,000 | 201,877 |
| (b) Investments in government securities - quoted: | | |
| 10.71% Govt of India Securities - 2016 | 3,000 | 3,000 |
| | 3,000 | 3,000 |
| | 1,518,397,807 | 1,502,053,399 |
| Less: Provision for diminution in value of investment in subsidiary companies / joint venture | 1,244,339,780 | 1,219,339,780 |
| | 274,058,027 | 282,713,619 |
| Aggregate cost of listed but not quoted investments | 3,000 | 3,000 |
| Aggregate amount of unquoted investments | 1,518,394,807 | 1,502,050,399 |

Notes forming part of the standalone financial statements (contd...)

12. Deferred tax assets (net)

(a) Deferred tax liability

Arising from timing differences in respect of:
Depreciation and amortisation

| As at 31 March 2018 ₹ | As at 31 March 2017 ₹ |
|-----------------------------|-----------------------------|
| - | (5,931,000) |
| - | (5,931,000) |

(b) Deferred tax asset

Arising from timing differences in respect of:
Depreciation and amortisation
Provision for doubtful debts
Provision for employee benefits
Other disallowances

| | |
|-------------------|-------------------|
| 2,568,000 | - |
| 28,220,000 | 28,451,000 |
| 11,597,000 | 5,985,000 |
| 4,468,000 | 3,580,000 |
| 46,853,000 | 38,016,000 |
| 46,853,000 | 32,085,000 |

13. Long-term loans and advances

Unsecured and considered good, unless stated otherwise

- (a) Advances for capital goods
- (b) Deposits and margins given to stock exchanges / depositories / clearing corporation
- (c) Security deposits - others
- (d) Prepaid expenses
- (e) Advance income tax (net of provisions for tax)
- (f) Advance for investments

| | |
|----------------------|--------------------|
| 11,886,967 | 4,222,892 |
| 1,202,702,229 | 830,904,229 |
| 36,653,126 | 11,626,853 |
| 3,755,175 | 634,540 |
| 77,240,030 | 59,380,469 |
| - | 16,345,285 |
| 1,332,237,527 | 923,114,268 |

14. Other non-current assets

- (a) Fixed deposits with banks in earmarked accounts
- (b) Interest accrued on above

| | |
|-------------------|------------------|
| 13,983,110 | 1,877,438 |
| 231,672 | 118,986 |
| 14,214,782 | 1,996,424 |

Notes:

Fixed deposits with banks in earmarked accounts represent the following:

- (i) Deposits given as security margin for guarantees issued by banks in favour of stock exchanges
- (ii) Bank deposit receipts given as security margin to stock exchanges / clearing corporation
- (iii) Deposits given as security margin for guarantees issued by banks in favour of Kerala State Electricity Board

| | |
|------------|-----------|
| 1,230,672 | - |
| 10,875,000 | - |
| 1,877,438 | 1,877,438 |
| 13,983,110 | 1,877,438 |

Notes forming part of the standalone financial statements (contd...)

| | As at 31 March 2018 ₹ | As at 31 March 2017 ₹ |
|---|-----------------------------|-----------------------------|
| 15. Current investments | | |
| Investments in mutual funds (at lower of cost and net asset value) - unquoted | | |
| Birla Sun Life Floating Rate Fund - Short Term Plan - Direct Plan [Current year - 1,480,637 units; Previous year - Nil] | 342,799,789 | - |
| Invesco India Liquid Fund - Direct- Growth [Current year - 159,085 units; Previous year - Nil] | 380,000,000 | - |
| Kotak Floater Short Term Fund [Current year - 52,716 units; Previous year - Nil] | 150,103,100 | - |
| IDFC Ultra Short Term Fund - Growth (Direct Plan) [Current year - Nil; Previous year - 8,647,621 units] | - | 200,000,000 |
| UTI Treasury Advantage Fund - Institutional Plan (Direct Plan) - Growth [Current year - Nil; Previous year - 26,603 units] | - | 60,000,000 |
| Axis Treasury Advantage Fund - Direct- Growth [Current year - Nil; Previous year - 250,804 units] | - | 462,068,702 |
| | 872,902,889 | 722,068,702 |
| Aggregate amount of unquoted investments | 872,902,889 | 722,068,702 |
| 16. Trade receivables | | |
| (a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment | | |
| Secured, considered good | 212,906,664 | 203,077,554 |
| Unsecured, considered good | 397,609 | - |
| Doubtful | 80,855,587 | 81,369,183 |
| | 294,159,860 | 284,446,737 |
| Less: Provision for doubtful trade receivables | 80,855,587 | 81,369,183 |
| | 213,304,273 | 203,077,554 |
| (b) Other trade receivables | | |
| Secured, considered good | 13,951,742 | 16,391,476 |
| Unsecured, considered good | 1,017,116,172 | 1,118,041,621 |
| Doubtful | 685,087 | 838,832 |
| | 1,031,753,001 | 1,135,271,929 |
| Less: Provision for doubtful trade receivables | 685,087 | 838,832 |
| | 1,031,067,914 | 1,134,433,097 |
| | 1,244,372,187 | 1,337,510,651 |
| 17. Cash and bank balances | | |
| (a) Cash on hand | 1,020,819 | 540,697 |
| (b) Balances with banks | | |
| Current accounts: | | |
| Clients | 930,477,342 | 858,603,688 |
| Others | 36,983,551 | 26,639,719 |
| Deposit accounts | 60,633,356 | 14,037,454 |
| Earmarked accounts: | | |
| Deposit accounts | 843,243,142 | 895,482,981 |
| Arbitration deposits | 233,920 | 233,920 |
| Unpaid dividend accounts | 7,765,399 | 7,538,644 |
| | 1,880,357,529 | 1,803,077,103 |

Notes forming part of the standalone financial statements (contd...)

| | As at 31 March 2018 ₹ | As at 31 March 2017 ₹ |
|---|-----------------------------|-----------------------------|
| Of the above, the balances that meet the definition of Cash and cash equivalents | 1,029,115,068 | 899,821,558 |
| Balance with banks in earmarked deposit accounts include fixed deposits which have an original maturity of more than 12 months. | 317,537,262 | 348,580,559 |
| Balance with banks in earmarked deposit accounts include fixed deposits which are: | | |
| (i) Maintained as security margin for guarantees issued by banks in favour of stock exchanges / clearing corporation | 464,540,380 | 518,299,191 |
| (ii) Pledged with banks for availing overdraft facility. The balance outstanding in the overdraft facility as at the balance sheet date is ₹ Nil (Previous year: ₹ Nil) | 353,924,550 | 353,924,550 |
| (iii) Given to stock exchanges / clearing corporation as security margin | 14,390,805 | 16,073,541 |
| (iv) Pledged with banks for availing other bank guarantees facility | 1,526,520 | 406,521 |
| (v) Deposited in banks against unsettled client balances | 8,860,887 | 6,779,178 |
| | <u>843,243,142</u> | <u>895,482,981</u> |
| 18. Short-term loans and advances | | |
| Unsecured and considered good, unless stated otherwise | | |
| (a) Loans and advances to related parties (Refer Note 39) | 43,569,561 | 66,542,767 |
| (b) Loans and advances to clients (margin funding loans - secured) | 106,407,811 | 45,233,012 |
| (c) Rent and other deposits | | |
| Considered good | 38,515,466 | 61,386,399 |
| Considered doubtful | 4,057,529 | 4,057,529 |
| | <u>42,572,995</u> | <u>65,443,928</u> |
| Less: Provision for doubtful deposits | 4,057,529 | 4,057,529 |
| | <u>38,515,466</u> | <u>61,386,399</u> |
| (d) Loans and advances to employees | 3,067,274 | 2,317,688 |
| (e) Prepaid expenses | 23,333,341 | 18,585,076 |
| (f) Balances with government authorities | 4,471,840 | 9,230,610 |
| (g) Other advances | | |
| Considered good | 7,872,014 | 9,030,478 |
| Considered doubtful | 1,510,651 | 1,510,651 |
| | <u>9,382,665</u> | <u>10,541,129</u> |
| Less: Provision for doubtful advances | 1,510,651 | 1,510,651 |
| | <u>7,872,014</u> | <u>9,030,478</u> |
| | <u>227,237,307</u> | <u>212,326,030</u> |
| 19. Other current assets | | |
| (a) Accruals | | |
| Interest accrued on fixed deposits with banks | 27,555,571 | 31,707,021 |
| Interest accrued on other deposits | 18,296,065 | 7,767,040 |
| (b) Receivable from stock exchanges | 187,365,699 | 453,233,652 |
| | <u>233,217,335</u> | <u>492,707,713</u> |

Notes forming part of the standalone financial statements (contd...)

| | For the year ended 31 March 2018 ₹ | For the year ended 31 March 2017 ₹ |
|--|--|--|
| 20. Revenue from operations | | |
| (a) Sale of services | | |
| Brokerage | 2,236,218,960 | 1,850,281,358 |
| Depository | 185,701,462 | 189,048,265 |
| Financial products distribution | 410,348,159 | 212,085,227 |
| Portfolio management services | 40,811,943 | 31,756,719 |
| Interest income from margin funding | 12,797,501 | 10,942,767 |
| | 2,885,878,025 | 2,294,114,336 |
| (b) Other operating revenues | | |
| Overdue fees collected from clients | 150,372,676 | 145,272,539 |
| Miscellaneous income | 4,544,758 | 4,076,129 |
| | 154,917,434 | 149,348,668 |
| | 3,040,795,459 | 2,443,463,004 |
| 21. Other income | | |
| (a) Interest income | | |
| From banks on fixed deposits | 61,751,625 | 69,390,752 |
| From a subsidiary company | 5,960,492 | 5,982,529 |
| Other interest income | 58,526,036 | 57,862,731 |
| (b) Dividend income (from non-current investments) | | |
| Subsidiaries | 43,125,000 | - |
| Joint ventures | 19,473,775 | 20,461,986 |
| Others | 159,600 | 74,265 |
| (c) Net gain on sale of current investments - mutual funds | 55,407,221 | 38,134,052 |
| (d) Net gain on sale of non-current investments | 4,387,684 | - |
| (e) Other non-operating income | | |
| Cost recovery for shared services | 9,209,520 | 8,194,367 |
| Rental income | 6,800,282 | 6,603,112 |
| Profit on sale of fixed assets | 1,986,148 | 1,939,736 |
| Bad debt recovered | 196,609 | 302,548 |
| Provision for doubtful debts written back (net) | 144,686 | - |
| Liabilities no longer payable written back | 5,889,044 | 4,095,154 |
| Miscellaneous income | 28,028,781 | 10,994,220 |
| | 301,046,503 | 224,035,452 |

Notes forming part of the standalone financial statements (contd...)

22. Operating expenses

| | For the year ended 31 March 2018 ₹ | For the year ended 31 March 2017 ₹ |
|--|--|--|
| Commission to business associates (Equity) | 399,092,403 | 296,618,969 |
| Marketing fees | 115,622,750 | 96,763,760 |
| Marketing incentives | 25,300,742 | 22,208,634 |
| Commission to business associates (Distribution) | 43,503,222 | 35,959,859 |
| Connectivity charges | 60,915,144 | 59,692,331 |
| Depository charges | 29,975,022 | 28,851,758 |
| Research expenses | 8,142,778 | 7,202,625 |
| Postage charges for contract note | 2,021,595 | 2,000,996 |
| Loss on sale of stock-in-error | 2,016,758 | 4,516,721 |
| Transaction charges | 1,629,078 | 1,437,526 |
| Registration and renewal charges | 2,997,205 | 1,974,077 |
| Miscellaneous expenses | 8,179,252 | 4,784,841 |
| | 699,395,949 | 562,012,097 |

23. Employee benefits expense

| | | |
|---|--------------------|--------------------|
| Salaries, wages and bonus | 821,544,495 | 692,297,462 |
| Contribution to provident and other funds | 51,260,194 | 68,208,237 |
| Staff welfare expenses | 57,764,649 | 42,752,840 |
| | 930,569,338 | 803,258,539 |

24. Finance costs

| | | |
|---|------------------|------------------|
| Interest expense on: | | |
| Temporary overdrafts availed from banks | 517,046 | 578,266 |
| Delayed payment of income tax | - | 804,000 |
| Margin deposit | 50,396 | 160,537 |
| Other borrowing costs: | | |
| Bank guarantee charges | 3,458,531 | 3,767,931 |
| | 4,025,973 | 5,310,734 |

Notes forming part of the standalone financial statements (contd...)

| | For the year ended 31 March 2018 ₹ | For the year ended 31 March 2017 ₹ |
|---|--|--|
| 25. Other expenses | | |
| Rent | 131,975,265 | 126,783,085 |
| Advertisement | 73,727,861 | 16,421,132 |
| Telephone | 26,455,215 | 30,902,466 |
| Postage | 18,302,676 | 12,333,478 |
| Power and fuel | 43,612,540 | 41,923,653 |
| Software charges | 50,894,494 | 41,593,154 |
| Repairs and maintenance: | | |
| Leasehold building | 4,256,136 | 4,556,236 |
| Own building | 1,237,034 | 1,031,584 |
| Plant and machinery | 208,180 | 595,457 |
| Others | 29,619,317 | 25,282,054 |
| Printing and stationery | 21,882,463 | 12,344,124 |
| Travelling and conveyance | 35,686,741 | 27,871,642 |
| Legal and professional charges | 10,957,850 | 12,132,584 |
| Payments to auditors (Refer note below) | 6,394,482 | 6,184,804 |
| Office expenses | 17,652,330 | 15,155,422 |
| Provision for doubtful debts (net) | - | 336,014 |
| Bad debts written off | 540,461 | 9,537 |
| Business promotion | 8,837,455 | 7,544,707 |
| Rates and taxes | 20,710,859 | 8,987,757 |
| Corporate social responsibility expenses (Refer note 44) | 15,264,821 | 13,633,833 |
| Donations and contributions | 21,200 | 10,000 |
| Insurance | 673,611 | 601,272 |
| Provision for diminution in value of non-current investments | 25,000,000 | - |
| Miscellaneous expenses | 25,333,692 | 26,416,140 |
| | 569,244,683 | 432,650,135 |
| Note: | | |
| Payments to auditors include payments to statutory auditor towards (net of input tax credit, where applicable): | | |
| Statutory audit fees | 1,550,000 | 1,550,000 |
| Limited review fees | 525,000 | 525,000 |
| Tax audit | 75,000 | - |
| Certifications | 300,000 | - |
| Out-of-pocket expenses | 122,500 | 26,250 |
| | 2,572,500 | 2,101,250 |

- 26.** Exceptional item for the year ended 31 March 2017 represents provision made for diminution in value of non-current investment in a joint venture, pursuant to the substantial erosion in its network as at the balance sheet date.

Notes forming part of the standalone financial statements (contd...)

27. As at 31 March 2018, the Company has received ₹ 220,300/- as share application money towards 7,810 equity shares of the Company (Previous year: 31,470 equity shares at ₹ 812,306/-) at a total premium of ₹ 212,490/- (Previous year: ₹ 780,836/-). The share application money was received pursuant to the exercise of options granted to employees under the employee stock option plans and the Company is required to complete the allotment formalities by 16 May 2018. The Company has sufficient authorised share capital to cover the allotment of these shares. Pending allotment of shares, the amounts are maintained in a designated bank account and are not available for use by the Company.

28. Contingent liabilities and commitments (to the extent not provided for)

(i) Contingent liabilities:

| Particulars | As at 31 March 2018 ₹ | As at 31 March 2017 ₹ |
|---|-----------------------------|-----------------------------|
| (a) Claims against the company not acknowledged as debts : | | |
| Legal suits filed against the company / matters under arbitration | 27,895,094 | 27,713,326 |
| Income tax demands, pending in appeal (Refer note below) | 79,194,763 | 79,194,763 |
| Show cause notices from service tax department for which the Company has filed replies (Refer note below) | 42,376,505 | 42,358,854 |
| Service tax demands, pending in appeal (Refer note below) | 7,062,904 | 7,738,565 |
| Demand under Employees' Provident Funds & Miscellaneous Provisions Act, 1952 (Refer note below) | 170,270,130 | 170,270,130 |
| (b) Guarantees given by the company | 1,567,892 | 1,567,892 |

Note: Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.

Direct tax matters

The Company has ongoing disputes with Income Tax authorities in India. The disputes relate to tax treatment of certain expenses claimed as deductions, computation or eligibility of tax incentives or allowances, and characterisation of fees for services received. As at 31 March 2018, the Company has contingent liability of ₹ 79,194,763/- (Previous year: ₹ 79,194,763/-) in respect of tax demands which are being contested by the Company based on the management evaluation and advice of tax consultants.

The Company periodically receives notices and inquiries from income tax authorities related to the Company's operations in the jurisdictions it operates in. Management has evaluated these notices and inquiries and has concluded that the position taken by it on the above matters is tenable and hence no adjustments have been made in the financial statements.

Indirect tax matters

The Company has ongoing disputes with Indian tax authorities mainly relating to treatment of characterisation and classification of certain items. As at 31 March 2018, the Company has demands and show cause notices amounting to ₹ 49,439,409/- (Previous year: ₹ 50,097,419/-) from various indirect tax authorities which are being contested by the Company based on the management evaluation and advice of tax consultants.

Other matters

The company has disputes with the Provident Fund authorities as regards treatment of certain allowances for the computation of provident fund liability. Management has evaluated these notices and inquiries and has concluded that the position taken by it on the matter is tenable and hence no adjustment has been made in the financial statements.

Notes forming part of the standalone financial statements (contd...)

(ii) Commitments:

| Particulars | As at 31 March 2018 ₹ | As at 31 March 2017 ₹ |
|--|-----------------------------|-----------------------------|
| (a) Estimated amount of contracts remaining to be executed on capital account and not provided for: | | |
| Property, plant and equipment | 20,984,666 | 10,362,847 |
| Intangible assets | 3,818,980 | 4,037,380 |
| Acquisition of client base of Geofin Comtrade Limited (Refer note below) | 81,000,000 | - |
| (b) Uncalled liability on investments partly paid: | | |
| Uncalled share capital in Aloula Geojit Capital Company, Saudi Arabia, a jointly controlled entity (@ Saudi Riyal 7.50/- per share on 11,200,000 shares) (Reported at the exchange rates prevailing on the respective balance sheet dates) | - | 1,452,570,000 |

Note : The Company has entered into an agreement on 1 February 2018 with Geofin Comtrade Limited to acquire its client base (without any other assets or liabilities), for a consideration of ₹ 81,000,000/- (excluding applicable taxes).

29. Disclosures required under Micro, Small and Medium Enterprises Development Act, 2006

| Particulars | As at 31 March 2018 ₹ | As at 31 March 2017 ₹ |
|--|-----------------------------|-----------------------------|
| (i) Principal amount remaining unpaid to any supplier as at the end of the year. | Nil | Nil |
| (ii) Interest due thereon remaining unpaid to any supplier as at the end of the year. | Nil | Nil |
| (iii) The amount of interest paid in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day. | Nil | Nil |
| (iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006. | Nil | Nil |
| (v) The amount of interest accrued and remaining unpaid at the end of the year. | Nil | Nil |
| (vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid for the purpose of deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | Nil | Nil |

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

30. Disclosure under Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Loans and advances in the nature of loans given to subsidiaries, associates and firms / companies in which directors are interested:

| Name of the party | Relationship | Amount outstanding as at 31 March 2018 ₹ | Maximum balance outstanding during the year ₹ |
|--------------------------------|--------------------|--|---|
| Geojit Credits Private Limited | Subsidiary company | 42,700,000 (64,700,000) | 64,700,000 (74,700,000) |

Note: Figures in bracket relate to the previous year.

Notes forming part of the standalone financial statements (contd...)

31. Particulars of loans given, investment made, guarantee given, or security provided, and the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient under Section 186(4) of Companies Act, 2013:

| Party | Relationship | Transaction | Amount ₹ | Balance outstanding on 31 March 2018 ₹ | Purpose for which recipient proposes to utilise the amount |
|-----------------------------------|-----------------------|-------------|-------------|---|---|
| Geojit Credits Private Limited | Subsidiary Company | Loan given | - | 42,700,000 | For providing loan against shares and commodities, and personal loans. |

32. Expenditure in foreign currency

| Particulars | For the year ended 31 March 2018 ₹ | For the year ended 31 March 2017 ₹ |
|----------------------------|--|--|
| Foreign travel | 119,178 | 88,118 |
| Annual maintenance charges | 579,881 | 590,054 |
| Software charges | 154,172 | - |
| Website charges | 1,623,300 | 1,333,750 |
| Total | 2,476,531 | 2,011,922 |

Note: The above disclosure excludes expenses incurred in Indian Rupees and remitted in foreign currency.

33. Earnings in foreign exchange

| Particulars | For the year ended 31 March 2018 ₹ | For the year ended 31 March 2017 ₹ |
|---|--|--|
| Dividend from a jointly controlled entity | 19,473,775 | 20,461,986 |
| Advisory fees | 36,971 | 152,711 |
| Total | 19,510,746 | 20,614,697 |

34. The Company has deposited the dividends payable to non-resident shareholders into their Rupee account with various banks in India and hence the disclosure of amounts remitted in foreign currency during the year to non-resident shareholders on account of dividend is not applicable.

35. Employee benefit plans

- (i) Defined contribution plan – Provident Fund

The Company makes Provident Fund contribution for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company has recognised ₹ 26,348,754/- (Previous year: ₹ 19,785,272/-) towards provident fund contribution in the statement of profit and loss. The contribution payable to the plan by the Company are at the rates specified in the rules of the scheme.

- (ii) Defined benefit plan – Gratuity

The Company provides gratuity benefit to its employees (included as part of 'Contribution to provident and other funds' in Note 23 Employee benefits expense), which is funded with Life Insurance Corporation of India.

Notes forming part of the standalone financial statements (contd...)

(ii) Defined benefit plan – Gratuity (contd..)

The following table sets out the funded status of the defined benefit scheme and the amounts recognised in the financial statements:

| Particulars | For the year ended 31 March 2018 ₹ | For the year ended 31 March 2017 ₹ |
|---|---|---|
| Gratuity cost | | |
| Current service cost | 6,687,504 | 6,076,857 |
| Interest cost | 4,013,988 | 1,781,645 |
| Expected return on plan assets | (1,844,406) | (1,354,258) |
| Past service cost | 1,491,346 | - |
| Actuarial (gain) / loss | 1,343,005 | 34,118,135 |
| Total expense recognised in the statement of profit and loss | 11,691,437 | 40,622,379 |
| Particulars | As at 31 March 2018 ₹ | As at 31 March 2017 ₹ |
| Net liability recognised in the balance sheet: | | |
| Present value of defined benefit obligation | 68,609,522 | 61,753,655 |
| Fair value of plan assets | (45,516,978) | (17,699,329) |
| Net liability recognised in the balance sheet | 23,092,544 | 44,054,326 |
| Particulars | For the year ended 31 March 2018 ₹ | For the year ended 31 March 2017 ₹ |
| Change in defined benefit obligations (DBO) during the year: | | |
| At the beginning of the year | 61,753,655 | 23,755,265 |
| Current service cost | 6,687,504 | 6,076,857 |
| Interest cost | 4,013,988 | 1,781,645 |
| Actuarial (gain) / loss | 1,237,475 | 34,205,006 |
| Past service cost | 1,491,346 | - |
| Benefits paid | (6,040,528) | (3,748,584) |
| Transfer out in respect of employee movement to group company | (533,918) | (316,534) |
| At the end of the year | 68,609,522 | 61,753,655 |
| Change in fair value of assets during the year: | | |
| At the beginning of the year | 17,699,329 | 19,855,340 |
| Expected return on plan assets | 1,844,406 | 1,354,258 |
| Actual company contributions | 32,969,753 | 151,444 |
| Transfer out in respect of employee movement to group company | (850,452) | - |
| Actuarial gain / (loss) | (105,530) | 86,871 |
| Benefits paid | (6,040,528) | (3,748,584) |
| At the end of the year | 45,516,978 | 17,699,329 |
| Actual return on plan assets | 1,738,876 | 1,441,129 |

Notes forming part of the standalone financial statements (contd...)

(ii) Defined benefit plan – Gratuity (contd..)

| Particulars | 31 March 2018 | 31 March 2017 |
|--|---|---|
| Actuarial assumptions: | | |
| Discount rate | 7.30% | 6.50% |
| Expected return on plan assets | 6.50% | 7.50% |
| Salary escalation | 6.00% | 6.00% |
| Attrition rate range over different age brackets | Upto 35 years - 50% Above 35 years - 12% | Upto 35 years - 50% Above 35 years - 12% |
| Mortality table | Indian Assured Lives Mortality (2006-08) Ultimate | |

Experience adjustments

| Gratuity | As at 31 March 2018 | As at 31 March 2017 | As at 31 March 2016 | As at 31 March 2015 | As at 31 March 2014 |
|-------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Present value of DBO | 68,609,522 | 61,753,655 | 23,755,265 | 22,738,033 | 19,211,952 |
| Fair value of plan assets | 45,516,978 | 17,699,329 | 19,855,340 | 16,757,095 | 15,285,890 |
| Funded status [surplus / (deficit)] | (23,092,544) | (44,054,326) | 3,899,925 | (5,980,938) | (3,926,062) |
| Experience adj. on plan liabilities | 4,014,783 | 27,652,227 | (1,825,943) | (281,987) | (703,357) |
| Experience adj. on plan assets | (389,284) | 14,644 | 110,136 | 183,001 | 232,076 |

(iii) Actuarial assumptions for long-term compensated absences

| Particulars | 31 March 2018 | 31 March 2017 |
|--|---|---|
| Discount rate | 7.30% | 6.50% |
| Salary escalation | 6.00% | 6.00% |
| Attrition rate range over different age brackets | Upto 35 years - 50% Above 35 years - 12% | Upto 35 years - 50% Above 35 years - 12% |

36. The Company's operations predominantly relate to one segment, viz., broking and financial services. The entire operations are organised and managed as one organisational unit with same set of risks and returns. Hence, same is considered as on single primary segment. Besides, the Company's operations are located only in India and hence, separate secondary geographical segment information is not disclosed.

37. Leases

(a) Operating lease as a lessee

The Company is obligated under non-cancellable operating leases for its branch office premises. Total rental expenses under such leases amounted to ₹ 35,275,860/- (Previous Year : ₹ 2,825,780/-). Future minimum lease payments due under non-cancellable operating leases are as follows:

| Particulars | For the year ended 31 March 2018 ₹ | For the year ended 31 March 2017 ₹ |
|---|--|--|
| Not later than one year | 36,506,684 | 3,063,698 |
| Later than one year and not later than five years | 72,948,312 | 7,734,228 |
| Later than five years | 1,186,204 | - |

The Company is also obligated under cancellable operating leases for residential and office space. Total rental expense under cancellable operating leases during the year was ₹ 96,699,405/- (Previous year : ₹ 122,589,141/-).

Notes forming part of the standalone financial statements (contd...)

38. Earnings per share (EPS)

| Particulars | For the year ended 31 March 2018 ₹ | For the year ended 31 March 2017 ₹ |
|---|--|--|
| Basic: | | |
| Net profit for the year attributable to equity shareholders - ₹ | 674,859,708 | 383,153,720 |
| Weighted average number of equity shares | 236,962,689 | 235,168,231 |
| Basic earnings per share - ₹ | 2.85 | 1.63 |
| Diluted: | | |
| Net profit for the year attributable to equity shareholders - ₹ | 674,859,708 | 383,153,720 |
| Weighted average number of equity shares for basic EPS | 236,962,689 | 235,168,231 |
| Add: Effect of ESOPs which are dilutive | 4,752,616 | 564,171 |
| Weighted average number of equity shares for diluted EPS | 241,715,305 | 235,732,402 |
| Diluted earnings per share - ₹ | 2.79 | 1.63 |

39. Related party disclosures

(i) Names of related parties and description of relationship with the Company:

| Nature of relationship | Name of related party |
|--|--|
| A. Enterprises where control exists | |
| Subsidiary company | Geojit Credits Private Limited Geojit Technologies Private Limited Geojit Financial Management Services Private Limited Geojit Financial Distribution Private Limited Geojit Investment Services Limited Qurum Business Group Geojit Securities LLC |
| B. Other related parties with whom the Company had transactions during the year | |
| Jointly controlled entity | Barjeel Geojit Securities LLC Aloula Geojit Capital Company |
| Associate entity | BBK Geojit Securities KSC |
| Entity having significant interest in the company | BNP Paribas SA |
| Key management person - Managing Director | Mr. C. J. George |
| Relative of Key management person | Mr. Jones George Mr. Jyothis Abraham George Ms. Shiny George Ms. Susan Raju Ms. Sally Sampath |
| Entity over which relative of key management person has control | Geofin Comtrade Limited Geofin Capital Services Limited |
| Trust under the control of the Company | Geojit Foundation |

Notes forming part of the standalone financial statements (contd...)

39. Related party disclosures (contd...)

(ii) Related party transactions

| Name of related party | Nature of transaction | For the year ended 31 March 2018 ₹ | For the year ended 31 March 2017 ₹ |
|--|--------------------------------------|--|--|
| Geojit Credits Private Limited | Loans given | - | 20,000,000 |
| | Loans repaid | 22,000,000 | 30,000,000 |
| | Expenses recovered | 51,285 | 33,402 |
| | Expenses reimbursed | - | 1,377,579 |
| | Cost recovery for shared services | 1,360,145 | 1,216,597 |
| | Interest received | 5,960,492 | 5,982,529 |
| Geojit Technologies Private Limited | Software services availed | 25,884,624 | 23,087,673 |
| | Miscellaneous expenses - SMS charges | 4,969,765 | 2,729,104 |
| | Software charges - AMC paid | 3,000,000 | 3,000,000 |
| | Rent received | 3,297,987 | 3,127,970 |
| | Software purchased | 11,736,793 | 9,336,012 |
| | Cost recovery for shared services | 3,365,595 | 3,322,110 |
| | Expenses recovered | 618,634 | 639,277 |
| | Expenses reimbursed | 600,000 | 612,321 |
| Geojit Investment Services Limited | Dividend received | 43,125,000 | - |
| | Expenses recovered | 1,251,689 | 35,229 |
| | Cost recovery for shared services | 1,305,855 | 1,202,822 |
| | Expenses reimbursed | 2,278,818 | 3,170,410 |
| | Advance for investment | - | 16,345,285 |
| Qurum Business Group Geojit Securities LLC | Marketing fees paid | 11,090,000 | 11,162,000 |
| Barjeel Geojit Securities LLC | Marketing fees paid | 90,719,000 | 76,040,000 |
| | Expenses recovered | 795,391 | 855,216 |
| | Dividend received | 19,473,775 | 20,461,986 |
| Aloula Geojit Capital Company | Expenses recovered | 236,998 | 645,362 |
| BBK Geojit Securities KSC | Marketing fees paid | 13,668,000 | 9,080,000 |
| | Expenses recovered | 35,464 | 46,091 |
| BNP Paribas SA | Bank charges | 1,035 | 4,137 |
| | Rent received | 30,000 | 120,000 |
| | Rent paid | - | 464,486 |
| | Dividend paid | 95,861,199 | - |
| Mr. C. J. George | Salary and allowances * | 24,782,661 | 19,703,019 |
| | Dividend paid | 54,099,545 | - |
| Mr. Jones George | Salary and allowances | - | 5,000 |
| | Brokerage income | - | 7,368 |
| | Dividend paid | 342,095 | - |
| Mr. Jyothis Abraham George | Brokerage income | - | 30,900 |
| | Depository income | - | 515 |
| | Dividend paid | 543,750 | - |
| Ms. Shiny George | Dividend paid | 6,297,500 | - |
| Ms. Susan Raju | Depository income | - | 115 |
| | Dividend paid | 3,750 | - |
| Ms. Sally Sampath | Brokerage income | 352 | - |
| | Depository income | 518 | 1,467 |
| | Dividend paid | 6,250 | - |

Notes forming part of the standalone financial statements (contd...)

39. Related party disclosures (contd...)

(ii) Related party transactions (contd...)

| Name of related party | Nature of transaction | For the year ended 31 March 2018 ₹ | For the year ended 31 March 2017 ₹ |
|---------------------------------|---|--|--|
| Geofin Comtrade Limited | Expenses reimbursed | - | 2,035 |
| | Expenses recovered | 29,820 | 1,510,875 |
| | Warehouse charges (agri-products) recovered | - | 834,147 |
| | Cost recovery for shared services | 3,175,521 | 2,450,559 |
| | Distribution commission paid | - | 2,000 |
| | Rental income | 3,416,613 | 3,239,448 |
| Geofin Capital Services Limited | Rental income | 55,682 | 52,794 |
| | Commission to business associates | 6,957,812 | 5,030,198 |
| | Cost recovery for shared services | 2,404 | 2,279 |
| | Expenses reimbursed | 665,850 | - |
| | Expenses recovered | - | 913,355 |
| Geojit Foundation | Corporate social responsibility expenses | 15,026,103 | 13,602,930 |
| | Expenses recovered | 10,462 | - |
| | Training fee paid | 706,500 | - |

* The amounts does not include provision for gratuity and compensated absences as the same is determined for the Company as a whole based on an actuarial valuation.

(iii) Amount outstanding as at the balance sheet date

| Name of related party | Nature of transaction | Receivable / (Payable) as on 31 March 2018 ₹ | Receivable / (Payable) as on 31 March 2017 ₹ |
|-------------------------------------|---|---|---|
| Geojit Credits Private Limited | Short-term loans and advances - Loans given | 42,700,000 | 64,700,000 |
| | Trade payables | - | (316,534) |
| Geojit Technologies Private Limited | Long-term liabilities - Rent deposits | (1,300,000) | (1,300,000) |
| Geojit Investment Services Limited | Advance for investments | - | 16,345,285 |
| Qurum Business Group | Trade payables - Marketing fee | (2,604,000) | (3,815,000) |
| Geojit Securities LLC | Trade payables - Marketing fee | (46,812,431) | (19,081,449) |
| Aloula Geojit Capital Company | Short-term loans and advances | - | 579,625 |
| BBK Geojit Securities KSC | Trade payables - Marketing fee | (2,866,650) | (2,785,095) |
| BNP Paribas SA | Balances with banks in current accounts | 6,796,442 | 31,070,128 |
| Mr. C. J. George | Accrued salaries and benefits | (15,581,000) | (5,902,000) |
| Mr. Jones George | Other current liabilities | - | (1) |
| Geofin Comtrade Limited | Short-term loans and advances | 863,749 | 591,898 |
| | Trade payables - Commission payable | (1,000) | (1,000) |
| | Long-term liabilities - Rent deposits | (1,377,550) | (1,377,550) |
| Geofin Capital Services Limited | Long-term liabilities - Security deposits | (1,000,000) | (1,000,000) |
| | Short-term loans and advances | 5,812 | 671,244 |
| | Long-term liabilities - Rent deposits | (22,450) | (22,450) |
| | Trade payables - Commission payable | (385,336) | (228,253) |
| Geojit Foundation | Other current liabilities - Training fee | (763,020) | - |

Notes forming part of the standalone financial statements (contd...)

40. Employee Stock Option Plans:

(A) Details of options granted are as follows:

| Particulars | ESOP 2010 – Tranche II | ESOP 2010 – Tranche III | ESOP 2010 – Tranche IV | ESOP 2016 - Grant 1 | ESOP 2016 - Grant 2 | ESOP 2016 - Grant 3 | ESOP 2016 - Grant 4 | ESOP 2017 |
|--|---|--|--|---|---|---|---|---------------------------------------|
| Date of grant | 11 July 2012 | 21 May 2013 | 27 June 2014 | 4 August 2016 | 2 September 2017 | 23 January 2018 | 20 March 2018 | 23 January 2018 |
| Date of Nomination and Remuneration Committee approval | 12 April 2010 | 12 April 2010 | 12 April 2010 | 4 August 2016 | 2 September 2017 | 23 January 2018 | 20 March 2018 | 23 January 2018 |
| Date of shareholder approval | 12 July 2010 | 12 July 2010 | 12 July 2010 | 4 August 2016 | 4 August 2016 | 4 August 2016 | 4 August 2016 | 22 November 2017 |
| Eligible employees | All | All | All | All | All | All | All | All |
| Method of settlement | Equity settled | Equity settled | Equity settled | Equity settled | Equity settled | Equity settled | Equity settled | Equity settled |
| No. of equity shares for each option | One option = One share | One option = One share | One option = One share | One option = One share | One option = One share | One option = One share | One option = One share | One option = One share |
| No. of options granted | 2,799,885 | 2,799,991 | 2,799,999 | 8,079,340 | 1,197,312 | 2,582 | 23,674 | 1,073,780 |
| Exercise price | ₹20.55 | ₹23.95 | ₹41.45 | ₹41.60 | ₹117.40 | ₹117.35 | ₹101.25 | ₹117.35 |
| Discount granted | No discount | No discount | No discount | No discount | No discount | No discount | No discount | No discount |
| Vesting period and manner of vesting | Immediate vesting on 2 nd anniversary from grant date | Immediate vesting on 2 nd anniversary from grant date | Immediate vesting on 2 nd anniversary from grant date | In a graded manner over 4 years commencing from 01 October 2017 | In a graded manner over 3 years commencing from 01 October 2018 | In a graded manner over 3 years commencing from 01 April 2019 | In a graded manner over 3 years commencing from 01 April 2019 | Immediate vesting on 01 February 2019 |
| Vesting condition | Continuation in the services of the Company and such other conditions as may be formulated by the Nomination and Remuneration Committee from time to time | | | | | | | |
| Exercise period | 3 years from vesting date | 3 years from vesting date | 3 years from vesting date | 3 to 4 years from vesting date | 3 to 4 years from vesting date | 3 to 4 years from vesting date | 3 to 4 years from vesting date | 3 years from vesting date |
| No. of options outstanding at the beginning of the year | 352,375 (611,735) | 995,792 (1,383,437) | 2,123,948 (2,369,677) | 7,390,580 (-) | - (-) | - (-) | - (-) | - (-) |
| Add: No. of options granted during the year | - (-) | - (-) | - (-) | - (8,079,340) | 1,197,312 (-) | 2,582 (-) | 23,674 (-) | 1,073,780 (-) |
| Less: No. of options forfeited on resignation / lapsed due to non-exercise during the year | 33,600 (31,690) | (1,110) (71,020) | 37,180 (229,075) | 657,920 (688,760) | 101,517 (-) | - (-) | - (-) | 21,785 (-) |
| Less: No. of options exercised during the year | 318,775 (227,670) | 742,388 (316,625) | 1,238,905 (16,654) | - (-) | - (-) | - (-) | - (-) | - (-) |
| No. of options outstanding at the end of the year | - (352,375) | 254,514 (995,792) | 847,863 (2,123,948) | 6,732,660 (7,390,580) | 1,095,795 (-) | 2,582 (-) | 23,674 (-) | 1,051,995 (-) |

Notes forming part of the standalone financial statements (contd...)

40. Employee Stock Option Plans (contd...)

| Particulars | ESOP 2010 – Tranche II | ESOP 2010 – Tranche III | ESOP 2010 – Tranche IV | ESOP 2016 – Grant 1 | ESOP 2016 – Grant 2 | ESOP 2016 – Grant 3 | ESOP 2016 – Grant 4 | ESOP 2017 |
|--|---------------------------|----------------------------|---------------------------|--------------------------|------------------------|------------------------|------------------------|------------------|
| No. of options vested during the year | - (-) | - (-) | - (2,316,539) | 183,717 (-) | 1,593 (-) | - (-) | - (-) | - (-) |
| No. of options exercisable at year end | - (352,375) | 254,514 (995,792) | 847,863 (2,123,948) | 171,819 (-) | - (-) | - (-) | - (-) | - (-) |
| No. of options available for grant at year end | - (-) | - (-) | - (-) | 1,545,289 (1,320,660) | - (-) | - (-) | - (-) | 3,658,893 (-) |
| Weighted average remaining contractual life of options outstanding at year end | - (-) | - (1 year) | 1 year (2 years) | 4.2 years (7 years) | 3.5 years (-) | 3.3 years (-) | 3.2 years (-) | 2.5 years (-) |

Note: Previous year figures are given in brackets.

(B) Accounting of employee share based compensation cost:

The Company has adopted 'intrinsic value method' for accounting employee share based compensation cost. Under the intrinsic value method, the difference between market price of the share on the date prior to grant date and the exercise price is considered as intrinsic value of options and expensed on straight-line basis over the vesting period as employee share based compensation cost. The details of costs accounted under the Employee Stock Option Plans are as follows:

| Plan | ESOP 2010 – Tranche II | ESOP 2010 – Tranche III | ESOP 2010 – Tranche IV | ESOP 2016 – Grant 1 | ESOP 2016 – Grant 2 | ESOP 2016 – Grant 3 | ESOP 2016 – Grant 4 | ESOP 2017 |
|--|---------------------------|----------------------------|---------------------------|----------------------------|------------------------|------------------------|------------------------|------------------|
| Cumulative intrinsic value of the options granted net of expected forfeiture (₹) | - (-) | - (-) | - (-) | - (-) | - (-) | - (-) | - (-) | - (-) |
| Expected forfeiture rate per annum | 10% (10%) | 10% (10%) | 10% (10%) | 10% (10%) | 10% (-) | 10% (-) | 10% (-) | 10% (-) |
| Amount expensed during the year under intrinsic value method (₹) | - (-) | - (-) | - (-) | - (-) | - (-) | - (-) | - (-) | - (-) |
| Additional charge under fair value method of accounting cost (₹) | - (-) | - (-) | - (2,510,901) | 17,586,275 (19,546,075) | 8,463,966 (-) | 7,178 (-) | 10,076 (-) | 5,833,905 (-) |

Note: Previous year figures are given in brackets.

(C) Details of fair value method of accounting for employee compensation cost using Black-Scholes options pricing model are as follows:

Notes forming part of the standalone financial statements (contd...)

40. Employee Stock Option Plans (contd...)

| Plan | ESOP 2010 – Tranche II | ESOP 2010 – Tranche III | ESOP 2010 – Tranche IV | ESOP 2016 - Grant 1 | ESOP 2016 - Grant 2 | ESOP 2016 - Grant 3 | ESOP 2016 - Grant 4 | ESOP 2017 |
|---|------------------------|-------------------------|------------------------|---------------------|---------------------|---------------------|---------------------|-----------|
| Weighted average fair value per option (₹) | 4.71 | 5.70 | 16.64 | 13.45 | 37.48 | 38.37 | 33.56 | 33.77 |
| Market price relevant for grant (₹) | 20.55 | 23.95 | 41.45 | 41.60 | 117.40 | 117.35 | 101.25 | 117.35 |
| Weighted average share price as on the date of exercise during the year (₹) | 26 May 17 – 78.45 | 26 May 17 – 78.45 | 26 May 17 – 78.45 | NA | NA | NA | NA | NA |
| | 25 Jul 17 – 107.95 | 25 Jul 17 – 107.95 | 25 Jul 17 – 107.95 | | | | | |
| | 25 Oct 17 – 128.15 | 25 Oct 17 – 128.15 | 25 Oct 17 – 128.15 | | | | | |
| | | 24 Jan 18 – 116.95 | 24 Jan 18 – 116.95 | | | | | |
| | | 20 Mar 18 – 99.45 | 20 Mar 18 – 99.45 | | | | | |
| Expected annual volatility of shares | 39% | 42% | 66% | 35% | 37% | 39% | 40% | 39% |
| Expected dividend yield | 4.04% | 4.59% | 0.46% | 2.00% | 1.20% | 1.20% | 1.20% | 1.20% |
| Risk free interest rate | 8.00% | 8.00% | 8.00% | 6.70% - 6.90% | 6.10% - 6.30% | 6.70% - 6.90% | 6.80% - 7.00% | 6.70% |
| Expected life (in years) | 2.0 | 2.0 | 2.0 | 2.7 - 5.7 | 2.6 - 4.6 | 2.7 - 4.2 | 2.5 - 4.0 | 2.5 |

Annualised volatility is computed using the high and low market price of the Company's share over the one year period prior to the date of grant. It is assumed that employees would exercise the options immediately on vesting. The historical volatility of the Company's share price is higher than the volatility considered above. However, the Company expects the volatility of its share price to reduce as it matures.

- (D) The impact on basic and diluted earnings per share for the year, had the Company followed fair value method of accounting for employee share based compensation cost is as follows:

| Particulars | For the year ended 31 March 2018 ₹ | For the year ended 31 March 2017 ₹ |
|--|--|--|
| Profit for the year (as reported) | 674,859,708 | 383,153,720 |
| Add: Expense on employee stock option plans under intrinsic value method | - | - |
| Less: Expense on employee stock option plans under fair value method | 31,901,400 | 22,056,976 |
| Profit for the year (proforma) | 642,958,308 | 361,096,744 |
| Basic earnings per share (as reported) | 2.85 | 1.63 |
| Basic earnings per share (proforma) | 2.71 | 1.54 |
| Diluted earnings per share (as reported) | 2.79 | 1.63 |
| Diluted earnings per share (proforma) | 2.66 | 1.53 |

Notes forming part of the standalone financial statements (contd...)

41. Details of Company's interest in joint ventures

| Name of jointly controlled entity and country of incorporation | % of shareholding interest | |
|---|----------------------------|--------------------|
| | 31 March 2018 ₹ | 31 March 2017 ₹ |
| Barjeel Geojit Securities LLC, United Arab Emirates ('Barjeel') | 30% | 30% |
| Aloula Geojit Capital Company, Saudi Arabia ('Aloula') | 28% | 28% |

| Particulars | Barjeel (Unaudited) | | Aloula (Unaudited) | |
|------------------------|---------------------|--------------------|--------------------|--------------------|
| | 31 March 2018 ₹ | 31 March 2017 ₹ | 31 March 2018 ₹ | 31 March 2017 ₹ |
| Assets | 111,084,917 | 94,664,703 | 190,693,517 | 205,383,638 |
| Liabilities | 29,254,824 | 21,628,892 | 14,835,909 | 12,622,281 |
| Income | 101,839,892 | 72,330,969 | 23,543,853 | 41,950,183 |
| Expenditure | 73,333,283 | 58,548,418 | 41,105,039 | 61,021,312 |
| Contingent liabilities | 6,606,464 | 6,572,957 | - | - |

42. Details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016.

| Particulars | SBN's | Other Denomination Notes | Total |
|--|---------------|--------------------------|------------------|
| Closing cash in hand as on 8 November 2016 | 38,500 | 1,139,985 | 1,178,485 |
| Add: Permitted receipts | - | 5,580,558 | 5,580,558 |
| Less : Permitted payments | - | 3,921,853 | 3,921,853 |
| Less : Amounts deposited in banks | 38,500 | 996,086 | 1,034,586 |
| Closing cash in hand as on 30 December 2016 | - | 1,802,604 | 1,802,604 |

For the purposes of this note, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated 8 November 2016.

43. Details of assets under the portfolio management scheme are as follows:

| Particulars | As at 31 March 2018 ₹ | As at 31 March 2017 ₹ |
|---|-----------------------------|-----------------------------|
| Number of clients | 520 | 586 |
| Original cost of assets under management – ₹ | 740,696,027 | 791,990,870 |
| Represented by: | | |
| (a) Bank balance – ₹ | 46,031,024 | 39,278,931 |
| (b) Cost of portfolio holdings – ₹ | 694,665,003 | 752,711,939 |
| Total | 740,696,027 | 791,990,870 |
| Net asset value of portfolio under management – ₹ | 1,508,005,485 | 1,542,575,577 |

Notes forming part of the standalone financial statements (contd...)

44. Corporate social responsibility expenses

- (a) Gross amount required to be spent by the Company during the year: ₹ 15,264,821/-
 (b) Amount spent during the year on:

| Activity | Paid in cash ₹ | Yet to be paid in cash ₹ | Total ₹ |
|---|-------------------|-----------------------------|------------|
| (i) Construction / acquisition of any asset | - | - | - |
| (ii) On purposes other than (i) above | 15,264,821 | - | 15,264,821 |

45. Subsequent events

Dividends

On 16 May 2018, the Board of Directors of the Company have proposed a final dividend of ₹ 2/- per share in respect of the year ending 31 March 2018 subject to the approval of shareholders at the Annual General Meeting.

46. Previous year's figures have been regrouped / reclassified wherever necessary to conform to the current year's classification / disclosure.

As per our report of even date attached

for **BSR & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/W-100024

N Sampath Ganesh

Partner

Membership No. 042554

Place : Mumbai

Date : 16 May 2018

for and on behalf of the Board of Directors of

Geojit Financial Services Limited

(Formerly known as Geojit BNP Paribas Financial Services Limited)

A.P. Kurian

Chairman

DIN : 00008022

Sanjeev Kumar Rajan

Chief Financial Officer

Place : Kochi

Date : 16 May 2018

C.J. George

Managing Director

DIN : 00003132

Liju K. Johnson

Company Secretary

Independent Auditors' report

To the Members of Geojit Financial Services Limited

(formerly known as Geojit BNP Paribas Financial Services Limited)

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Geojit Financial Services Limited (formerly known as Geojit BNP Paribas Financial Services Limited) ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries collectively referred to as the "Group"), its associate and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements")

Management's responsibility for the consolidated financial statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated state of affairs, consolidated profits and consolidated cash flows of the Group including its associate and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Group and of its associate and jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Group and its associate and jointly controlled entities to cease to continue as a going concern.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the 'Other matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of its subsidiaries, an associate and jointly controlled entities, the Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and jointly controlled entities as at 31 March 2018, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other matters

We did not audit the financial statements / financial information of five subsidiaries, whose financial statements / financial information reflect total assets of ₹ 18,409.75 lakhs as at 31 March 2018, total revenues of ₹ 3,291.29 lakhs and net cash

outflows amounting to ₹ 39.65 lakhs for the year then ended, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report of the other auditors.

We did not audit the financial statements / financial information of one subsidiary and two jointly controlled entities, whose financial statements / financial information reflect total assets of ₹ 3,250.09 lakhs as at 31 March 2018, total revenues of ₹ 1,585.95 lakhs and net cash outflows amounting to ₹ 75.62 lakhs for the year ended on that date, as considered in the consolidated financial statements. The Consolidated Financial Statements also include the Group's share of net profit of ₹ 11.28 lakhs for the year ended 31 March 2018, as considered in the consolidated financial statements, in respect of one associate, whose financial statements / financial information have not been audited by us. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, jointly controlled entities and associate, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the Management.

Report on other legal and regulatory requirements

As required by sub-sections 3 of Section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements of the subsidiaries as noted in the 'Other Matter' paragraph, we report, to the extent applicable, that:

- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- (b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- (c) the consolidated balance sheet, the consolidated statement of profit and loss and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act;
- (e) on the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and on the basis of the relevant assertion contained in the audit reports on the standalone financial statements of its subsidiary companies incorporated in India, none of the Directors of the Group companies is disqualified as on 31 March 2018 from being appointed as a Director of that company in terms of Section 164(2) of the Act;
- (f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements of subsidiaries, as noted in the 'Other Matter' paragraph:
 - i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities - Refer Note 28(i) to the consolidated financial statements;
 - ii. the Group, its associate and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts; and
 - iii. there has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.
 - iv. the disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited consolidated financial statements for the period ended 31 March 2017 have been disclosed.

for **B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/W-100024

N Sampath Ganesh

Partner

Membership No.: 042554

Mumbai

16 May 2018

Annexure A to the Independent Auditors' Report on the consolidated financial statements

Report on the internal financial controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting of Geojit Financial Services Limited (*formerly known as Geojit BNP Paribas Financial Services Limited*) ("the Holding Company") and its subsidiary companies, which are companies incorporated in India, (collectively referred to as the "Group") as of that date.

Management's responsibility for internal financial controls

The respective Board of Directors of the companies included in the Group are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group 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

Our responsibility is to express an opinion on the Group'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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 Institute of Chartered Accountants of India. 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.

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.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of the report referred to in the 'Other matter' paragraph below 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

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 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 financial statements.

Inherent limitations of internal financial controls over financial reporting

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

In our opinion, the Company and its subsidiaries incorporated in India 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 31 March 2018, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other matter

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal controls over financial reporting insofar as it relates to five subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

for **B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/W-100024

N Sampath Ganesh

Partner

Membership No.: 042554

Mumbai

16 May 2018

Consolidated balance sheet

as at 31 March 2018

| | Note | As at 31 March 2018 ₹ | As at 31 March 2017 ₹ |
|---|------|-----------------------------|-----------------------------|
| A. EQUITY AND LIABILITIES | | | |
| 1. Shareholders' funds | | | |
| (a) Share capital | 3 | 237,869,523 | 235,544,665 |
| (b) Reserves and surplus | 4 | 5,335,996,468 | 4,884,610,774 |
| | | 5,573,865,991 | 5,120,155,439 |
| 2. Share application money pending allotment | 27 | 220,300 | 812,306 |
| 3. Minority interests | | 549,528,769 | 532,200,597 |
| 4. Capital reserve on consolidation | | 4,017,702 | 3,933,863 |
| 5. Non-current liabilities | | | |
| (a) Long-term liabilities | 5 | 15,583,299 | 14,125,040 |
| (b) Long-term provisions | 6 | 46,143,945 | 67,379,611 |
| | | 61,727,244 | 81,504,651 |
| 6. Current liabilities | | | |
| (a) Short-term borrowings | 7 | - | 55,000,000 |
| (b) Trade payables | 8 | - | - |
| Total outstanding dues of micro enterprises and small enterprises | | 137,372,145 | 104,403,441 |
| (c) Other current liabilities | 9 | 2,182,371,154 | 2,268,196,450 |
| (d) Short-term provisions | 10 | 10,687,997 | 16,427,281 |
| | | 2,330,431,296 | 2,444,027,172 |
| TOTAL | | 8,519,791,302 | 8,182,634,028 |
| B. ASSETS | | | |
| 1. Non-current assets | | | |
| (a) Fixed assets | | | |
| Property, plant and equipment | 11A | 518,910,826 | 518,894,403 |
| Intangible assets | 11B | 76,658,289 | 84,822,374 |
| | | 595,569,115 | 603,716,777 |
| (b) Non-current investments | 12 | 24,618,220 | 28,614,426 |
| (c) Deferred tax assets (net) | 13 | 48,480,700 | 33,406,500 |
| (d) Long-term loans and advances | 14 | 1,465,740,816 | 1,055,224,147 |
| (e) Other non-current assets | 15 | 14,295,511 | 2,090,488 |
| | | 2,148,704,362 | 1,723,052,338 |
| 2. Current assets | | | |
| (a) Current investments | 16 | 1,833,784,855 | 1,619,028,301 |
| (b) Trade receivables | 17 | 1,367,422,275 | 1,458,940,295 |
| (c) Cash and bank balances | 18 | 2,605,817,999 | 2,524,940,416 |
| (d) Short-term loans and advances | 19 | 319,966,648 | 361,918,122 |
| (e) Other current assets | 20 | 244,095,163 | 494,754,556 |
| | | 6,371,086,940 | 6,459,581,690 |
| TOTAL | | 8,519,791,302 | 8,182,634,028 |

TOTAL

Significant accounting policies

The notes referred to above form an integral part of the consolidated financial statements

As per our report of even date attached

for **BSR & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/W-100024

N Sampath Ganesh

Partner

Membership No. 042554

Place : Mumbai

Date : 16 May 2018

for and on behalf of the Board of Directors of

Geojit Financial Services Limited

(Formerly known as Geojit BNP Paribas Financial Services Limited)

A.P. Kurian

Chairman

DIN : 00008022

Sanjeev Kumar Rajan

Chief Financial Officer

Place : Kochi

Date : 16 May 2018

C.J. George

Managing Director

DIN : 00003132

Liju K. Johnson

Company Secretary

Consolidated statement of profit and loss

for the year ended 31 March 2018

| | Note | For the year ended 31 March 2018 ₹ | For the year ended 31 March 2017 ₹ |
|---|------|--|--|
| 1. Revenue: | | | |
| (a) Revenue from operations | 21 | 3,341,945,395 | 2,737,157,601 |
| (b) Other income | 22 | 337,575,721 | 320,419,030 |
| Total revenue | | 3,679,521,116 | 3,057,576,631 |
| 2. Expenses: | | | |
| (a) Operating expenses | 23 | 657,997,220 | 527,012,623 |
| (b) Employee benefits expense | 24 | 1,111,666,363 | 965,040,241 |
| (c) Finance costs | 25 | 7,334,114 | 6,085,139 |
| (d) Depreciation and amortisation | 11 | 142,480,994 | 141,926,247 |
| (e) Other expenses | 26 | 607,927,877 | 502,994,050 |
| Total expenses | | 2,527,406,568 | 2,143,058,300 |
| 3. Profit before tax (1-2) | | 1,152,114,548 | 914,518,331 |
| 4. Tax expense: | | | |
| (a) Current tax | | 396,433,510 | 313,025,444 |
| (b) (Less): MAT credit | | (5,041,470) | (12,433,502) |
| (c) Current tax for earlier years | | (326,908) | 913,372 |
| (d) Deferred tax | | (15,074,200) | 453,500 |
| Total tax expense | | 375,990,932 | 301,958,814 |
| 5. Profit after tax before share of profit of associates and minority interest (3-4) | | 776,123,616 | 612,559,517 |
| 6. Share of profit in an associate | | 1,127,805 | 242,518 |
| 7. Profit after tax before share of profit attributable to minority interest (5+6) | | 777,251,421 | 612,802,035 |
| 8. Less: Share of profit attributable to minority interest | | 44,888,626 | 52,623,551 |
| 9. Profit for the year attributable to shareholders of the company (7-8) | | 732,362,795 | 560,178,484 |
| 10. Earnings per share (face value of ₹ 1/- each): | 34 | | |
| (a) Basic | | 3.09 | 2.38 |
| (b) Diluted | | 3.03 | 2.38 |

Significant accounting policies

2

The notes referred to above form an integral part of the consolidated financial statements

As per our report of even date attached

for **BSR & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/W-100024

N Sampath Ganesh

Partner

Membership No. 042554

for and on behalf of the Board of Directors of

Geojit Financial Services Limited

(Formerly known as Geojit BNP Paribas Financial Services Limited)

A.P. Kurian

Chairman

DIN : 00008022

Sanjeev Kumar Rajan

Chief Financial Officer

C.J. George

Managing Director

DIN : 00003132

Liju K. Johnson

Company Secretary

Place : Mumbai

Date : 16 May 2018

Place : Kochi

Date : 16 May 2018

Consolidated cash flow statement

for the year ended 31 March 2018

| | For the year ended 31 March 2018 ₹ | For the year ended 31 March 2017 ₹ |
|--|--|--|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before tax | 1,152,114,548 | 914,518,331 |
| <i>Adjustments for:</i> | | |
| Depreciation and amortisation | 142,480,994 | 141,926,247 |
| (Profit) / loss on sale of fixed assets | (2,014,794) | (2,000,319) |
| Finance costs | 7,334,114 | 6,085,139 |
| Interest income | (100,805,393) | (116,413,729) |
| Dividend income | (159,600) | (74,265) |
| Net gain on sale of current investments - mutual funds | (115,675,456) | (96,416,684) |
| Net gain on sale of non-current investments | (4,387,684) | - |
| Provision for doubtful debts / (written back) (net) | (166,617) | (287,042) |
| Bad debts written off | 540,461 | 162,781 |
| Liabilities no longer payable written back | (5,889,044) | (4,095,154) |
| | (78,743,019) | (71,113,026) |
| Operating profit before working capital changes | 1,073,371,529 | 843,405,305 |
| Changes in working capital: | | |
| Adjustments for (increase) / decrease in: | | |
| Trade receivables | 91,144,176 | (377,225,610) |
| Loans and advances | (360,145,511) | 55,301,523 |
| Other current assets | 246,507,943 | 54,167,172 |
| | (22,493,392) | (267,756,915) |
| Adjustments for increase / (decrease) in: | | |
| Trade payables | 32,968,704 | (2,182,684) |
| Other current liabilities | (78,086,545) | 751,001,616 |
| Long-term liabilities | 1,458,259 | (2,754,851) |
| Short-term and long-term provisions | (20,402,773) | 41,675,495 |
| | (64,062,355) | 787,739,576 |
| Cash generated from operations | 986,815,782 | 1,363,387,966 |
| Income tax paid (net) | (398,392,918) | (240,410,787) |
| Net cash flow from operating activities (A) | 588,422,864 | 1,122,977,179 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of fixed assets, including capital advances | (146,747,546) | (94,876,207) |
| Proceeds from sale of fixed assets | 4,779,500 | 2,565,425 |
| Proceeds from sale of non-current investments | 9,175,434 | - |
| Investment in mutual funds | (32,294,407,205) | (27,228,108,447) |
| Proceeds from disposal of mutual funds | 32,195,326,107 | 26,469,369,540 |
| Purchase of non-current investments | - | (10,725,385) |
| (Increase) / decrease in earmarked fixed deposits with banks | 40,147,502 | (2,990,916) |
| (Increase) / decrease in unpaid dividend bank accounts | (226,755) | 3,491,171 |
| Interest received on fixed deposits | 104,844,157 | 118,968,230 |
| Dividend from non-trade, long term investments | 159,600 | 74,265 |
| Net cash flow (used in) investing activities (B) | (86,949,206) | (742,232,324) |

Consolidated cash flow statement

for the year ended 31 March 2018

C. CASH FLOW FROM FINANCING ACTIVITIES

| | | |
|--|---------------|-------------|
| Proceeds from / (repayment of) short term borrowings | (55,000,000) | 55,000,000 |
| Finance costs paid | (7,334,114) | (6,085,139) |
| Proceeds from the issue of shares | 75,484,887 | 14,250,041 |
| Share application money received pending allotment | 220,300 | 812,306 |
| Dividends paid | (318,151,878) | (3,491,171) |
| Tax on dividend paid | (64,814,398) | - |

Net cash flow from / (used in) financing activities (C)

Net increase in cash and cash equivalents (A+B+C)

Add: Cash and cash equivalents at the beginning of the year

Add / (less): Foreign currency translation adjustments

Cash and cash equivalents at the end of the year

Reconciliation of cash and cash equivalents with consolidated balance sheet:

Cash and bank balances as per consolidated balance sheet (Refer note 18)

Less: Unpaid dividend accounts not considered as 'Cash and cash equivalents', as defined in AS 3 Cash flow statements (Refer note 18)

Less: Earmarked deposits with banks not considered as 'Cash and cash equivalents', as defined in AS 3 cash flow statements (Refer note 18)

Cash and cash equivalents at the end of the year (Refer note 18) *

* Comprises:

(a) Cash on hand

(b) Balances with banks

Current accounts:

Clients

Others

Deposit accounts

(c) Share in jointly controlled entities

Significant accounting policies (Refer note 2)

The notes referred to above form an integral part of the consolidated financial statements

As per our report of even date attached

for **BSR & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/W-100024

N Sampath Ganesh

Partner

Membership No. 042554

Place : Mumbai

Date : 16 May 2018

for and on behalf of the Board of Directors of

Geojit Financial Services Limited

(Formerly known as Geojit BNP Paribas Financial Services Limited)

A.P. Kurian

Chairman

DIN : 00008022

Sanjeev Kumar Rajan

Chief Financial Officer

Place : Kochi

Date : 16 May 2018

C.J. George

Managing Director

DIN : 00003132

Liju K. Johnson

Company Secretary

| For the year ended 31 March 2018 | For the year ended 31 March 2017 |
|-------------------------------------|-------------------------------------|
| ₹ | ₹ |
| (55,000,000) | 55,000,000 |
| (7,334,114) | (6,085,139) |
| 75,484,887 | 14,250,041 |
| 220,300 | 812,306 |
| (318,151,878) | (3,491,171) |
| (64,814,398) | - |
| (369,595,203) | 60,486,037 |
| 131,878,455 | 441,230,892 |
| 1,071,684,871 | 636,301,027 |
| 1,012,212 | (5,847,048) |
| 1,204,575,538 | 1,071,684,871 |
| 2,605,817,999 | 2,524,940,416 |
| (7,765,399) | (7,538,644) |
| (1,393,477,062) | (1,445,716,901) |
| 1,204,575,538 | 1,071,684,871 |
| 1,364,651 | 719,859 |
| 930,477,342 | 858,603,688 |
| 71,007,833 | 51,224,662 |
| 152,800,389 | 113,291,147 |
| 48,925,323 | 47,845,515 |
| 1,204,575,538 | 1,071,684,871 |

Notes forming part of the consolidated financial statements

1. Background

Geojit Financial Services Limited (Formerly known as Geojit BNP Paribas Financial Services Limited) ('the Company') had its origin in the year 1987 as partnership firm of Mr. C.J. George and his associates. In the year 1994, the firm was converted into a Company with the objective of providing technically superior trading platform for the investor community in Kerala. Over the years, the Company has spread its operations across the country through branch and franchisee network. In 2007, BNP Paribas SA became a major shareholder in the Company. The shares of the Company are listed on National Stock Exchange and Bombay Stock Exchange. The Company, its subsidiaries and jointly controlled entities, located within and outside India, hereinafter referred to as the 'Group', offers complete spectrum of financial services including online broking for equities, commodities, derivatives and currency futures, custody accounts, financial products distribution, portfolio management services, margin funding, etc. The Group's operations outside the country are located in Oman, Kuwait, UAE and Saudi Arabia.

2. Basis of consolidation and significant accounting policies

2.1 Basis of accounting and preparation of consolidated financial statements

The consolidated financial statements of the Company, its subsidiaries and jointly controlled entities (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI). The consolidated financial statements have been prepared on accrual basis under the historical cost convention and using the going concern basis of accounting as assessed by the management. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

2.2 Principles of consolidation

The consolidated financial statements relate to Geojit Financial Services Limited (the 'Company'), its subsidiary companies, jointly controlled entities and the Group's share of profit / loss in its associate. The consolidated financial statements have been prepared on the following basis:

- (i) The financial statements / financial information of the subsidiary companies, jointly controlled entities and associate used in the consolidation are drawn upto the same reporting date as that of the Company, i.e., 31 March 2018.
- (ii) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered, as per AS 21 'Consolidated financial statements'.
- (iii) The consolidated financial statements include the share of profit / loss of an associate entity which has been accounted for using 'equity method' as per AS 23 'Accounting for investments in associates in consolidated financial statements'. Accordingly, the share of profit/ loss of the associate entity (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investment.
- (iv) Share of profit / loss, assets and liabilities in the jointly controlled entities, which are not subsidiaries, have been consolidated on a proportionate basis by considering the book values of like items of assets, liabilities, incomes and expenses to the extent of the Group's equity interest in such entity as per AS 27 'Financial reporting of interests in joint ventures'. The intra-group balances, intra-group transactions and unrealised profits or losses have been eliminated to the extent of the Group's share in the entity.
- (v) The excess of cost to the Group of its investments in the subsidiary companies / jointly controlled entities over its share of equity of the subsidiary companies / jointly controlled entities, at the dates on which the investments in the subsidiary companies / jointly controlled entities were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiary companies / jointly controlled entities as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital reserve' and shown separately in the consolidated financial statements. The 'Goodwill' / 'Capital reserve' is determined separately for each subsidiary company / jointly controlled entity and such amounts are not set off between different entities.

Notes forming part of the consolidated financial statements (contd...)

2.2 Principles of consolidation (contd...)

- (vi) Minority interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.
- (vii) The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the consolidated financial statements as Goodwill or Capital reserve, as the case may be.
- (viii) Goodwill arising on consolidation is not amortised, but tested for impairment.
- (ix) Following subsidiary companies, associate and jointly controlled entities have been considered in the preparation of the consolidated financial statements:

| Name of the entity | Relationship | Country of incorporation | Ownership held by | % of holding and voting power either directly or indirectly through subsidiary as at | |
|--|---------------------------|--------------------------|--|--|---------------|
| | | | | 31 March 2018 | 31 March 2017 |
| Geojit Investment Services Limited | Subsidiary company | India | Geojit Financial Services Limited | 100% | 100% |
| Geojit Technologies Private Limited | Subsidiary company | India | Geojit Financial Services Limited | 65% | 65% |
| Geojit Credits Private Limited | Subsidiary company | India | Geojit Financial Services Limited | 67.75% | 67.75% |
| | | | Geojit Financial Management Services Private Limited | 26.38% | 26.38% |
| Geojit Financial Management Services Private Limited | Subsidiary company | India | Geojit Financial Services Limited | 100% | 100% |
| Geojit Financial Distribution Private Limited | Subsidiary company | India | Geojit Investment Services Limited | 100% | 100% |
| Qurum Business Group Geojit Securities LLC | Subsidiary company | Oman | Geojit Financial Services Limited | 51% | 51% |
| Barjeel Geojit Securities LLC | Jointly controlled entity | United Arab Emirates | Geojit Financial Services Limited | 30% | 30% |
| Aloula Geojit Capital Company | Jointly controlled entity | Saudi Arabia | Geojit Financial Services Limited | 28% | 28% |
| BBK Geojit Securities KSC | Associate | Kuwait | Geojit Financial Services Limited | 30% | 30% |

- (x) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

Notes forming part of the consolidated financial statements (contd...)

2.3 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.4 Cash and cash equivalents (for purposes of cash flow statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term (with an original maturity of three months or less from the date of acquisition) highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

2.6 Property, plant and equipment and intangible assets

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Subsequent expenditure on property, plant and equipment after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash consideration. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident.

Property, plant and equipment retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

Projects under which property, plant and equipment are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.7 Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, less its estimated residual value.

Depreciation on property, plant and equipment of the Company and its Indian subsidiaries has been provided under the straight-line method as per the useful life as estimated by the management.

Management estimates the useful life for the property, plant and equipment as under:

| Class of assets | Useful life |
|--|-------------|
| Buildings * | 40 years |
| Furniture and fixtures | 10 years |
| Furniture and fixtures in leasehold premises * | 5 years |
| Computers and accessories | 3 years |
| Computers and accessories - Data centre equipments * | 5 years |
| Office equipments | 5 years |
| Electrical equipments * | 5 years |
| Vehicles * | 5 years |
| Plant and machinery | 15 years |

Notes forming part of the consolidated financial statements (contd...)

2.7 Depreciation and amortisation (contd...)

* For these class of assets, the Company and its Indian subsidiaries has assessed the useful life based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Improvements to leasehold premises are amortised over the lease term or useful lives of the assets, whichever is lower. If the premises are vacated before the expiry of above term, the un-amortised costs are fully written off in the year of vacation.

Computer software, an intangible asset, is amortised under straight-line method over the estimated useful life of 5 years. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern, if any.

Depreciation on the property, plant and equipment and intangible assets of the Company's foreign subsidiary, jointly controlled entities and associate has been provided under the straight-line method as per the estimated useful life of such assets as follows:

| Class of assets | Useful life |
|---|-----------------|
| Furniture, fixtures and Electrical fittings | 4 to 10 years |
| Leasehold improvements | 10 years |
| Office equipments | 4 to 6.67 years |
| Computers | 3 to 8 years |
| Vehicles | 4 years |
| Computer software | 3 years |
| License fees | 5 years |

2.8 Revenue recognition

Brokerage income is recognized on the trade date of transaction upon confirmation of the transaction by the stock exchange. Income from depository services, penal charges and portfolio management services are recognised on the basis of agreements entered into with clients and when the right to receive the income is established. Commission income from financial products distribution is recognised on the basis of agreements entered into with principals and when the right to receive the income is established. Interest income from margin funding business is recognised on loans given to clients on time proportion basis. Software development revenue is recognised on completion of different stages of software development and acceptance by clients. Revenue from annual maintenance contracts are recognised on time proportion basis. Commission income from insurance business is recognised on completion of policy formalities in all aspects based on intimation from the principal.

2.9 Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive the income is established. Cost recovery for shared services are recognised based on agreements entered into with the parties.

2.10 Foreign currency transactions and translations

Initial recognition

Company: Transactions in foreign currencies are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Net investment in non-integral foreign operations: Net investment in non-integral foreign operations is accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Non-integral foreign operations: Transactions of non-integral foreign operations are translated at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Notes forming part of the consolidated financial statements (contd...)

2.10 Foreign currency transactions and translations (contd...)

Treatment of exchange differences

Company: Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities are recognised as income or expense in the consolidated statement of profit and loss.

Net investment in non-integral foreign operations: The exchange differences on restatement of long-term receivables / payables from / to non-integral foreign operations that are considered as net investment in such operations are accumulated in a "foreign currency translation reserve" until disposal / recovery of the net investment, in which case the accumulated balance in "foreign currency translation reserve" is recognised as income / expense in the same period in which the gain or loss on disposal / recovery is recognised.

Non-integral foreign operations: The exchange differences on translation of balances relating to non-integral foreign operations are accumulated in a "foreign currency translation reserve" until disposal of the operation, in which case the accumulated balance in "foreign currency translation reserve" is recognised as income / expense in the same period in which the gain or loss on disposal is recognised.

Measurement of foreign currency monetary items at the balance sheet date

Company: Foreign currency monetary items outstanding at the balance sheet date are restated at the closing exchange rates on that date. Non-monetary items are carried at historical cost.

Net investment in non-integral foreign operations: Foreign currency monetary items of the Group's net investment in non-integral foreign operations outstanding at the balance sheet date are restated at the closing exchange rates on that date.

Non-integral foreign operations: All assets and liabilities of non-integral foreign operations are translated at the closing exchange rates on that date.

Premium or discount arising on inception of forward exchange contracts, which are intended to hedge the foreign currency risk of existing assets or liabilities has been amortised as income / expense over the life of the contract and exchange differences on such contracts are recognised in the Statement of profit and loss in the reporting period in which the exchange rates change.

2.11 Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

2.12 Employee benefits

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

Defined contribution plan

Contribution to provident fund scheme by the entities in the Group is considered as defined contribution plan and is charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Notes forming part of the consolidated financial statements (contd...)

2.12 Employee benefits (contd...)

Defined benefit plan

For defined benefit plan in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Consolidated statement of profit and loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the consolidated balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

2.13 Employee share based payments

The Company has formulated Employee Stock Option Plans (ESOP) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Schemes provide for grant of options to employees of the Company and its subsidiaries to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. In accordance with the SEBI Guidelines and the Guidance note on Employee share based payments issued by the Institute of Chartered Accountants of India, the excess, if any, of the closing market price on the day prior to the grant of the options under ESOP over the exercise price is amortised on a straight-line basis over the vesting period under the 'intrinsic value method'.

2.14 Leases

Assets leased by the Group in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Group are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the consolidated statement of profit and loss on a straight-line basis over the lease term.

2.15 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) for the year as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

Notes forming part of the consolidated financial statements (contd...)

2.16 Taxes on income

Current tax is determined on the basis of taxable income and tax credits computed for each of the entities in the Group in accordance with the applicable tax rates and the provisions of applicable tax laws of the respective jurisdictions where the entities are located.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the entity will pay normal income tax. Accordingly, MAT is recognised as an asset in the consolidated balance sheet when it is probable that future economic benefit associated with it will flow to the entity.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the entity has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

The Group offsets deferred tax assets and deferred tax liabilities, and advance income tax and provision for tax, if it has a legally enforceable right and these relate to taxes in income levies by the same governing taxation laws.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the consolidated statement of profit and loss.

2.17 Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Consolidated Statement of Profit and Loss. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the consolidated statement of profit and loss, to the extent the amount was previously charged to the consolidated statement of profit and loss.

2.18 Provisions and contingencies

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

Notes forming part of the consolidated financial statements (contd...)

3. Share capital

| | As at 31 March 2018 | | As at 31 March 2017 | |
|--|---------------------|--------------------|---------------------|--------------------|
| | Number of shares | Amount (₹) | Number of shares | Amount (₹) |
| Authorised: | | | | |
| Equity shares of ₹ 1/- each | 300,000,000 | 300,000,000 | 250,000,000 | 250,000,000 |
| | 300,000,000 | 300,000,000 | 250,000,000 | 250,000,000 |
| Issued, subscribed and fully paid-up: | | | | |
| Equity shares of ₹ 1/- each | 237,869,523 | 237,869,523 | 235,544,665 | 235,544,665 |
| | 237,869,523 | 237,869,523 | 235,544,665 | 235,544,665 |

(i) **Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:**

Equity shares of ₹ 1/- each

| | | | | |
|------------------------------|--------------------|--------------------|--------------------|--------------------|
| At the beginning of the year | 235,544,665 | 235,544,665 | 234,898,476 | 234,898,476 |
| Issued during the year | 2,324,858 | 2,324,858 | 646,189 | 646,189 |
| At the end of the year | 237,869,523 | 237,869,523 | 235,544,665 | 235,544,665 |

(ii) **Rights attached to equity shares:**

The Company has issued only one class of equity share. The holder of each equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividends proposed by the Board of Directors are subject to the approval of the shareholders in the Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after settling the dues of preferential and other creditors as per priority. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) **Details of shareholders holding more than 5% of equity share capital:**

| Class of shares / name of shareholder | As at 31 March 2018 | | As at 31 March 2017 | |
|---|-----------------------|-----------------------------------|-----------------------|-----------------------------------|
| | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Equity shares of ₹1/- each: | | | | |
| BNP Paribas SA | 76,688,959 | 32.24% | 76,688,959 | 32.56% |
| C. J. George | 43,279,636 | 18.19% | 43,279,636 | 18.37% |
| Kerala State Industrial Development Corporation | 20,000,000 | 8.41% | 20,000,000 | 8.49% |
| Rakesh Jhunjunwala | 18,037,500 | 7.58% | 18,037,500 | 7.66% |

(iv) As at 31 March 2018, 10,009,083 equity shares (Previous year: 10,862,695 equity shares) of ₹1/- each are reserved towards outstanding employee stock options granted (Refer No. 37).

Notes forming part of the consolidated financial statements (contd...)

| | As at 31 March 2018 ₹ | As at 31 March 2017 ₹ |
|--|-----------------------------|-----------------------------|
| 4. Reserves and surplus | | |
| (a) Capital reserve | | |
| Balance at the beginning and end of the year | 33,345,030 | 33,345,030 |
| (b) Securities premium | | |
| Opening balance | 2,411,668,980 | 2,397,594,450 |
| Add : additions during the year | 73,972,335 | 14,074,530 |
| Closing balance | 2,485,641,315 | 2,411,668,980 |
| (c) Statutory reserve | | |
| <u>In subsidiary</u> | | |
| Balance at the beginning and end of the year | 24,857,964 | 24,857,964 |
| <u>In jointly controlled entities</u> | | |
| Balance at the beginning and end of the year | 14,493,142 | 14,493,142 |
| | 39,351,106 | 39,351,106 |
| (d) General reserve | | |
| Balance at the beginning and end of the year | 400,087,054 | 400,087,054 |
| (e) Foreign currency translation reserve | | |
| <u>In subsidiary</u> | | |
| Opening balance | 1,903,849 | 1,595,332 |
| Add: Effects of foreign exchange rate variations during the year | 296,385 | 308,517 |
| Closing balance | 2,200,234 | 1,903,849 |
| <u>In jointly controlled entities</u> | | |
| Opening balance | 184,186,035 | 189,818,090 |
| Add: Effects of foreign exchange rate variations during the year | (1,214) | (5,632,055) |
| Closing balance | 184,184,821 | 184,186,035 |
| | 186,385,055 | 186,089,884 |
| (f) Surplus in consolidated statement of profit and loss | | |
| Opening balance | 1,814,068,720 | 1,603,811,155 |
| Add: Profit for the year | 732,362,795 | 560,178,484 |
| Add: Corporate dividend tax credit | 8,779,236 | - |
| (Less): Final dividend for 2016-17 paid to equity shareholders @ ₹ 1.25/- per share (Previous year: ₹ Nil per share) | (295,157,488) | - |
| (Less): Corporate dividend tax | (68,866,355) | - |
| (Less): Reversal of goodwill on consolidation of subsidiary (Refer note 40) | - | (349,920,919) |
| Closing balance | 2,191,186,908 | 1,814,068,720 |
| | 5,335,996,468 | 4,884,610,774 |
| 5. Long-term liabilities | | |
| (a) Security deposits from business associates | 9,888,919 | 9,872,633 |
| (b) Rent deposits | 1,400,000 | 1,400,000 |
| (c) Lease equalisation liability | 4,294,380 | 2,852,407 |
| | 15,583,299 | 14,125,040 |
| 6. Long-term provisions | | |
| (a) For employee benefits | | |
| Gratuity | 25,191,528 | 47,920,404 |
| Compensated absences | 6,995,339 | 6,869,072 |
| (b) Share in jointly controlled entities | 13,957,078 | 12,590,135 |
| | 46,143,945 | 67,379,611 |

Notes forming part of the consolidated financial statements (contd...)

7. Short-term borrowings

Loans repayable on demand (Unsecured)

From related parties - C J G Holdings India Private Limited

8. Trade payables

(a) Total outstanding dues of micro enterprises and small enterprises

(b) Total outstanding dues of creditors other than micro enterprises and small enterprises

(c) Share in jointly controlled entities

9. Other current liabilities

(a) Unclaimed dividends

(b) Client balances

(c) Security deposits accepted from business associates

(d) Other payables

Statutory dues payable

Dues to creditors for capital goods

To stock exchanges

Employee welfare fund

Advance from customers

Unearned income

Accrued salaries and benefits

Other accrued liabilities

Lease equalisation liability

10. Short-term provisions

(a) For employee benefits - compensated absences

(b) Other provisions

Provision for income tax

Provision for warranty

Provision against standard assets (Refer note 38)

(c) Share in jointly controlled entities

| | As at 31 March 2018 ₹ | As at 31 March 2017 ₹ |
|--|-----------------------------|-----------------------------|
| | - | 55,000,000 |
| | - | 55,000,000 |
| | - | - |
| | 110,301,595 | 86,906,292 |
| | 27,070,550 | 17,497,149 |
| | 137,372,145 | 104,403,441 |
| | 7,765,399 | 7,538,644 |
| | 1,889,268,662 | 2,090,689,829 |
| | 1,549,186 | 2,262,598 |
| | 47,599,298 | 24,178,303 |
| | 2,590,409 | 10,555,915 |
| | 109,336,611 | 48,311,528 |
| | 205,103 | 479,667 |
| | 1,068,479 | 795,432 |
| | 1,544,411 | 1,390,326 |
| | 68,405,392 | 52,804,847 |
| | 49,989,414 | 27,264,150 |
| | 3,048,790 | 1,925,211 |
| | 2,182,371,154 | 2,268,196,450 |
| | 5,396,320 | 4,336,387 |
| | 1,797,808 | 8,369,985 |
| | 700,840 | - |
| | 153,114 | 319,300 |
| | 2,651,762 | 8,689,285 |
| | 2,639,915 | 3,401,609 |
| | 10,687,997 | 16,427,281 |

Notes forming part of the consolidated financial statements (contd...)

11. Fixed assets

| | Gross block | | | Accumulated depreciation and amortisation | | | Net block | |
|---|-----------------------|--------------------|--------------------|---|------------------------|-----------------------|------------------------|------------------------|
| | As at 1 April 2017 | Additions | Disposals | Effect of foreign currency differences | As at 31 March 2018 | As at 1 April 2017 | As at 31 March 2018 | As at 31 March 2017 |
| A. Property, plant and equipment | | | | | | | | |
| Land - freehold | 68,424,536 | - | - | - | 68,424,536 | - | 68,424,536 | 68,424,536 |
| | 68,424,536 | - | - | - | 68,424,536 | - | 68,424,536 | 68,424,536 |
| Buildings (Refer note (a) below) | 165,734,768 | - | - | - | 165,734,768 | 18,146,817 | 143,444,579 | 147,587,951 |
| | 165,734,768 | - | - | - | 165,734,768 | 14,003,445 | 147,587,951 | 151,731,323 |
| Furniture and fixtures | 132,892,044 | 16,141,781 | 4,069,510 | 106 | 144,964,421 | 90,196,275 | 99,306,153 | 42,695,769 |
| | 130,926,167 | 6,787,945 | 4,821,612 | (456) | 132,892,044 | 84,579,127 | 90,196,275 | 46,347,040 |
| Leasehold improvements | 141,923,913 | 10,365,463 | 3,523,014 | - | 148,766,362 | 115,783,994 | 121,511,745 | 26,139,919 |
| | 129,356,962 | 15,017,400 | 2,450,449 | - | 141,923,913 | 111,120,701 | 115,783,994 | 18,236,261 |
| Computers and accessories | 406,696,439 | 49,340,011 | 86,528,662 | 936 | 369,508,724 | 301,425,081 | 271,502,782 | 105,271,358 |
| | 390,098,138 | 43,587,272 | 26,985,052 | (3,919) | 406,696,439 | 267,990,027 | 301,425,081 | 122,108,111 |
| Office equipments | 143,479,979 | 17,979,118 | 8,654,951 | 106 | 152,804,252 | 112,454,377 | 118,729,468 | 31,025,602 |
| | 140,172,339 | 10,932,082 | 7,623,986 | (456) | 143,479,979 | 107,147,632 | 112,454,377 | 33,024,707 |
| Electrical equipments | 13,731,331 | 300,444 | 3,090,211 | - | 10,941,564 | 12,736,803 | 10,250,676 | 994,528 |
| | 13,832,855 | 305,701 | 407,225 | - | 13,731,331 | 12,294,614 | 12,736,803 | 1,538,241 |
| Vehicles | 25,569,313 | 20,086,213 | 1,597,802 | 5,477 | 44,063,201 | 10,285,560 | 15,817,132 | 15,283,753 |
| | 25,529,936 | 68,286 | 5,200 | (23,709) | 25,569,313 | 5,304,541 | 10,285,560 | 20,225,395 |
| Plant and machinery | 94,838,488 | 265,889 | 11,100 | - | 95,093,277 | 26,814,480 | 33,152,743 | 68,024,008 |
| | 94,838,488 | - | - | - | 94,838,488 | 20,488,754 | 26,814,480 | 74,349,734 |
| Share in jointly controlled entities | 52,923,160 | 1,087,631 | 3,328,497 | 268,946 | 50,951,240 | 39,476,181 | 39,780,631 | 13,446,979 |
| | 54,666,590 | 2,500,665 | 3,084,329 | (1,159,766) | 52,923,160 | 40,257,865 | 39,476,181 | 14,408,725 |
| Total | 1,246,213,971 | 115,566,550 | 110,803,747 | 275,571 | 1,251,252,345 | 727,319,568 | 732,341,519 | 518,910,826 |
| Previous year | 1,213,580,779 | 79,199,351 | 45,377,853 | (1,188,306) | 1,246,213,971 | 663,186,706 | 727,319,568 | 518,894,403 |
| B. Intangible assets | | | | | | | | |
| Computer software | 262,816,526 | 20,839,083 | 11,845,845 | 4,947 | 271,814,711 | 181,931,472 | 196,540,532 | 80,885,054 |
| | 229,806,101 | 43,404,112 | 11,204,399 | 810,712 | 262,816,526 | 165,691,351 | 181,931,472 | 64,114,750 |
| Licence fees | 27,231,594 | - | - | 136,204 | 27,367,798 | 24,508,428 | 27,367,798 | 2,723,166 |
| | 27,821,274 | - | - | (589,680) | 27,231,594 | 19,474,889 | 24,508,428 | 8,346,385 |
| Share in jointly controlled entities | 25,354,856 | 601,376 | - | 128,324 | 26,084,556 | 24,140,702 | 24,700,446 | 1,214,154 |
| | 25,135,783 | 752,586 | - | (533,513) | 25,354,856 | 24,276,099 | 24,140,702 | 859,684 |
| Total | 315,402,976 | 21,440,459 | 11,845,845 | 269,475 | 325,267,065 | 230,580,602 | 249,391 | 84,822,374 |
| Previous year | 282,763,158 | 44,156,698 | 11,204,399 | (312,481) | 315,402,976 | 209,442,339 | 230,580,602 | 84,822,374 |
| Grand Total | 1,561,616,947 | 137,007,009 | 122,649,592 | 545,046 | 1,576,519,410 | 957,900,170 | 980,950,295 | 603,716,777 |
| Previous year | 1,496,343,937 | 123,356,049 | 56,582,252 | (1,500,787) | 1,561,616,947 | 872,629,045 | 957,900,170 | 623,714,892 |

Notes:

- (a) The cost of the parts of the Corporate Office building is given on cancellable lease to Geojit Technologies Private Limited, Geojit Investment Services Limited and Geojit Credits Private Limited, subsidiaries of the company, and Geojit Comtrade Limited and Geojin Capital Services Limited, entities over which relative of key management person has control, cannot be determined separately.
- (b) Previous year's figures are shown in italics.
- (c) Reconciliation of depreciation expense
- Total depreciation for the previous year before adjustment
 Less: Depreciation on assets used by Geojit Technologies Private Limited for development of intangible assets
 Total depreciation for the previous year

142,274,996
 (348,749)
 141,926,247

Notes forming part of the consolidated financial statements (contd...)

12. Non-current investments

Investments (at cost, unless stated otherwise)

A. Trade

- (a) Investments in equity instruments - unquoted:

Associate (Stated under "equity method") (Refer Note below)

BBK Geojit Financial Brokerage Company K.S.C

1,500,000 (Previous year: 1,500,000) equity shares of Kuwaiti Dinar 0.10/- each, fully paid-up

B. Other investments

- (a) Investments in equity instruments - unquoted:

Muvattupuzha Co-operative Super Speciality Hospital Limited

400 (Previous year: 400) 'C' class shares of ₹ 500/- each, fully paid-up

Bombay Stock Exchange Limited

Nil (Previous year: 5,700) equity shares of ₹ 1/- each, fully paid-up

Cochin Stock Exchange Limited

100 (Previous year: 100) equity shares of ₹ 10/- each, fully paid-up

First Commodity Exchange of India Limited

5 (Previous year: 5) equity shares of ₹ 10,000/- each, fully paid-up

- (b) Investments in government securities - quoted:

10.71% Govt of India Securities - 2016

Share in jointly controlled entities

Aggregate cost of listed but not quoted investments

Aggregate amount of unquoted investments

Note: Investment in associate (stated under 'equity method')

| Name of associate | Country of incorporation | Ownership interest % | Original cost ₹ | Carrying amount ₹ |
|---|--------------------------|----------------------|-----------------|-------------------|
| BBK Geojit Financial Brokerage Company K.S.C. | Kuwait | 30 | 26,550,000 | 13,409,286 |
| Previous year | | 30 | 26,550,000 | 12,617,742 |

| As at 31 March 2018 ₹ | As at 31 March 2017 ₹ |
|-----------------------------|-----------------------------|
| 13,409,286 | 12,617,742 |
| 13,409,286 | 12,617,742 |
| 200,000 | 200,000 |
| - | 877 |
| 1,000 | 1,000 |
| 75,000 | 75,000 |
| 276,000 | 276,877 |
| 3,000 | 3,000 |
| 3,000 | 3,000 |
| 10,929,934 | 15,716,807 |
| 24,618,220 | 28,614,426 |
| 3,000 | 3,000 |
| 24,615,220 | 28,611,426 |

Notes forming part of the consolidated financial statements (contd...)

| | As at 31 March 2018 ₹ | As at 31 March 2017 ₹ |
|--|-----------------------------|-----------------------------|
| 13. Deferred tax assets (net) | | |
| (a) Deferred tax liability | | |
| Arising from timing differences in respect of: | | |
| Depreciation and amortisation | (35,400) | (5,931,000) |
| | (35,400) | (5,931,000) |
| (b) Deferred tax asset | | |
| Arising from timing differences in respect of: | | |
| Depreciation and amortisation | 2,717,000 | 48,700 |
| Provision for doubtful debts | 29,312,200 | 29,517,500 |
| Provision for employee benefits | 11,635,800 | 6,010,300 |
| Other disallowances | 4,851,100 | 3,761,000 |
| | 48,516,100 | 39,337,500 |
| | 48,480,700 | 33,406,500 |
| 14. Long-term loans and advances | | |
| Unsecured and considered good, unless stated otherwise | | |
| (a) Advances for capital goods | 11,886,967 | 4,222,892 |
| (b) Deposits and margins given to stock exchanges/depositories/clearing corporation | 1,202,702,229 | 830,904,229 |
| (c) Security deposits - others: | | |
| Considered good | 43,835,046 | 17,823,793 |
| Considered doubtful | 194,217 | 194,217 |
| | 44,029,263 | 18,018,010 |
| Less: Provision for doubtful deposits | 194,217 | 194,217 |
| | 43,835,046 | 17,823,793 |
| (d) Advances recoverable in cash or kind or for value to be received | 240,965 | 197,457 |
| (e) Prepaid expenses | 3,994,894 | 1,546,940 |
| (f) Balances with government authorities | 41,376 | 41,376 |
| (g) Advance income tax (net of provisions for tax) | 161,830,729 | 161,075,120 |
| (h) Share in jointly controlled entities | 41,208,610 | 39,412,340 |
| | 1,465,740,816 | 1,055,224,147 |
| 15. Other non-current assets | | |
| (a) Fixed deposit with banks in earmarked accounts | 14,063,839 | 1,971,502 |
| (b) Interest accrued on above | 231,672 | 118,986 |
| | 14,295,511 | 2,090,488 |
| Note: Fixed deposits with banks in earmarked accounts includes the following: | | |
| (i) Deposits given as security margin for guarantees issued by banks in favour of stock exchanges | 1,230,672 | - |
| (ii) Bank Deposit receipts given as security margin to stock exchanges/clearing corporation | 10,875,000 | - |
| (iii) Deposits given as security margin for guarantees issued by banks in favour of Kerala State Electricity Board | 1,877,438 | 1,877,438 |
| (iv) Fixed deposits under lien in favour of Department of Commercial Taxes (KVAT) | 80,729 | 94,064 |
| | 14,063,839 | 1,971,502 |

Notes forming part of the consolidated financial statements (contd...)

16. Current investments

(At lower of cost and fair value / net asset value)

| | As at 31 March 2018 ₹ | As at 31 March 2017 ₹ |
|---|-----------------------------|-----------------------------|
| (a) Investment in mutual funds - unquoted | 1,827,211,609 | 1,592,847,460 |
| (b) Share in jointly controlled entities | 6,573,246 | 26,180,841 |
| | 1,833,784,855 | 1,619,028,301 |
| Aggregate amount of unquoted investments | 1,833,784,855 | 1,619,028,301 |

17. Trade receivables

(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment

| | | |
|--|--------------------|--------------------|
| Secured, considered good | 212,906,664 | 203,077,554 |
| Unsecured, considered good | 5,815,873 | 7,528,191 |
| Doubtful | 85,034,319 | 85,528,269 |
| | 303,756,856 | 296,134,014 |
| Less: Provision for doubtful trade receivables | 85,034,319 | 85,528,269 |
| | 218,722,537 | 210,605,745 |

(b) Other trade receivables

| | | |
|--|----------------------|----------------------|
| Secured, considered good | 15,136,243 | 18,233,096 |
| Unsecured, considered good | 1,043,896,779 | 1,149,207,531 |
| Doubtful | 685,087 | 838,832 |
| | 1,059,718,109 | 1,168,279,459 |
| Less: Provision for doubtful trade receivables | 685,087 | 838,832 |
| | 1,059,033,022 | 1,167,440,627 |
| (c) Share in jointly controlled entities | 89,666,716 | 80,893,923 |
| | 1,367,422,275 | 1,458,940,295 |

18. Cash and bank balances

| | | |
|--|----------------------|----------------------|
| (a) Cash on hand | 1,364,651 | 719,859 |
| (b) Balances with banks | | |
| Current accounts: | | |
| Clients | 930,477,342 | 858,603,688 |
| Others | 71,007,833 | 51,224,662 |
| Deposit accounts | 152,800,389 | 113,291,147 |
| Earmarked accounts: | | |
| Deposit accounts | 1,393,243,142 | 1,445,482,981 |
| Arbitration deposits | 233,920 | 233,920 |
| Unpaid dividend accounts | 7,765,399 | 7,538,644 |
| (c) Share in jointly controlled entities | 48,925,323 | 47,845,515 |
| | 2,605,817,999 | 2,524,940,416 |

Notes forming part of the consolidated financial statements (contd...)

| | As at 31 March 2018 ₹ | As at 31 March 2017 ₹ |
|---|-----------------------------|-----------------------------|
| Of the above, the balances that meet the definition of Cash and cash equivalents | 1,204,575,538 | 1,071,684,871 |
| Balance with banks in earmarked deposit accounts include fixed deposits which have an original maturity of more than 12 months | 317,537,262 | 348,580,559 |
| Balance with banks in earmarked deposit accounts include fixed deposits which are: | | |
| (i) Maintained as security margin for guarantees issued by banks in favour of stock exchanges / clearing corporation. | 464,540,380 | 518,299,191 |
| (ii) Given to stock exchanges / clearing corporation as security margin | 14,390,805 | 16,073,541 |
| (iii) Pledged with banks for availing overdraft facility. The balance outstanding in the overdraft facility as at the balance sheet date is ₹ Nil (Previous year: ₹ Nil). | 903,924,550 | 903,924,550 |
| (iv) Pledged with banks for availing other bank guarantees facility | 1,526,520 | 406,521 |
| (v) Deposited in banks against unsettled client balances. | 8,860,887 | 6,779,178 |
| | <u>1,393,243,142</u> | <u>1,445,482,981</u> |
| 19. Short-term loans and advances | | |
| Unsecured and considered good, unless stated otherwise | | |
| (a) Loans and advances to related parties | 1,080,641 | 1,830,799 |
| (b) Loans and advances to clients (against shares and commodities) | | |
| Secured, considered good | 162,416,567 | 168,565,672 |
| Considered doubtful | 1,274,735,447 | 1,274,719,222 |
| | <u>1,437,152,014</u> | <u>1,443,284,894</u> |
| Less: Provision for non-performing assets (Refer note 38) | 1,274,735,447 | 1,274,719,222 |
| | <u>162,416,567</u> | <u>168,565,672</u> |
| (c) Rent and other deposits | | |
| Considered good | 38,515,466 | 61,386,399 |
| Considered doubtful | 4,057,529 | 4,057,529 |
| | <u>42,572,995</u> | <u>65,443,928</u> |
| Less: Provision for doubtful deposits | 4,057,529 | 4,057,529 |
| | <u>38,515,466</u> | <u>61,386,399</u> |
| (d) Loans and advances to employees | 7,652,626 | 5,009,328 |
| (e) Prepaid expenses | 25,577,380 | 20,618,675 |
| (f) Balances with government authorities | 5,341,768 | 25,636,431 |
| (g) Other advances | | |
| Considered good | 8,168,657 | 9,257,469 |
| Considered doubtful | 1,510,651 | 1,510,651 |
| | <u>9,679,308</u> | <u>10,768,120</u> |
| Less: Provision for doubtful advances | 1,510,651 | 1,510,651 |
| | <u>8,168,657</u> | <u>9,257,469</u> |
| (h) Share in jointly controlled entities | 71,213,543 | 69,613,349 |
| | <u>319,966,648</u> | <u>361,918,122</u> |

Notes forming part of the consolidated financial statements (contd...)

20. Other current assets

| | As at 31 March 2018 ₹ | As at 31 March 2017 ₹ |
|---|-----------------------------|-----------------------------|
| (a) Unbilled revenue | 4,215,212 | 2,046,843 |
| (b) Accruals | | |
| Interest accrued on fixed deposits with banks | 27,555,571 | 31,707,021 |
| Interest accrued on other deposits | 18,296,065 | 7,767,040 |
| (c) Receivable from stock exchanges | 187,365,699 | 453,233,652 |
| (d) Share in jointly controlled entities | 6,662,616 | - |
| | 244,095,163 | 494,754,556 |

21. Revenue from operations

| | | |
|---|----------------------|----------------------|
| (a) Sale of services | | |
| Stock broking services | 2,236,218,960 | 1,850,281,358 |
| Depository | 185,706,089 | 189,052,674 |
| Financial products distribution | 434,547,131 | 226,906,616 |
| Portfolio management services | 40,811,943 | 31,756,719 |
| Software consultancy and development services | 172,766,162 | 196,445,849 |
| Interest income from margin funding | 26,150,151 | 21,300,585 |
| | 3,096,200,436 | 2,515,743,801 |
| (b) Other operating revenues | | |
| Overdue fees collected from clients | 150,372,676 | 145,272,539 |
| Miscellaneous income | 5,714,316 | 5,192,487 |
| | 156,086,992 | 150,465,026 |
| (c) Share in jointly controlled entities | 89,657,967 | 70,948,774 |
| | 3,341,945,395 | 2,737,157,601 |

22. Other income

| | | |
|--|--------------------|--------------------|
| (a) Interest income | | |
| From banks on fixed deposits | 100,805,393 | 116,413,729 |
| On income tax refunds | 6,470,148 | 5,444,386 |
| Other interest income | 58,526,036 | 57,862,731 |
| (b) Dividend income (from non-current investments) | 159,600 | 74,265 |
| (c) Net gain on sale of current investments - mutual funds | 115,675,456 | 96,416,684 |
| (d) Net gain on sale of non-current investments | 4,387,684 | - |
| (e) Other non-operating revenues | | |
| Cost recovery for shared services | 3,177,925 | 2,452,832 |
| Liabilities no longer payable written back | 5,889,044 | 4,095,154 |
| Rental income | 3,502,295 | 3,475,142 |
| Profit on sale of fixed assets | 2,014,794 | 2,000,319 |
| Bad debts recovered | 196,609 | 302,548 |
| Provision for doubtful debts written back (net) | 166,617 | 287,042 |
| Miscellaneous income | 28,094,042 | 11,073,820 |
| (f) Share in jointly controlled entities | 8,510,078 | 20,520,378 |
| | 337,575,721 | 320,419,030 |

Notes forming part of the consolidated financial statements (contd...)

| | For the year ended 31 March 2018 ₹ | For the year ended 31 March 2017 ₹ |
|--|--|--|
| 23. Operating expenses | | |
| Commission to business associates (Equity) | 399,092,403 | 296,618,969 |
| Marketing fees | 77,317,050 | 62,789,760 |
| Marketing incentives | 25,300,742 | 22,208,634 |
| Commission to business associates (Distribution) | 43,607,364 | 36,084,081 |
| Connectivity charges | 60,976,543 | 59,755,091 |
| Depository charges | 29,975,022 | 28,851,758 |
| Research expenses | 8,142,778 | 7,202,625 |
| Postage charges for contract note | 2,021,595 | 2,000,996 |
| Loss on sale of stock-in-error | 2,016,758 | 4,516,743 |
| Transaction charges | 1,629,078 | 1,437,526 |
| Registration and renewal charges | 2,997,205 | 1,974,077 |
| Miscellaneous expenses | 3,209,487 | 2,055,737 |
| Share in jointly controlled entities | 1,711,195 | 1,516,626 |
| | 657,997,220 | 527,012,623 |
| 24. Employee benefits expense | | |
| Salaries, wages and bonus | 924,937,465 | 779,915,037 |
| Contribution to provident and other funds | 56,054,963 | 72,805,094 |
| Staff welfare expenses | 60,346,730 | 45,849,581 |
| Share in jointly controlled entities | 70,327,205 | 66,470,529 |
| | 1,111,666,363 | 965,040,241 |
| 25. Finance costs | | |
| Interest expense on: | | |
| Temporary overdrafts availed from banks | 616,541 | 776,405 |
| Delayed payment of income tax | - | 804,000 |
| Margin deposit | 3,216,125 | 690,194 |
| Other borrowing costs: | | |
| Bank guarantee charges | 3,458,531 | 3,767,931 |
| Share in jointly controlled entities | 42,917 | 46,609 |
| | 7,334,114 | 6,085,139 |

Notes forming part of the consolidated financial statements (contd...)

26. Other expenses

| | For the year ended 31 March 2018 ₹ | For the year ended 31 March 2017 ₹ |
|--|--|--|
| Rent | 142,743,535 | 135,805,202 |
| Advertisement | 73,965,959 | 16,896,809 |
| Telephone | 35,657,304 | 40,553,667 |
| Postage | 18,736,507 | 12,660,077 |
| Power and fuel | 45,152,606 | 43,641,804 |
| Software charges | 23,395,609 | 16,380,401 |
| Repairs and maintenance: | | |
| Leasehold building | 4,256,136 | 4,556,236 |
| Own building | 1,237,034 | 1,031,584 |
| Plant and machinery | 208,180 | 595,457 |
| Others | 30,676,470 | 26,117,837 |
| Printing and stationery | 22,029,339 | 12,969,265 |
| Travelling and conveyance | 41,278,741 | 35,063,207 |
| Legal and professional charges | 19,913,430 | 18,089,115 |
| Payments to auditors (Refer note below) | 7,927,721 | 7,796,326 |
| Office expenses | 17,888,962 | 15,389,033 |
| Provision for doubtful debts (net) | 19,646 | 336,014 |
| Bad debts written off | 540,461 | 162,781 |
| Business promotion | 9,264,503 | 8,230,694 |
| Rates and taxes | 21,781,904 | 10,220,618 |
| Corporate social responsibility expenses (Refer note 44) | 18,922,685 | 17,056,483 |
| Donations and contributions | 21,200 | 10,000 |
| Provision for warranty | 700,840 | - |
| Insurance | 1,530,918 | 1,496,769 |
| Empanelment fees | 1,036,150 | 1,006,750 |
| Provision for standard assets | - | 120,952 |
| Provision for non-performing assets | 16,225 | - |
| Loss on foreign currency transactions | 49,884 | - |
| Miscellaneous expenses | 30,489,042 | 28,807,736 |
| Share in jointly controlled entities | 38,486,886 | 47,999,233 |
| | 607,927,877 | 502,994,050 |

Note:

Payments to auditors include payments to statutory auditor towards (net of input tax credit, where applicable):

| | | |
|------------------------|------------------|------------------|
| Statutory audit fees | 1,550,000 | 1,550,000 |
| Limited review fees | 525,000 | 525,000 |
| Tax audit | 75,000 | - |
| Certifications | 300,000 | - |
| Out-of-pocket expenses | 122,500 | 26,250 |
| | 2,572,500 | 2,101,250 |

Notes forming part of the consolidated financial statements (contd...)

27. As at 31 March 2018, the Company has received ₹ 220,300/- as share application money towards 7,810 equity shares of the Company (Previous year: 31,470 equity shares at ₹ 812,306/-) at a total premium of ₹ 212,490/- (Previous year: ₹ 780,836/-). The share application money was received pursuant to the exercise of options granted to employees under the employee stock option plans and the Company is required to complete the allotment formalities by 16 May 2018. The Company has sufficient authorised share capital to cover the allotment of these shares. Pending allotment of shares, the amounts are maintained in a designated bank account and are not available for use by the Company.

28. Contingent liabilities and commitments (to the extent not provided for)

(i) Contingent liabilities:

| Particulars | As at 31 March 2018 ₹ | As at 31 March 2017 ₹ |
|---|-----------------------------|-----------------------------|
| (a) Claims against the company not acknowledged as debts : | | |
| Legal suits filed against the company / matters under arbitration | 28,095,094 | 27,913,326 |
| Income tax demands, pending in appeal * | 144,936,424 | 140,324,657 |
| Show cause notices from Service Tax department for which the Company has filed replies | 42,376,505 | 42,358,854 |
| Service tax demands, pending in appeal | 13,091,906 | 16,726,284 |
| Demand under Employees' Provident Funds & Miscellaneous Provisions Act, 1952 | 185,236,599 | 185,236,599 |
| (b) Guarantees given by the company | 1,567,892 | 1,567,892 |
| (c) Share of group in the contingent liabilities of jointly controlled entity (Refer note 35) | 6,606,464 | 6,572,957 |

Note: Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.

Direct tax matters

The Company and its subsidiaries have ongoing disputes with Income Tax authorities in India. The disputes relate to tax treatment of certain expenses claimed as deductions, computation or eligibility of tax incentives or allowances, and characterisation of fees for services received. As at 31 March 2018, the Company and its subsidiaries have contingent liability of ₹ 144,936,424/- (Previous year: ₹ 140,324,657/-) in respect of tax demands which are being contested by the Company and its subsidiaries based on the management evaluation and advice of tax consultants.

The Group periodically receives notices and inquiries from income tax authorities related to the Group's operations in the jurisdictions it operates in. Management has evaluated these notices and inquiries and has concluded that the position taken by it on the above matters is tenable and hence no adjustments have been made in the financial statements.

* In respect to a subsidiary company [Geojit Investment Services Limited (GISL)] an amount of ₹ 400,000,000/- received in a prior year by way of compensation for discontinuing the business of commodities trading from BNP Paribas, the income tax authorities had raised a demand of ₹ 182,549,673/- including interest, by assessing the said sum as business income. Based on the legal advice obtained, GISL had while claiming the amount as not liable to tax, as a matter of prudence, provided a sum of ₹ 122,677,628/- by treating the amount received as capital gains. The Commissioner of Income Tax (Appeals) had confirmed the assessment. GISL has now been legally advised that the order of Commissioner of Income Tax (Appeals) is not sustainable. Hence, no further provision is made for the additional demand of ₹ 59,872,045/- not considered liable at this stage. However as a matter of abundant caution GISL has remitted the demand in full and is carried under the head Income tax advance, net of provision made as above, disclosed under the head Long-term loans and advances.

Notes forming part of the consolidated financial statements (contd...)

28. Contingent liabilities and commitments (to the extent not provided for)

(i) Contingent liabilities: (contd...)

Indirect tax matters

The Company and its subsidiaries have ongoing disputes with Indian tax authorities mainly relating to treatment of characterisation and classification of certain items. As at 31 March 2018, the Company and its subsidiaries in India have demands and show cause notices amounting to ₹ 55,468,411/- (Previous year: ₹ 59,085,138/-) from various indirect tax authorities which are being contested by the Company and its subsidiaries based on the management evaluation and advice of tax consultants.

Other matters

The company and its subsidiaries have disputes with the Provident Fund authorities as regards treatment of certain allowances for the computation of provident fund liability. Management has evaluated these notices and inquiries and has concluded that the position taken by it on the matter is tenable and hence no adjustment has been made in the financial statements.

(ii) Commitments:

| Particulars | As at 31 March 2018 ₹ | As at 31 March 2017 ₹ |
|--|-----------------------------|-----------------------------|
| (a) Estimated amount of contracts remaining to be executed on capital account and not provided for: | | |
| Property, plant and equipment | 20,984,666 | 10,362,847 |
| Intangible assets | 3,818,980 | 4,037,380 |
| Acquisition of client base of Geofin Comtrade Limited (Refer note below) | 81,000,000 | - |
| (b) Uncalled liability on investments partly paid: | | |
| Uncalled share capital in Aloula Geojit Capital Company, Saudi Arabia, a jointly controlled entity (@ Saudi Riyal 7.50/- per share on 11,200,000 shares) (Reported at the exchange rates prevailing on the respective balance sheet dates) | - | 1,452,570,000 |

Note : The Company has entered into an agreement on 1 February 2018 with Geofin Comtrade Limited to acquire its client base (without any other assets or liabilities), for a consideration of ₹ 81,000,000/- (excluding applicable taxes).

29. The financial risks arising to the group include foreign exchange risk. As a part of group's risk management policy, the exchange risks arising from foreign currency fluctuations are hedged by forward contracts designated as cash flow hedges. The fair value of derivative contracts is determined based on the mark to market price i.e. the price that would be paid/ received to transfer a liability/asset as at the reporting date.

Exposures in foreign currency:

| Assets | Foreign Currency | As at 31 March 2018 | | As at 31 March 2017 | |
|--------------------------------|----------------------|-------------------------------|-------------|-------------------------------|-------------|
| | | Amount in Foreign currency | Amount ₹ | Amount in Foreign currency | Amount ₹ |
| Receivables (trade & other) | US Dollars | 97,998 | 6,374,192 | 136,390 | 8,843,337 |
| Unhedged receivable | | 97,998 | 6,374,192 | 136,390 | 8,843,337 |
| Receivables (trade & other) | EURO | 189,773 | 15,299,917 | 284,440 | 19,696,787 |
| Hedges by derivative contracts | | 179,840 | 14,499,096 | 270,400 | 18,724,551 |
| Unhedged receivable | | 9,933 | 800,821 | 14,040 | 972,236 |
| Receivables (trade & other) | Singapore Dollars | 13,795 | 685,359 | 23,189 | 1,076,702 |
| Unhedged receivable | | 13,795 | 685,359 | 23,189 | 1,076,702 |
| Receivables (trade & other) | AED | 63,000 | 1,117,935 | 103,582 | 1,828,740 |
| Unhedged receivable | | 63,000 | 1,117,935 | 103,582 | 1,828,740 |

Notes forming part of the consolidated financial statements (contd...)

30. The Company has deposited the dividends payable to non-resident shareholders into their rupee account with various banks in India and hence the disclosure of amounts remitted in foreign currency during the year to non-resident shareholders on account of dividend is not applicable.

31. Employee benefit plans

- (i) Defined contribution plans – Provident Fund

The Group makes Provident Fund contribution for qualifying employees. Under the plan, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group has recognised ₹ 29,126,173/- (Previous year: ₹ 21,931,129/-) towards Provident Fund contribution in the consolidated statement of profit and loss. The contributions payable to this plan by the Group are at the rates specified in the rules of the scheme.

- (ii) Defined benefit plan – Gratuity

The Company provides gratuity benefit to its employees (included as part of 'Contribution to provident and other funds' in Note No. 24 Employee benefits expense), which is funded with Life Insurance Corporation of India.

The following table sets out the funded status of the defined benefit scheme and the amounts recognised in the consolidated financial statements:

| Particulars | For the year ended 31 March 2018 ₹ | For the year ended 31 March 2017 ₹ |
|---|--|--|
| Gratuity cost | | |
| Current service cost | 7,354,115 | 6,714,142 |
| Interest cost | 4,394,190 | 1,986,216 |
| Expected return on plan assets | (2,080,596) | (1,488,095) |
| Effect of limit in paragraph 59 (b) of AS 15 | - | (241,535) |
| Past service cost | 2,340,946 | - |
| Actuarial (gain) / loss | 574,234 | 36,306,901 |
| Total expense recognised in the statement of profit and loss | 12,582,889 | 43,277,629 |

| Particulars | As at 31 March 2018 ₹ | As at 31 March 2017 ₹ |
|--|-----------------------------|-----------------------------|
| Net liability recognised in the consolidated balance sheet: | | |
| Present value of defined benefit obligation | 75,163,785 | 67,180,194 |
| Fair value of plan assets | (50,213,222) | (19,457,247) |
| Net liability recognised in the consolidated balance sheet | 24,950,563 | 47,722,947 |
| Provision for gratuity (Refer note 6) | (25,191,528) | (47,920,404) |
| Advances recoverable in cash or kind or for value to be received (Refer note 14) | 240,965 | 197,457 |
| Total | (24,950,563) | (47,722,947) |

| Particulars | For the year ended 31 March 2018 ₹ | For the year ended 31 March 2017 ₹ |
|---|--|--|
| Change in defined benefit obligations (DBO) during the year: | | |
| At the beginning of the year | 67,180,194 | 26,163,377 |
| Current service cost | 7,354,115 | 6,714,142 |
| Interest cost | 4,394,190 | 1,986,216 |
| Actuarial (gain) / loss | 418,815 | 36,406,736 |
| Past service cost | 2,340,947 | - |
| Benefits paid | (6,524,476) | (4,090,277) |
| At the end of the year | 75,163,785 | 67,180,194 |

Notes forming part of the consolidated financial statements (contd...)

31. Employee benefit plans

(ii) Defined benefit plan – Gratuity (contd...)

| Particulars | For the year ended 31 March 2018 ₹ | For the year ended 31 March 2017 ₹ |
|--|--|--|
| Change in fair value of assets during the year: | | |
| At the beginning of the year | 19,457,247 | 21,796,563 |
| Expected return on plan assets | 2,080,596 | 1,488,095 |
| Actual group contributions | 35,355,274 | 163,031 |
| Actuarial gain / (loss) | (155,419) | 99,835 |
| Benefits paid | (6,524,476) | (4,090,277) |
| At the end of the year | 50,213,222 | 19,457,247 |
| Actual return on plan assets | 1,925,177 | 1,587,930 |

| Particulars | 31 March 2018 | 31 March 2017 |
|--|---|--|
| Actuarial assumptions: | | |
| Discount rate | 7.30% - 7.50% | 6.50% - 7.10% |
| Expected return on plan assets | 6.50% - 7.10% | 7.50% - 7.60% |
| Salary escalation | 6.00% | 5.00% - 6.00% |
| Attrition rate range over different age brackets | Upto 35 years : 50% Above 35 years : 10% - 12% | Upto 35 years : 50% (GTPL - 20%) Above 35 years : 12% (GTPL - 5%) |
| Mortality table | Indian Assured Lives Mortality (2006-08) Ultimate | |

Experience adjustments

| Gratuity | As at 31 March 2018 | As at 31 March 2017 | As at 31 March 2016 | As at 31 March 2015 | As at 31 March 2014 |
|-------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Present value of DBO | 75,163,785 | 67,180,194 | 26,163,377 | 25,514,603 | 21,926,828 |
| Fair value of plan assets | 50,213,222 | 19,457,247 | 21,796,023 | 19,149,631 | 17,400,854 |
| Funded status [surplus / (deficit)] | (24,950,563) | (47,722,947) | (2,566,232) | (6,364,972) | (4,525,974) |
| Experience adj. on plan liabilities | 3,004,502 | 29,219,941 | (1,825,943) | (707,149) | (968,641) |
| Experience adj. on plan assets | (456,657) | 21,087 | 110,136 | 220,204 | 268,189 |

(iii) Actuarial assumptions for long-term compensated absences

| Particulars | 31 March 2018 | 31 March 2017 |
|--|---|--|
| Discount rate | 7.30% - 7.50% | 6.50% - 7.10% |
| Salary escalation | 6.00% | 5.00% - 6.00% |
| Attrition rate range over different age brackets | Upto 35 years : 50% Above 35 years : 10% - 12% | Upto 35 years : 50% (GTPL - 20%) Above 35 years : 12% (GTPL - 5%) |

Notes forming part of the consolidated financial statements (contd...)

32. Segment information

The Group has identified business segments as its primary segment and geographical segments as its secondary segment. Business segments are primarily financial services and software services. Financial services consists of brokerage services, depository services, financial products distribution services, portfolio management services and other allied activities. Software services segment consists of income from development and maintenance of software. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly attributable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst segments are not allocated to primary and secondary segments. Geographical revenues are allocated based on the location of the customer. Geographical segments of the group are India and others.

| Particulars | Financial services | | Software services | | Eliminations | | Total | |
|--|----------------------|----------------------|--------------------|--------------------|-------------------|-------------------|----------------------|----------------------|
| | 31 March 2018 | 31 March 2017 | 31 March 2018 | 31 March 2017 | 31 March 2018 | 31 March 2017 | 31 March 2018 | 31 March 2017 |
| | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ |
| Revenue | 3,169,179,233 | 2,540,711,752 | 172,766,162 | 196,445,849 | - | - | 3,341,945,395 | 2,737,157,601 |
| Inter segment revenue | - | - | 33,843,391 | 32,508,139 | 33,843,391 | 32,508,139 | - | - |
| Total | 3,169,179,233 | 2,540,711,752 | 206,609,553 | 228,953,988 | 33,843,391 | 32,508,139 | 3,341,945,395 | 2,737,157,601 |
| Segment result | 793,177,754 | 533,959,168 | 55,874,996 | 92,283,331 | 27,179,809 | 26,058,059 | 821,872,941 | 600,184,440 |
| Less : Interest expenses | | | | | | | 7,334,114 | 6,085,139 |
| Add : Other income | | | | | | | 337,575,721 | 320,419,030 |
| Profit before tax | | | | | | | 1,152,114,548 | 914,518,331 |
| Tax expense | | | | | | | 375,990,932 | 301,958,814 |
| Net profit for the year before minority interest | | | | | | | 776,123,616 | 612,559,517 |
| Less : Minority interest | | | | | | | 44,888,626 | 52,623,551 |
| Add : Share of profit from associates | | | | | | | 1,127,805 | 242,518 |
| Profit for the year | | | | | | | 732,362,795 | 560,178,484 |
| Segment assets | 3,747,945,206 | 3,970,533,637 | 85,735,914 | 92,225,076 | | | 3,833,681,120 | 4,062,758,713 |
| Unallocable assets | | | | | | | 4,686,110,182 | 4,119,875,315 |
| Total assets | | | | | | | 8,519,791,302 | 8,182,634,028 |
| Segment liabilities | 2,355,906,403 | 2,483,463,544 | 30,926,932 | 30,905,819 | | | 2,386,833,335 | 2,514,369,363 |
| Unallocable liabilities | | | | | | | 9,563,207 | 15,908,629 |
| Total liabilities | | | | | | | 2,396,396,542 | 2,530,277,992 |
| Other information | | | | | | | | |
| Capital expenditure (allocable) | 141,793,506 | 74,196,401 | 4,954,040 | 20,679,806 | | | 146,747,546 | 94,876,207 |
| Depreciation and amortisation (allocable) | 131,264,898 | 133,145,572 | 11,216,096 | 8,780,675 | | | 142,480,994 | 141,926,247 |
| Other significant non-cash expenses (allocable) | 540,461 | 498,795 | 19,646 | - | | | 560,107 | 498,795 |
| Secondary segment | | | | | | | | |
| Particulars | India | | Others | | Eliminations | | Total | |
| | 31 March 2018 | 31 March 2017 | 31 March 2018 | 31 March 2017 | 31 March 2018 | 31 March 2017 | 31 March 2018 | 31 March 2017 |
| | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ |
| Revenue | 3,092,580,477 | 2,478,167,611 | 249,364,918 | 258,989,990 | - | - | 3,341,945,395 | 2,737,157,601 |
| Inter segment revenue | - | - | 38,305,700 | 37,466,261 | 38,305,700 | 37,466,261 | - | - |
| Total | 3,092,580,477 | 2,478,167,611 | 287,670,618 | 296,456,251 | 38,305,700 | 37,466,261 | 3,341,945,395 | 2,737,157,601 |
| Segment assets | 8,209,388,225 | 7,863,723,644 | 310,403,077 | 318,910,384 | - | - | 8,519,791,302 | 8,182,634,028 |
| Capital expenditure | 142,985,080 | 91,438,485 | 3,762,466 | 3,437,722 | - | - | 146,747,546 | 94,876,207 |

Notes forming part of the consolidated financial statements (contd...)

33. Leases

(a) Operating lease as a lessee

The Company is obligated under non-cancellable operating leases for its branch office premises. Total rental expenses under such leases amounted to ₹ 36,282,323/- (Previous Year : ₹ 4,070,957). Future minimum lease payments due under non-cancellable operating leases are as follows:

| Particulars | For the year ended 31 March 2018 ₹ | For the year ended 31 March 2017 ₹ |
|---|--|--|
| Not later than one year | 37,515,706 | 4,295,531 |
| Later than one year and not later than five years | 72,948,312 | 7,734,228 |
| Later than five years | 1,186,204 | - |

The Company is also obligated under cancellable operating leases for residential and office space. Total rental expense under cancellable operating leases during the year was ₹ 113,375,232/- (Previous year : ₹ 137,957,444/-).

34. Earnings per share (EPS)

| Particulars | For the year ended 31 March 2018 ₹ | For the year ended 31 March 2017 ₹ |
|---|--|--|
| Basic: | | |
| Net profit for the year attributable to equity shareholders - ₹ | 732,362,795 | 560,178,484 |
| Weighted average number of equity shares | 236,962,689 | 235,168,231 |
| Basic earnings per share - ₹ | 3.09 | 2.38 |
| Diluted: | | |
| Net profit for the year attributable to equity shareholders - ₹ | 732,362,795 | 560,178,484 |
| Weighted average number of equity shares for basic EPS | 236,962,689 | 235,168,231 |
| Add: Effect of ESOPs which are dilutive | 4,752,616 | 564,171 |
| Weighted average number of equity shares for diluted EPS | 241,715,305 | 235,732,402 |
| Diluted earnings per share - ₹ | 3.03 | 2.38 |

35. Details of Company's interest in joint ventures

| Name of jointly controlled entity and country of incorporation | % of shareholding interest | |
|---|----------------------------|--------------------|
| | 31 March 2018 ₹ | 31 March 2017 ₹ |
| Barjeel Geojit Securities LLC, United Arab Emirates ('Barjeel') | 30% | 30% |
| Aloula Geojit Capital Company, Saudi Arabia ('Aloula') | 28% | 28% |

| Particulars | Barjeel (Unaudited) | | Aloula (Unaudited) | |
|------------------------|---------------------|--------------------|--------------------|--------------------|
| | 31 March 2018 ₹ | 31 March 2017 ₹ | 31 March 2018 ₹ | 31 March 2017 ₹ |
| Assets | 111,084,917 | 94,664,703 | 190,693,517 | 205,383,638 |
| Liabilities | 29,254,824 | 21,628,892 | 14,835,909 | 12,622,281 |
| Income | 101,839,892 | 72,330,969 | 23,543,853 | 41,950,183 |
| Expenditure | 73,333,283 | 58,548,418 | 41,105,039 | 61,021,312 |
| Contingent liabilities | 6,606,464 | 6,572,957 | - | - |

Notes forming part of the consolidated financial statements (contd...)

36. Related party disclosures

(i) Names of related parties and description of relationship with the Company:

| Nature of relationship | Name of related party |
|--|---|
| Subsidiaries, joint ventures and associate [Refer note 2.2 (ix)] | |
| Related parties with whom the Company had transactions during the year | |
| Entity having significant interest in the Company | BNP Paribas SA |
| Key management person - Managing Director of Geojit Financial Services Limited | Mr. C. J. George |
| Relative of key management person | Mr. Jones George Mr. Jyothis Abraham George Ms. Shiny George Ms. Susan Raju Ms. Sally Sampath |
| Entity over which relative of key management person has control | Geofin Comtrade Limited Geofin Capital Services Limited C J G Holdings India Private Limited |
| Trust under the control of the Company | Geojit Foundation |
| Entity having significant influence in one of the subsidiary companies (Geojit Technologies Private Limited) | BNP Paribas India Solutions Private Limited |

(ii) Related party transactions

| Name of related party | Nature of transaction | For the year ended 31 March 2018 ₹ | For the year ended 31 March 2017 ₹ |
|----------------------------|-------------------------|--|--|
| BNP Paribas SA | Bank charges | 1,035 | 4,137 |
| | Rent received | 30,000 | 120,000 |
| | Rent paid | - | 464,486 |
| | Software income | 114,364,183 | 154,080,616 |
| | Dividend paid | 119,082,344 | - |
| Mr. C. J. George | Salary and allowances * | 24,782,661 | 19,703,019 |
| | Dividend paid | 54,099,545 | - |
| Mr. Jones George | Salary and allowances | - | 5,000 |
| | Brokerage income | - | 7,368 |
| | Dividend paid | 342,095 | - |
| Mr. Jyothis Abraham George | Brokerage income | - | 30,900 |
| | Depository income | - | 515 |
| | Dividend paid | 543,750 | - |
| Ms. Shiny George | Dividend paid | 6,297,500 | - |
| Ms. Susan Raju | Depository income | - | 115 |
| | Dividend paid | 3,750 | - |
| Ms. Sally Sampath | Brokerage income | 352 | - |
| | Depository income | 518 | 1,467 |
| | Dividend paid | 6,250 | - |

* The amounts does not include provision for gratuity and compensated absences as the same is determined for the Company as a whole based on an actuarial valuation.

Notes forming part of the consolidated financial statements (contd...)

36. Related party disclosures

(ii) Related party transactions (contd...)

| Name of related party | Nature of transaction | For the year ended 31 March 2018 ₹ | For the year ended 31 March 2017 ₹ |
|---|---|--|--|
| Geofin Comtrade Limited | Expenses reimbursed | - | 2,035 |
| | Expenses recovered | 29,820 | 1,510,875 |
| | Warehouse charges (agri-products) recovered | - | 834,147 |
| | Cost recovery for shared services | 3,175,521 | 2,450,559 |
| | Distribution commission paid | - | 2,000 |
| | Rental income | 3,416,613 | 3,239,448 |
| Geofin Capital Services Limited | Rental income | 55,682 | 52,794 |
| | Commission to business associates | 6,957,812 | 5,030,198 |
| | Cost recovery for shared services | 2,404 | 2,279 |
| | Expenses reimbursed | 665,850 | - |
| | Expenses recovered | - | 913,355 |
| C J G Holdings India Private Limited | Loan taken | 30,000,000 | 55,000,000 |
| | Loan repaid | 85,000,000 | - |
| | Interest on loan taken | 3,165,729 | 529,657 |
| Geojit Foundation | Corporate social responsibility expenses | 18,683,967 | 17,025,580 |
| | Expenses recovered | 10,462 | - |
| | Training fee paid | 706,500 | - |
| BNP Paribas India Solutions Private Limited | Software income | 925,388 | 432,395 |

* The amounts does not include provision for gratuity and compensated absences as the same is determined for the Company as a whole based on an actuarial valuation.

(iii) Amount outstanding as at the balance sheet date

| Name of related party | Nature of transaction | Receivable / (payable) as on 31 March 2018 ₹ | Receivable / (payable) as on 31 March 2017 ₹ |
|-------------------------|---|---|---|
| BNP Paribas SA | Balances with banks in current accounts | 6,796,442 | 31,070,128 |
| | Trade receivables | 10,399,296 | 19,696,787 |
| Mr. C. J. George | Accrued salaries and benefits | (15,581,000) | (5,902,000) |
| Mr. Jones George | Other current liabilities | - | (1) |
| Geofin Comtrade Limited | Short-term loans and advances | 863,749 | 591,898 |
| | Trade payables - Commission payable | (1,000) | (1,000) |
| | Long-term liabilities - Rent deposits | (1,377,550) | (1,377,550) |

Notes forming part of the consolidated financial statements (contd...)

36. Related party disclosures

(iii) Amount outstanding as at the balance sheet date (contd...)

| Name of related party | Nature of transaction | Receivable / (payable) as on 31 March 2018 ₹ | Receivable / (payable) as on 31 March 2017 ₹ |
|---|---|---|---|
| Geofin Capital Services Limited | Long-term liabilities - Security deposits | (1,000,000) | (1,000,000) |
| | Short-term loans and advances | 5,812 | 671,244 |
| | Long-term liabilities - Rent deposits | (22,450) | (22,450) |
| | Trade payables - Commission payable | (385,336) | (228,253) |
| C J G Holdings India Private Limited | Short-term borrowings | - | (55,000,000) |
| Geojit Foundation | Other current liabilities - Training fee | (763,020) | - |
| BNP Paribas India Solutions Private Limited | Trade receivables - Software income | 679,680 | - |
| | Other current liabilities - Unearned income | (433,972) | - |

37. Employee Stock Option Plans:

(A) Details of options granted are as follows:

| Particulars | ESOP 2010 – Tranche II | ESOP 2010 – Tranche III | ESOP 2010 – Tranche IV | ESOP 2016 – Grant 1 | ESOP 2016 – Grant 2 | ESOP 2016 – Grant 3 | ESOP 2016 – Grant 4 | ESOP 2017 |
|--|--|--|--|---|---|---|---|---------------------------------------|
| Date of grant | 11 July 2012 | 21 May 2013 | 27 June 2014 | 4 August 2016 | 2 September 2017 | 23 January 2018 | 20 March 2018 | 23 January 2018 |
| Date of Nomination and Remuneration Committee approval | 12 April 2010 | 12 April 2010 | 12 April 2010 | 4 August 2016 | 2 September 2017 | 23 January 2018 | 20 March 2018 | 23 January 2018 |
| Date of shareholder approval | 12 July 2010 | 12 July 2010 | 12 July 2010 | 4 August 2016 | 4 August 2016 | 4 August 2016 | 4 August 2016 | 22 November 2017 |
| Eligible employees | All | All | All | All | All | All | All | All |
| Method of settlement | Equity settled | Equity settled | Equity settled | Equity settled | Equity settled | Equity settled | Equity settled | Equity settled |
| No. of equity shares for each option | One option = One share | One option = One share | One option = One share | One option = One share | One option = One share | One option = One share | One option = One share | One option = One share |
| No. of options granted | 2,799,885 | 2,799,991 | 2,799,999 | 8,079,340 | 1,197,312 | 2,582 | 23,674 | 1,073,780 |
| Exercise price | ₹20.55 | ₹23.95 | ₹41.45 | ₹41.60 | ₹117.40 | ₹117.35 | ₹101.25 | ₹117.35 |
| Discount granted | No discount | No discount | No discount | No discount | No discount | No discount | No discount | No discount |
| Vesting period and manner of vesting | Immediate vesting on 2 nd anniversary from grant date | Immediate vesting on 2 nd anniversary from grant date | Immediate vesting on 2 nd anniversary from grant date | In a graded manner over 4 years commencing from 01 October 2017 | In a graded manner over 3 years commencing from 01 October 2018 | In a graded manner over 3 years commencing from 01 April 2019 | In a graded manner over 3 years commencing from 01 April 2019 | Immediate vesting on 01 February 2019 |

Notes forming part of the consolidated financial statements (contd...)

37. Employee Stock Option Plans:

(A) Details of options granted are as follows: (contd...)

| Particulars | ESOP 2010 – Tranche II | ESOP 2010 – Tranche III | ESOP 2010 – Tranche IV | ESOP 2016 – Grant 1 | ESOP 2016 – Grant 2 | ESOP 2016 – Grant 3 | ESOP 2016 – Grant 4 | ESOP 2017 |
|--|---|------------------------------|------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|------------------------------|
| Vesting condition | Continuation in the services of the Company and such other conditions as may be formulated by the Nomination and Remuneration Committee from time to time | | | | | | | |
| Exercise period | 3 years from vesting date | 3 years from vesting date | 3 years from vesting date | 3 to 4 years from vesting date | 3 to 4 years from vesting date | 3 to 4 years from vesting date | 3 to 4 years from vesting date | 3 years from vesting date |
| No. of options outstanding at the beginning of the year | 352,375 (611,735) | 995,792 (1,383,437) | 2,123,948 (2,369,677) | 7,390,580 (-) | - (-) | - (-) | - (-) | - (-) |
| Add: No. of options granted during the year | - (-) | - (-) | - (-) | - (8,079,340) | 1,197,312 (-) | 2,582 (-) | 23,674 (-) | 1,073,780 (-) |
| Less: No. of options forfeited on resignation / lapsed due to non-exercise during the year | 33,600 (31,690) | (1,110) (71,020) | 37,180 (229,075) | 657,920 (688,760) | 101,517 (-) | - (-) | - (-) | 21,785 (-) |
| Less: No. of options exercised during the year | 318,775 (227,670) | 742,388 (316,625) | 1,238,905 (16,654) | - (-) | - (-) | - (-) | - (-) | - (-) |
| No. of options outstanding at the end of the year | - (352,375) | 254,514 (995,792) | 847,863 (2,123,948) | 6,732,660 (7,390,580) | 1,095,795 (-) | 2,582 (-) | 23,674 (-) | 1,051,995 (-) |
| No. of options vested during the year | - (-) | - (-) | - (2,316,539) | 183,717 (-) | 1,593 (-) | - (-) | - (-) | - (-) |
| No. of options exercisable at year end | - (352,375) | 254,514 (995,792) | 847,863 (2,123,948) | 171,819 (-) | - (-) | - (-) | - (-) | - (-) |
| No. of options available for grant at year end | - (-) | - (-) | - (-) | 1,545,289 (1,320,660) | - (-) | - (-) | - (-) | 3,658,893 (-) |
| Weighted average remaining contractual life of options outstanding at year end | - (-) | - (1 year) | 1 year (2 years) | 4.2 years (7 years) | 3.5 years (-) | 3.3 years (-) | 3.2 years (-) | 2.5 years (-) |

Note: Previous year figures are given in brackets.

Notes forming part of the consolidated financial statements (contd...)

37. Employee Stock Option Plans: (contd...)

(B) Accounting of employee share based compensation cost:

The Company has adopted 'intrinsic value method' for accounting employee share based compensation cost. Under the intrinsic value method, the difference between market price of the share on the date prior to grant date and the exercise price is considered as intrinsic value of options and expensed on straight-line basis over the vesting period as employee share based compensation cost. The details of costs accounted under the Employee Stock Option Plans are as follows:

| Plan | ESOP 2010 – Tranche II | ESOP 2010 – Tranche III | ESOP 2010 – Tranche IV | ESOP 2016 – Grant 1 | ESOP 2016 – Grant 2 | ESOP 2016 – Grant 3 | ESOP 2016 – Grant 4 | ESOP 2017 |
|--|---------------------------|----------------------------|---------------------------|----------------------------|------------------------|------------------------|------------------------|------------------|
| Cumulative intrinsic value of the options granted net of expected forfeiture (₹) | - (-) | - (-) | - (-) | - (-) | - (-) | - (-) | - (-) | - (-) |
| Expected forfeiture rate per annum | 10% (10%) | 10% (10%) | 10% (10%) | 10% (10%) | 10% (-) | 10% (-) | 10% (-) | 10% (-) |
| Amount expensed during the year under intrinsic value method (₹) | - (-) | - (-) | - (-) | - (-) | - (-) | - (-) | - (-) | - (-) |
| Additional charge under fair value method of accounting cost (₹) | - (-) | - (-) | - (2,510,901) | 17,586,275 (19,546,075) | 8,463,966 (-) | 7,178 (-) | 10,076 (-) | 5,833,905 (-) |

Note: Previous year figures are given in brackets.

(C) Details of fair value method of accounting for employee compensation cost using Black-Scholes options pricing model are as follows:

| Plan | ESOP 2010 – Tranche II | ESOP 2010 – Tranche III | ESOP 2010 – Tranche IV | ESOP 2016 – Grant 1 | ESOP 2016 – Grant 2 | ESOP 2016 – Grant 3 | ESOP 2016 – Grant 4 | ESOP 2017 |
|---|--|---|---|------------------------|------------------------|------------------------|------------------------|-----------|
| Weighted average fair value per option (₹) | 4.71 | 5.70 | 16.64 | 13.45 | 37.48 | 38.37 | 33.56 | 33.77 |
| Market price relevant for grant (₹) | 20.55 | 23.95 | 41.45 | 41.60 | 117.40 | 117.35 | 101.25 | 117.35 |
| Weighted average share price as on the date of exercise during the year (₹) | 26 May 17 – 78.45 25 Jul 17 – 107.95 25 Oct 17 – 128.15 | 26 May 17 – 78.45 25 Jul 17 – 107.95 25 Oct 17 – 128.15 24 Jan 18 – 116.95 20 Mar 18 – 99.45 | 26 May 17 – 78.45 25 Jul 17 – 107.95 25 Oct 17 – 128.15 24 Jan 18 – 116.95 20 Mar 18 – 99.45 | NA | NA | NA | NA | NA |
| Expected annual volatility of shares | 39% | 42% | 66% | 35% | 37% | 39% | 40% | 39% |
| Expected dividend yield | 4.04% | 4.59% | 0.46% | 2.00% | 1.20% | 1.20% | 1.20% | 1.20% |
| Risk free interest rate | 8.00% | 8.00% | 8.00% | 6.70% - 6.90% | 6.10% - 6.30% | 6.70% - 6.90% | 6.80% - 7.00% | 6.70% |
| Expected life (in years) | 2.0 | 2.0 | 2.0 | 2.7 - 5.7 | 2.6 - 4.6 | 2.7 - 4.2 | 2.5 - 4.0 | 2.5 |

Notes forming part of the consolidated financial statements (contd...)

37. Employee Stock Option Plans: (contd...)

Annualised volatility is computed using the high and low market price of the Company's share over the one year period prior to the date of grant. It is assumed that employees would exercise the options immediately on vesting. The historical volatility of the Company's share price is higher than the volatility considered above. However, the Company expects the volatility of its share price to reduce as it matures.

- (D) The impact on basic and diluted earnings per share for the year, had the Company followed fair value method of accounting for employee share based compensation cost is as follows:

| Particulars | For the year ended 31 March 2018 ₹ | For the year ended 31 March 2017 ₹ |
|--|--|--|
| Profit for the year (as reported) | 732,362,795 | 560,178,484 |
| Add: Expense on employee stock option plans under intrinsic value method | - | - |
| Less: Expense on employee stock option plans under fair value method | 31,901,400 | 22,056,976 |
| Profit for the year (proforma) | 700,461,395 | 538,121,508 |
| Basic earnings per share (as reported) | 3.09 | 2.38 |
| Basic earnings per share (proforma) | 2.96 | 2.29 |
| Diluted earnings per share (as reported) | 3.03 | 2.38 |
| Diluted earnings per share (proforma) | 2.90 | 2.28 |

38. Details of provisions

| Particulars | As at 31 March 2017 ₹ | Additions ₹ | Utilisations ₹ | Reversals ₹ | As at 31 March 2018 ₹ |
|-------------------------------------|--------------------------|----------------|-------------------|----------------|--------------------------|
| Provision against standard assets | 319,300 | - | - | 166,186 | 153,114 |
| Provision for non performing assets | 1,274,719,222 | 16,225 | - | - | 1,274,735,447 |
| Provision for warranty | - | 700,840 | - | - | 700,840 |

39. Details of assets under the portfolio management scheme are as follows:

| Particulars | As at 31 March 2018 ₹ | As at 31 March 2017 ₹ |
|---|-----------------------------|-----------------------------|
| Number of clients | 520 | 586 |
| Original cost of assets under management – ₹ | 740,696,027 | 791,990,870 |
| Represented by: | | |
| (a) Bank balance – ₹ | 46,031,024 | 39,278,931 |
| (b) Cost of portfolio holdings – ₹ | 694,665,003 | 752,711,939 |
| Total | 740,696,027 | 791,990,870 |
| Net asset value of portfolio under management – ₹ | 1,508,005,485 | 1,542,575,577 |

40. During the year ended 31 March 2014, the Company, in its consolidated financial statements, had recorded ₹ 349,920,919/- as 'Goodwill on Consolidation' by crediting Reserves and Surplus. The goodwill was relating to acquisition of further shares by direct capital infusion by Geojit Financial Services Limited and Geojit Financial Management Services Private Limited in Geojit Credits Private Limited. In the standalone financial statements of Geojit Financial Services Limited and Geojit Financial Management Services Private Limited, the existing equity investment in Geojit Credits Private Limited as well as the further equity investment was fully provided for in the year ended 31 March 2014 and the entire losses of Geojit Credits Private Limited upto 31 March 2014 has been fully absorbed by majority shareholders of Geojit Credits Private Limited. Management has undertaken a review of the above and on the basis of the facts and circumstances, believes it is appropriate to reverse the above goodwill by adjustment to Reserves and has accordingly carried out the adjustment in the consolidated financial statements of the Company during the year ended 31 March 2017.

Notes forming part of the consolidated financial statements (contd...)

41. A scheme of amalgamation for the merger of Geojit Financial Distribution Private Limited and Geojit Financial Management Services Limited, two wholly owned subsidiaries, into Geojit Investment Services Limited was filed before the Honorable High Court of Kerala. The Honorable High Court vide an order dated 14 January 2016 directed that a meeting of Shareholders be held and pursuant to the same, a meeting of the shareholders was held on 10 March 2016 in which the scheme was approved by the shareholders. The said scheme is pending before the Court for its approval. These subsidiaries are not material to the consolidated financial statement, either individually or in aggregate.
42. Details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016 for all companies incorporated in India.

| Particulars | SBN's | Other Denomination Notes | Total |
|--|---------------|--------------------------|------------------|
| Closing cash in hand as on 8 November 2016 | 61,500 | 1,141,848 | 1,203,348 |
| Add: Permitted receipts | - | 5,680,558 | 5,680,558 |
| Less : Permitted payments | - | 3,999,394 | 3,999,394 |
| Less : Amounts deposited in banks | 61,500 | 996,086 | 1,057,586 |
| Closing cash in hand as on 30 December 2016 | - | 1,826,926 | 1,826,926 |

For the purposes of this note, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated 8 November 2016.

43. Additional information on net assets and share of profits of the Company, its subsidiaries, associates and joint ventures as considered in the Consolidated Financial Statements (as required by Paragraph 2 of the General instructions for preparation of consolidated financial statements to Schedule III to the Companies Act, 2013):

| Name of the entity | Net assets (i.e., total assets minus total liabilities) | | Share of profit or loss | |
|--|---|---------------|-------------------------------------|--------------|
| | As % of consolidated net assets | Amount ₹ | As % of consolidated profit or loss | Amount ₹ |
| A. Parent: | | | | |
| Geojit Financial Services Limited | 78% | 4,355,902,627 | 92% | 674,859,708 |
| B. Subsidiaries: | | | | |
| Indian: | | | | |
| Geojit Investment Services Limited | 2% | 130,078,838 | 2% | 11,157,259 |
| Geojit Technologies Private Limited | 28% | 1,538,711,719 | 16% | 118,436,125 |
| Geojit Financial Distribution Private Limited | 1% | 42,996,199 | 0% | 1,994,550 |
| Geojit Credits Private Limited | 1% | 33,737,598 | (1%) | (2,737,171) |
| Geojit Financial Management Services Private Limited | 0% | 13,847,559 | 0% | 571,753 |
| Foreign: | | | | |
| Qurum Business Group Geojit Securities LLC, Oman | 0% | 15,612,332 | 1% | 7,340,029 |
| C. Minority interest in all subsidiaries | (9%) | (549,528,769) | (6%) | (44,888,626) |
| D. Associates (Investment as per the equity method) | | | | |
| Foreign: | | | | |
| BBK Geojit Securities KSC, Kuwait | 0% | 13,409,286 | 0% | 1,127,805 |

Notes forming part of the consolidated financial statements (contd...)

| 43. Name of the entity | Net assets (i.e., total assets minus total liabilities) | | Share of profit or loss | |
|---|---|----------------------|-------------------------------------|--------------------|
| | As % of consolidated net assets | Amount ₹ | As % of consolidated profit or loss | Amount ₹ |
| E. Jointly controlled entities (as per proportionate consolidation) | | | | |
| Foreign: | | | | |
| Barjeel Geojit Securities LLC, UAE | 1% | 81,830,093 | 4% | 28,506,609 |
| Aloula Geojit Capital Company, Saudi Arabia | 3% | 175,857,608 | (2%) | (17,561,186) |
| Eliminations / adjustments | (5%) | (278,589,099) | (6%) | (46,444,060) |
| Total | 100% | 5,573,865,991 | 100% | 732,362,795 |

44. Corporate social responsibility expenses

- (a) Gross amount required to be spent by the Company during the year: ₹ 18,922,685/-.
- (b) Amount spent during the year on:

| Activity | Paid in cash ₹ | Yet to be paid in cash ₹ | Total ₹ |
|---|----------------|--------------------------|------------|
| (i) Construction / acquisition of any asset | - | - | - |
| (ii) On purposes other than (i) above | 18,922,685 | - | 18,922,685 |

45. Subsequent events

Dividends

On 16 May 2018, the Board of Directors of the Company have proposed a final dividend of ₹ 2/- per share in respect of the year ending 31 March 2018 subject to the approval of shareholders at the Annual General Meeting.

46. Previous year's figures have been regrouped / reclassified wherever necessary to conform to the current year's classification / disclosure.

As per our report of even date attached
for **BSR & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/W-100024

N Sampath Ganesh
Partner
Membership No. 042554

Place : Mumbai
Date : 16 May 2018

for and on behalf of the Board of Directors of
Geojit Financial Services Limited
(Formerly known as Geojit BNP Paribas Financial Services Limited)

A.P. Kurian
Chairman
DIN : 00008022

Sanjeev Kumar Rajan
Chief Financial Officer

Place : Kochi
Date : 16 May 2018

C.J. George
Managing Director
DIN : 00003132

Liju K. Johnson
Company Secretary

Statement containing salient features of the financial statements of Subsidiaries, Associate Companies and Joint Ventures

(Pursuant to first proviso to sub section(3) of Section 129 of Companies Act 2013 read with Rule 5 of the Companies (Account) Rules, 2014- AOC-1)

Part A : Subsidiaries

₹ in million

| Particulars | Geojit Credits Pvt. Limited | Geojit Investment Services Limited | Geojit Technologies Pvt. Limited | Geojit Financial Management Services Pvt. Limited | Geojit Financial Distribution Pvt. Limited | Qurum Business Group Geojit Securities LLC |
|--|-----------------------------|------------------------------------|----------------------------------|---|--|--|
| Financial Period Ended | 31-Mar-18 | 31-Mar-18 | 31-Mar-18 | 31-Mar-18 | 31-Mar-18 | 31-Dec-17 |
| Exchange Rate | ₹ | ₹ | ₹ | ₹ | ₹ | 165.9100 |
| Paid up share capital | 1,231.66 | 40.00 | 11.54 | 277.00 | 0.50 | 41.48 |
| Reserves & Surplus | (1,197.92) | 90.08 | 1,527.17 | (263.15) | 42.50 | (28.89) |
| Total Assets | 1,352.22 | 135.51 | 1,571.04 | 13.89 | 43.05 | 19.47 |
| Total liabilities (excluding capital and reserves) | 1,318.48 | 5.43 | 32.33 | 0.04 | 0.05 | 6.89 |
| Investments (including investment in subsidiaries) | 7.64 | 54.59 | 837.24 | 13.67 | 41.75 | - |
| Turnover (Gross income from operations) | 13.87 | 2.77 | 206.61 | - | - | 32.63 |
| Profit /(Loss) before taxation | (2.09) | 14.05 | 150.34 | 0.83 | 2.71 | 7.32 |
| Provision for taxation | 0.65 | 2.89 | 31.91 | 0.26 | 0.71 | - |
| Profit after taxation | (2.74) | 11.16 | 118.44 | 0.57 | 1.99 | 7.32 |
| Proposed dividend (including corporate dividend tax) | - | - | - | - | - | - |
| % of shareholding | 67.75** | 100 | 65 | 100 | 100* | 51 |

* 100% of the stake in Geojit Financial Distribution Private Limited held through Geojit Investment Services Limited, a wholly owned subsidiary of the Company

**Apart from 67.75% held by Geojit Financial Services Limited, 26.39% of stake in Geojit Credits Private Limited is held by Geojit Financial Management Services Private Limited, a wholly owned subsidiary of the Company.

Name of subsidiaries which are yet to commence operations

NA

Name of subsidiaries which have been liquidated / sold during the year

NA

For and on behalf of the Board of Directors

A. P. Kurian
Chairman
DIN : 00008022

C. J. George
Managing Director
DIN 00003132

Sanjeev Kumar Rajan
Chief Financial Officer

Liju K. Johnson
Company Secretary

Place : Kochi
Date : 16.05.2018

Part B : Associates and Joint Ventures**Statement pursuant to Section 129(3) of the Companies Act 2013 related to Associate Companies and Joint Ventures**

| Sl No. | Name of associate / joint ventures | Latest audited balance sheet date | Shares of associate held by the Company as at March 31, 2018 | Amount of investments in associate / joint ventures | | Extent of holding % | Networth attributable to shareholding as per latest audited balance sheet (₹ in Million) | Profit / (Loss) for the year | | Description of how there is a significant influence | Reason of non-consolidation of the associate / joint ventures |
|--------|------------------------------------|-----------------------------------|--|---|--|---------------------|--|------------------------------|---------------------------------|---|---|
| | | | | No. of shares | investments in associate / joint ventures (₹ in Million) | | | Considered in consolidation | Not considered in consolidation | | |
| 1 | BBK Geojit Securities KSC | 31-Dec-17 | 1,500,000 | | 26.55 | 30% | 18.81 | 1.13 | - | Due to % of Share Capital | NA |
| 2 | Barjeel Geojit Securities LLC | 31-Mar-17 | 1,500 | | 19.14 | 30% | 72.95 | 28.51 | - | | NA |
| 3 | Aloula Geojit Capital Company | 31-Dec-17 | 1,456,000 | | 301.99 | 28% | 141.65 | (17.56) | - | | NA |

Name of associates / joint ventures which are yet to commence operations

NA

Name of associates / joint ventures which have been liquidated/sold during the year

NA

For and on behalf of the Board of Directors

A. P. Kurian
Chairman
DIN : 00008022

C. J. George
Managing Director
DIN 00003132

Sanjeev Kumar Rajan
Chief Financial Officer

Liju K. Johnson
Company Secretary

Place : Kochi
Date : 16.05.2018

NOTICE

Notice is hereby given that the Twenty Fourth Annual General Meeting of the members of Geojit Financial Services Limited (formerly known as Geojit BNP Paribas Financial Services Limited) will be held on Thursday, August 02, 2018 at 4.00 PM at The Renai Cochin, Palarivattom, Kochi, Kerala - 682025 to transact the following business:

ORDINARY BUSINESS

Item No. 1 - Adoption of Financial Statements

To receive, consider and adopt

- the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2018 together with the report of the Board of Directors and Auditors thereon; and
- the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2018 together with the report of Auditors thereon.

Item No. 2 - Dividend

To declare a final dividend of ₹ 2/-per equity shares for the financial year 2017-18.

Item No. 3 - Appointment of Director

To appoint a Director in place of Mr. Punnoose George (DIN 00049968) who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

Item No. 4 - Appointment of Mr. Radhakrishnan Nair as Independent Director of the Company

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

"RESOLVED THAT, pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules made thereunder (including any statutory modification(s) or any amendment(s) thereto, or any substitution(s) or any re-enactment(s) made thereof, for the time being in force), Mr. Radhakrishnan Nair (DIN 07225354), who was appointed by the Board of Directors as an Additional Director (Non-Executive Independent) of the Company with effect from October 25, 2017, who by virtue of the provisions of Section 161 of the Companies Act, 2013, holds office upto the date of ensuing Annual General Meeting, be and is hereby appointed as a Director (Non-Executive) of the Company, not liable to retire by rotation;

RESOLVED FURTHER THAT, pursuant to provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV to the Act (including any statutory modification(s) or any amendment(s) thereto, or any substitution(s) or any re-enactment(s) made thereof, for the time being in force), Mr. Radhakrishnan Nair (DIN 07225354), who meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended from time to time and who has submitted a declaration to that effect, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from 25th October 2017 upto 24th October 2022.

RESOLVED FURTHER THAT, for the purpose of giving effect to this resolution the Managing Director and/or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary, proper or desirable to give effect to the resolution."

Item No.5- Service of Documents

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

"RESOLVED THAT pursuant to the provisions of Section 20 of the Companies Act, 2013 and relevant rules framed thereunder including any statutory modification(s) or any amendment(s) or any substitution(s) or any re-enactment(s) made thereof or time being in force and subject to such other applicable laws, Rules, Regulations, Guidelines, etc, as may be applicable, whereby a document may be served on any member by the Company by sending it to him/her by post, by registered post, by speed post, by electronic mode, or any other modes as may be prescribed at his/her address as recorded in the Register of Members maintained by the Company/ Registrar of Share Transfer Agents, consent of the members be and is hereby accorded to charge from the said member such fees in advance equivalent to estimated actual expenses of delivery of the documents delivered through particular mode of delivery as specified by said member pursuant to any request, provided such request along with requisite fees has been duly received by the Company at least 10 days in advance of dispatch of documents by the Company to the such member.

RESOLVED FURTHER THAT, for the purpose of giving effect to this resolution the Managing Director and/or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary, proper or desirable to give effect to the resolution."

Item No.6 - To consider obtaining loan/guarantee/security in connection with any loan taken, from Geojit Technologies (P) Ltd, Subsidiary Company.

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

"RESOLVED THAT pursuant to the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time), applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or any amendment(s) thereto or any substitution(s) or any re-enactment(s) made thereof for time being in force) and subject to such approvals, consents, sanctions and permissions, as may be necessary, and pursuant to the Articles of Association of the Company and all other provisions of applicable laws, consent of the members of the Company be and is hereby accorded to obtain loan(s) in one or more tranches from, and/or obtain guarantee(s), and/or obtain security(ies) in connection with any obligation of the Company, from Geojit Technologies Private Limited, a subsidiary company of an aggregate outstanding amount not exceeding ₹75,00,00,000/- (Rupees Seventy Five Crores only) at any given point of time, as under."

| | |
|---|--|
| Name of the Related Party | Geojit Technologies (P) Ltd. |
| Nature of the transactions | Obtaining loan and/ or obtain guarantee(s), and/or obtain security(ies) in connection with any obligation of the Company |
| Name of Director or key managerial personnel, who is related, if any | NA |
| Nature of relationship | Subsidiary Company |
| Material Terms and particulars of the contract/ arrangement | The loan will be unsecured and repayable on demand. The interest will be not less than base lending rate of State Bank of India. Obtaining Corporate Guarantee from various Bankers will be based on terms and conditions agreed with respective Bankers. |
| Monetary value in ₹. | Upto an aggregate limit of ₹. 75 Crores. |

RESOLVED FURTHER THAT the Board of Directors of the Company (the "Board", which term shall be deemed to include its "Committee of Directors"), be and is hereby authorised to do or cause to be done all such acts, matters, deeds and things and to settle any questions, difficulties or doubts that may arise with regard to any transactions with related parties and execute such agreements, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution."

Item No.7 - To consider granting loan/giving guarantee/ providing security in connection with any loan taken by Geojit Credits (P) Ltd, Subsidiary Company.

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

"RESOLVED THAT, pursuant to the provisions of Section 185, 186, 188 and other application provision, if any, of the Companies Act, 2013, including any statutory modification(s) or any amendment(s) thereto or any substitution(s) or any re-enactment(s) made thereof for time being in force, and pursuant to Section 61 of the Companies (Amendment) Act, 2017 ("said Section") and the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) and subject to such approvals, consents, sanctions and permissions, as may be necessary, approval of Members of the Company be and is hereby accorded for making of loan(s) in one or more tranches to, and/or giving of guarantee(s), and/or providing of security(ies) in connection with any loan taken/ to be taken by Geojit Credits Private Limited, being an entity falling under the category of 'any person in whom any of the director of the company is interested' as specified in the explanation to Sub-section 2 of Section 185 of the Act, of an aggregate outstanding amount not exceeding ₹ 50,00,00,000/- (Rupees Fifty Crores only) at any given point of time, as under."

| | |
|---|---|
| Name of the Related Party | Geojit Credits (P) Ltd. |
| Nature of the transactions as per Section 188 of the Companies Act, 2013 | Providing loan and/ or giving guarantee (s), and/or providing security(ies) in connection with any loan taken/ to be taken by Geojit Credits Private Limited |
| Name of Director or key managerial personnel, who is related, if any | C J George being the Managing Director of both Companies and Mr. Sanjeev Kumar Rajan being the CFO of both Companies. |
| Nature of relationship | Subsidiary Company |
| Material Terms and particulars of the contract/ arrangement | The loan will be unsecured and repayable on demand. The interest will be not less than base lending rate of State Bank of India. Providing Corporate Guarantee from various Bankers will be based on terms and conditions agreed with respective Bankers . |
| Monetary value in ₹. | Upto an aggregate limit of ₹ 50 Crores. |

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any committee thereof) be and is hereby authorized to negotiate, finalize and agree the terms and conditions of the aforesaid loan/guarantee/security, and to take all necessary steps, to execute all such documents, instruments and writings and to do all necessary acts, deed and things in order to comply with all the legal and procedural formalities and to do all such acts, deeds or things incidental or expedient thereto and as the Board may think fit and suitable."

By Order of the Board of Directors

Place : Kochi
Date : 16.05.2018

Liju K Johnson
Company Secretary
Membership No. A21438

GEOJIT FINANCIAL SERVICES LIMITED
(Formerly known as Geojit BNP Paribas Financial Services Limited)
Registered Office: 11th Floor, 34/659-P, Civil Line Road
Pativattom, Kochi – 682024, Kerala, India
Corporate Identity Number (CIN): L67120KL1994PLC008403
E mail – mailus@geojit.com, Website: www.geojit.com
Phone: 0484-2901000, Fax : 0484-2979695

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 101(2) OF THE COMPANIES ACT, 2013.

Item No: 4

Pursuant to the recommendation of the Nomination and Remuneration Committee vide its resolution dated September 02, 2017, and Board of Directors vide its resolution dated October 25, 2017, had appointed Mr. Radhakrishnan Nair (DIN 07225354) as an Additional Director (Non-executive Independent) with effect from October 25, 2017 in accordance with the provision of Section 161 of the Act and Article of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Radhakrishnan Nair (DIN 07225354) holds office up to the conclusion of the ensuing Annual General Meeting.

The Company has received from Mr. Radhakrishnan Nair (i) consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under the provisions of sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 as amended from time to time.

In the opinion of the Board, Mr. Radhakrishnan Nair fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, for his appointment as an Non-Executive Independent Director of the Company and is independent of the management.

The Copy of the draft letter for appointment of Mr. Radhakrishnan Nair as an Non-Executive Independent Director setting out terms and conditions of appointment is available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (10:00 am to 5:00 pm) on any working day, upto and including the date of AGM of the Company and same will also be available for inspection by members during the Annual General Meeting. The said Letter of Appointment is also available on the web-site of the Company and can be accessed through the web link <https://www.geojit.com/About-Us/pdfs/Mr-Radhakrishnan-Nair.pdf>.

Brief profile, expertise/ experience, Disclosure as required under Secretarial Standard 2- and Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on General Meetings is given as an Annexure to the Notice.

The Board accordingly recommends the Resolutions set out in Item No. 4 of the accompanying notice for approval by the members of the Company as an Ordinary Resolution.

Mr. Radhakrishnan Nair is not related to any other Director and Key Managerial Personnel of the Company. He does not hold any Equity Share in the Company.

None of the Directors, Key Managerial Personnel and their relatives, except Mr. Radhakrishnan Nair, are concerned or interested, financially or otherwise, in the said resolution mentioned at Item No.4 of the accompanying Notice.

Item No: 5

Pursuant to the provisions of Section 20 of the Companies Act, 2013, a document may be served by the Company on any member by sending it to him/her by post or by registered post or by speed post or by courier or by delivering at his/her address as recorded in the Register of Member maintained by the Company/Registrar and Share Transfer Agent, or by such electronic or other mode as may be prescribed. Further, a member may request for delivery of any document through a particular mode, for which he/she shall pay such fees as may be determined by the company in its Annual General Meeting.

In view of the above provision and in order to enable the Company to determine the fees for the delivery of the documents through requested mode, approval of Members, by way of Ordinary Resolution, is being sought for the amount of fees to be charged for Service of documents under Section 20 of the Companies Act, 2013.

The Board of Directors recommends the passing of the Ordinary Resolution as set out at Item No. 5 of the accompanying Notice for approval by the members.

None of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the said resolution mentioned at Item No. 5 of the accompanying Notice.

Item 6

Geojit Technologies (P) Ltd (GTL), a subsidiary company, is a software solutions provider wherein your company holds 65% of its capital. It is proposed to obtain approval from shareholders to obtain loan, guarantee, security for obligations of the Company, from the subsidiary in case of any working capital requirements.

The aforesaid loan will be unsecured and repayable on demand. The interest will be not less than base lending rate of State Bank of India. The Company may consider obtaining guarantee(s) and/or security(ies) in connection with any loan taken by the Company from GTL. The Company proposes to use the said loan(s)/guarantee(s)/security(ies) for its principal business activities and the matters connected and incidental thereto.

GTL being a related party, consent of the shareholders are required for material related party transactions pursuant to provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR). In view of the aforesaid provisions, consent of the members is being sought by way of an Ordinary Resolution for obtaining loan(s) to, and/or obtaining guarantee(s), and/or security(ies) in connection with any loan taken/ to be taken by the Company of an aggregate outstanding amount not exceeding ₹ 75,00,00,000/- (Rupees Seventy Five Crore only) on the terms mentioned in the resolution set out at item no. 6 and necessary delegation of authority to the Board for this purpose.

Your Directors recommend the resolution set out at Item no. 6 to be passed as an Ordinary Resolution by the members.

Except M/s BNP Paribas S.A., which holds 35% stake in GTL, Mr. Punnoose George, being Director of GTL and the Company and to the extent of his shareholding in Geojit Financial Services Limited and Mr. R Bupathy (Independent Director of the Company and GTL) and their relatives, none of the other Promoter, Directors, Key Managerial Personnel of the Company and their relatives are deemed to be concerned or interested financially or otherwise in the said resolution.

Item 7

Geojit Credits (P) Limited (GCL) is a subsidiary company, wherein your Company along with Geojit Financial Management Services (P) Limited, a wholly owned subsidiary holds about 94% equity share capital. GCL is a non banking financial company and plans to increase its business activities in the coming years.

It is proposed to support GCL by way of lending them for meeting its working capital requirements by way of loans, which will be unsecured, and repayable on demand. The interest will be not less than base lending rate of State Bank of India. The Company may consider giving guarantee(s) and/or provide security(ies) in connection with any loan taken/ to be taken by GCL. GCL proposes to use the said loan(s)/guarantee(s)/security(ies) for its principal business activities i.e lending related activities and the matters connected and incidental thereto.

GCL is an entity falling under the category of 'any person in whom any of the director of the company is interested' as specified in the explanation to Sub-section 2 of the Section 185 of Companies Act, 2013. GCL being a subsidiary, consent of the shareholders are required for material related party transactions pursuant to provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR). In view of the aforesaid provisions, consent of the members is being sought by way of a Special Resolution pursuant to Section 185 of the Companies Act, 2013 (as amended by the Companies (Amendment) Act, 2017) for making of loan(s) to, and/or giving of guarantee(s), and/or providing of security(ies) in connection with any loan taken/ to be taken by GCL of an aggregate outstanding amount not exceeding ₹ 50,00,00,000/- (Rupees Fifty Crore only) on the terms mentioned in the resolution set out at item no.7 and necessary delegation of authority to the Board for this purpose.

Your Directors recommend the resolution set out at Item no. 7 to be passed as a Special Resolution by the members.

Except Mr. C J George (being the Managing Director and shareholder (0.91%) of GCL), Mr. A P Kurian and Mr. R Bupathy (Independent Directors of the Company and GCL) and Mr. Sanjeev Kumar Rajan (Chief Financial Officer of both GCL and the Company) and their relatives, none of the other Promoter, Directors, Key Managerial Personnel of the Company and their relatives are deemed to be concerned or interested financially or otherwise in the said resolution.

By Order of the Board of Directors**Liju K Johnson****Company Secretary****Membership No. A21438****Place : Kochi****Date : 16.05.2018****GEOJIT FINANCIAL SERVICES LIMITED**

(Formerly known as Geojit BNP Paribas Financial Services Limited)

Registered Office: 11th Floor, 34/659-P, Civil Line Road

Padivattom, Kochi – 682024, Kerala, India

Corporate Identity Number (CIN): L67120KL1994PLC008403

E mail – mailus@geojit.com, Website: www.geojit.com

Phone: 0484-2901000, Fax : 0484-2979695

IMPORTANT NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. Proxy/ proxies need not be a member of the Company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. The instrument of proxy in order to be effective should be deposited at the registered office of the Company, duly completed and signed, not less than FORTY-EIGHT HOURS before the commencement of the meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/ authority, as applicable.
2. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company provided that not less than three days of notice in writing is given to the Company.
3. Corporate members intending to send their authorised representative to attend the Meeting are requested to ensure that the authorised representative carries a certified copy of the Board Resolution, Power of Attorney or such other valid authorisations, authorising them to attend and vote on their behalf at the Meeting.
4. Members/Proxies/Authorised representatives are requested to bring their copy of Annual Report and Attendance Slip duly filled in and signed and hand over the same at the entrance of the hall.
5. Electronic copy of the Annual Report for 2017-18, the Notice of the 24th Annual General Meeting of the Company *inter alia* indicating the process and manner of Remote e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2017-18 is being sent in the permitted mode. To support the 'Green Initiative', the members who have not registered their e-mail ids are requested to register the same with S K D C Consultants Limited/ Depositories.
6. Members may also note that the Notice of the 24th Annual General Meeting and the Annual Report for 2017-18 will also be available on the Company's website www.geojit.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during business hours on all working days except Saturday(s), Sunday(s) and Public Holidays up to and at the Annual General Meeting. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same. For any communication, the shareholders may also send requests to the Company's investor email id: companysecretary@geojit.com.

7. Members holding shares in physical mode are requested to register their e-mail ID's with the Registrar & Share Transfer Agents (RTA) of the Company - M/s. S.K.D.C. Consultants Limited and members holding shares in demat mode are requested to register their e-mail ID's with their respective Depository Participants (DPs) in case the same is not registered.

If there is any change in the e-mail ID already registered with the Company, members are requested to immediately notify such change to the Registrar & Share Transfer Agents of the Company in respect of shares held in physical form and to DP's in respect of shares held in electronic form.

8. Members are requested to address all correspondences, change in their bank account details, including dividend matters, to the Registrar & Share Transfer Agents M/s. S.K.D.C. Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore, Tamil Nadu- 641006 (Email: info@skdc-consultants.com).
9. Members desirous of getting any information on the Annual Accounts, at the Annual General Meeting, are requested to write to the Company at least 10 days in advance, so as to enable the Company to keep the information ready.
10. Details under Regulation 36 of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and Secretarial Standard on General Meeting (SS-2) issued by Institute of Company Secretaries of India (ICSI), in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
11. The Company has transferred the unpaid or unclaimed dividend declared up to financial years 2009-10 from time to time on due dates to the Investor Education and Protection Fund (IEPF) constituted by the Central Government. Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013, and the rules made there under, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company and also on the website of the Ministry of Corporate Affairs.

Members are also requested to note that dividend that are not claimed within seven years from the date of transfer to the Company's unpaid dividend account will, as per Section 124 of Companies Act 2013 ("Act") be transferred to the Investor Education and Protection Fund (IEPF). Shares on which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF as per Section 124 of the Act and the applicable Rules.

12. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
13. Members holding shares in physical form are requested to dematerialize their shares. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their

Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or the RTA. Members holding shares in physical form are also requested to quote their PAN details on the share transfer deed submitted for transfer of their shares.

14. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and the Certificate from Statutory Auditors of the Company as stipulated under Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended will be available for inspection by the members up to and at the Annual General Meeting.
15. The Register of Members and Share Transfer Books will remain closed from 19th July, 2018 to 20th July, 2018 (both days inclusive) for the purpose of payment of the final dividend for the financial year 2017-18 and the AGM. Dividend as recommended by the Board, if declared, at the meeting will be paid within a period of 30 days from the date of declaration to those members whose name appear on the Register of Members as of close of the business hours on 18th July, 2018. The Board recommended a final dividend of ₹ 2 per equity share.
16. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 am to 5.00 pm) on all working days except Saturday(s), Sunday(s) & Public Holiday(s), up to the date of the Annual General Meeting of the Company and at the meeting.
17. A route map showing directions to reach the venue of 24th AGM is given at the end of this Notice as per the requirement of Secretarial Standards -2 on "General Meeting."

18. Voting Through Electronic means

1. Pursuant to Section 108 and other applicable provisions, if any of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of SEBI(LODR) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 24th Annual General Meeting (AGM) of the Company by electronic means and the items of business as detailed in this Notice may be transacted through e-voting services. The Members may cast their vote using an electronic voting system from a place other than the venue of the meeting.
2. The facility of casting the votes by the members using an electronic system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
3. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper. In case Members cast their vote through both the modes, voting done by e-voting shall prevail and votes cast through ballot form shall be treated as invalid.

4. The members who have cast their vote by remote e-voting prior to AGM may also attend the AGM but shall not be entitled to cast their vote again.
5. The remote e-voting period commences on Monday, 30th July 2018 (9:00 am) and ends on Wednesday 01st August 2018 (5:00 pm). During this period members of the Company, holding shares either in physical form or in demat form, as on the cut - off date of Friday, 27th July 2018, may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
6. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper. A person who is not a member as on the cut-off date should treat this notice for information purpose only.
7. Any person who acquires shares of the Company and becomes member of the Company after dispatch of Notice of AGM and holds shares as on the cut-off date i.e; Friday, 27th July 2018, may obtain the Log-in ID and Password by sending a request at evoting@nsdl.co.in.

However, if you are already registered with NSDL for remote e-voting, then you can use your existing Log-in ID and Password for casting your vote. If you forgot your password, please see the instructions provided below.

You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s)

8. The instructions for remote e-voting:
The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-into NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|--|--|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****. |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***. |

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in
19. Nomination facility for shares is available for members. For members holding shares in physical form, the prescribed format can be obtained from the Company's Registrar and Share Transfer Agents, M/s. S.K.D.C. Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore, Tamil Nadu- 641006 (Email: info@skdc-consultants.com). For members holding shares in electronic form, you are requested to approach your Depository Participant (DP) for the same.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
20. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
21. Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be printed on the Dividend Warrants as per the applicable regulations of the Depository. The Company will not act on any direct request from such members for change/deletion in such bank details. Further, instructions if any, already given by them in respect of shares held in physical form will not be automatically applicable to the dividend paid on shares held in electronic form. Members may, therefore, give instructions regarding bank accounts in which they wish to receive dividend, to their Depository Participants immediately.

By Order of the Board of Directors

Liju K Johnson

Company Secretary

Membership No. A21438

Place : Kochi

Date : 16.05.2018

General Guidelines for shareholders

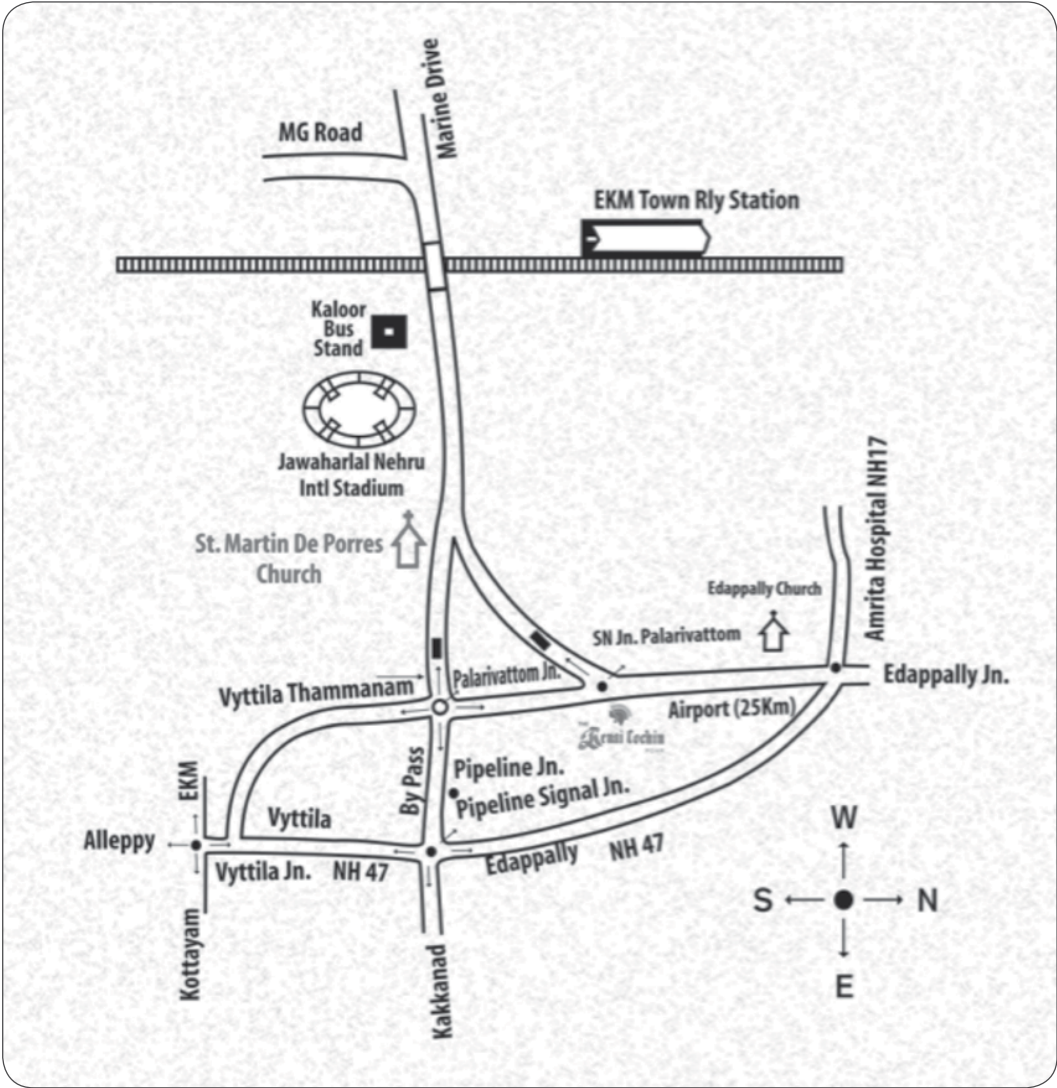
1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to sathveeka001@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- GEOJIT FINANCIAL SERVICES LIMITED
 (Formerly known as Geojit BNP Paribas Financial Services Limited)
 Registered Office: 11th Floor, 34/659-P, Civil Line Road
 Padivattom, Kochi – 682024, Kerala, India
 Corporate Identity Number (CIN): L67120KL1994PLC008403
 E mail – mailus@geojit.com, Website: www.geojit.com
 Phone: 0484-2901000, Fax : 0484-2979695

Details of the Director seeking appointment/re-appointment at the forthcoming Annual General Meeting

[Pursuant to Regulation 36 of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2)]

| | | |
|--|--|--|
| Name of the Director | Mr. Punnoose George | Mr. Radhakrishnan Nair |
| Date of Birth & Age | 26-05-1959, 59 yrs | 17-03-1955, 63 yrs |
| Nationality | Indian | Indian |
| Date of first Appointment on Board | 29.04.1995 | 25.10.2017 |
| Qualifications | B.Sc. Engg. , LLM | Master of Science, LLB, MBA (Financial Management) |
| Shareholding in Geojit Financial Services Ltd. (as on 31 March, 2018) | 99,25,000 equity shares of ₹ 1/- each | Nil |
| Brief profile, experience and expertise in specific functional area | He is an industrialist of repute with interests in manufacturing industries, plantations and educational institutions. He is the Executive Director of Kottukulam Group - Kottayam, Executive Chairman - SAINTGITS Group of Institutions, Director and Partner of M/s. Concrete Products & Construction Company, Madras Group of Companies and Director of M/s. Youth Empowerment Skills Foundation. | Mr. Radhakrishnan Nair has four decades of experience in financial sector. He started his career as Probationary Officer with Corporation Bank in 1976 and rose up to the level of General Manager in 2005. He was Executive Director at Securities and Exchange Board of India (SEBI), Mumbai during the period from 2005 to 2010 and a Member (Finance and Investments) of Insurance Regulatory and Development Authority (IRDA), Hyderabad from 2010 to 2015. Mr. Radhakrishnan Nair is also an Independent Director on the Board of ICICI Prudential Life Insurance Company Ltd, ICICI Securities Primary Dealership Ltd and ICICI Prudential Trust Ltd among other Companies. |
| Director of other Indian Companies | <ol style="list-style-type: none"> 1. Kottukulam Engineers Pvt. Ltd 2. Unity Realtors Pvt. Ltd. 3. Geojit Technologies Pvt. Ltd. 4. Yulfono Estates Pvt. Ltd. 5. Youth Empowerment Skills Foundation | <ol style="list-style-type: none"> 1. ICICI Prudential Life Insurance Company Ltd 2. ICICI Bank Limited 3. Inditrade Microfinance Ltd 4. ICICI Securities Primary Dealership Ltd 5. ICICI Prudential Trust Ltd 6. Touchstone Regulatory Advisors Pvt. Ltd 7. JRG Fincorp Ltd 8. Inditrade Housing Finance Ltd 9. Inditrade Community Foundation |
| Chairman / Member of Committees of the Boards of Indian Companies including this Company of which he is a Director | I. Member of Stakeholders' Relationship Committee <ol style="list-style-type: none"> 1. Geojit Financial Services Limited II. Member of Corporate Social Responsibility Committee <ol style="list-style-type: none"> 1. Geojit Financial Services Limited 2. Geojit Technologies Private Limited | I. Member of Audit Committee: <ol style="list-style-type: none"> 1. ICICI Prudential Life Insurance Company Ltd 2. ICICI Prudential Trust Ltd 3. ICICI Bank Limited II. Member of Nomination and Remuneration Committee <ol style="list-style-type: none"> 1. Geojit Financial Services Limited III. Member of Corporate Social Responsibility Committee: <ol style="list-style-type: none"> 1. ICICI Bank Limited |
| Terms and Conditions of appointment or re-appointed along with remuneration and the last drawn remuneration | Appointed as Non Executive Director liable to retire by Rotation. He is not eligible for remuneration other than sitting fees for attending Board & Committee Meetings. ₹ 1,90,000/- was paid as sitting fees for attending Board & Committee Meetings in the FY 2017-18. | Appointed as Non-Executive Independent Director and is not liable to retire by rotation. He is not eligible for remuneration. Other than sitting fees for attending Board & Committee Meetings. ₹ 1,80,000/- was paid as sitting fees for attending Board & Committee Meetings in the FY 2017-18. |
| The Number of Meetings of the Board attended during the year | Three Meetings out of six meetings for FY 2017-18 | Three Meetings post the appointment date (25.10.2017) out of six meetings for FY 2017-18 |
| Relationships with other Directors, Manager and other Key Managerial Personnel | None | None |

Route map to the 24th AGM venue



GEOJIT FINANCIAL SERVICES LIMITED

(Formerly known as Geojit BNP Paribas Financial Services Limited)

CIN : L67120KL1994PLC008403

Registered Office : 11th Floor, 34/659-P, Civil Line Road, Padivattom, Kochi – 682 024

Tel: 0484 2901000 | Fax: 0484 2979695 | e-mail: mailus@geojit.com | www.geojit.com

ATTENDANCE SLIP

24th ANNUAL GENERAL MEETING - AUGUST 02, 2018

| | | | |
|-----------|--|---------------|--|
| DP ID | | CLIENT ID | |
| FOLIO NO. | | No. of shares | |

I certify that I am a member/proxy/authorized representative for the member of the Company. I hereby record my presence at the **24th Annual General Meeting** of the Company at The Renai Cochin, Palarivattom, Kochi, Kerala - 682025 held on Thursday, August 02, 2018 at 4.00 p.m.

.....
Signature of the Shareholder/Proxy

.....
Name of the Shareholder/Proxy

Note: Please fill up this Attendance Slip and hand it over at the entrance of the Meeting Hall.

| ELECTRONIC VOTING PARTICULARS | | |
|--|---------|----------|
| EVEN (Remote e-voting event number) | User ID | Password |
| | | |

Note: Please read instructions given at Note No.18 of the Notice of the 24th Annual General Meeting carefully before voting electronically.

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PROXY FORM

24TH ANNUAL GENERAL MEETING - AUGUST 02, 2018

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

| | | | | | |
|-------------------------|--|------------|--|-----------|--|
| Name of the Member(s) : | | | | | |
| Registered Address : | | | | | |
| Email ID : | | | | | |
| DP ID: | | CLIENT ID: | | FOLIO NO. | |

I / We, being the member(s) of _____ shares of Geojit Financial Services Limited, hereby appoint:

- (1) Name : _____
Address : _____
E-mail ID : _____
Signature : _____ or failing him/her; _____
- (2) Name : _____
Address : _____
E-mail ID : _____
Signature : _____ or failing him/her; _____
- (3) Name : _____
Address : _____
E-mail ID : _____
Signature : _____ or failing him/her; _____

And whose signatures are appended below as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 24th Annual General Meeting of the Company, to be held on Thursday, August 02, 2018 at 4.00 p.m. at Renai Cochin, Palarivattom, Kochi, Kerala – 682 025 and at any adjournment thereof in respect of such resolutions set out in the Notice convening the meeting, as are indicated below:

I wish my above proxy to vote in the manner as indicated in the box below

| Sl No | Resolutions | *Vote | |
|-------|---|-------|---------|
| | | For | Against |
| | Ordinary Business | | |
| 1. | Consider and adopt a) Audited Standalone Financial Statement, report of the Board of Directors and Auditors for the financial year ended 31 st March, 2018. b) Audited Consolidated Financial Statement for the financial year ended 31 st March, 2018. | | |
| 2 | To declare a final dividend of ₹ 2 per equity shares for the financial year 2017-18 | | |
| 3 | Reappointment of Mr. Punnoose George, as Director who retires by rotation, being eligible, offers himself for re-appointment. | | |
| | Special Business | | |
| 4 | Appointment of Mr. Radhakrishnan Nair as Independent Director of the Company | | |
| 5 | Service of Documents to members pursuant to Section 20 of Companies Act, 2013 and to fix fees for serving of documents | | |
| 6 | To consider obtaining loan/guarantee/security from Geojit Technologies (P) Ltd, Subsidiary Company. | | |
| 7 | To consider granting loan/giving guarantee/providing security to Geojit Credits (P) Ltd, Subsidiary Company. | | |

Signed this _____ day of _____ 2018

Signature of Shareholder: _____

Signature of Proxy Holder(s): _____

Affix
Revenue
Stamp

Notes:

1. 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.
2. For the Resolutions, and Notes, please refer to the Notice of 24th AGM.
3. *Please put a tick mark (✓) in the appropriate column against the resolutions indicated in the box. If a member leaves the "For" or "Against" column blank against any or all the Resolutions, the proxy will be entitled to vote in the manner he/she thinks appropriate. If a member wishes to abstain from voting on a particular resolution, he/she should write "Abstain" across the boxes against the Resolution.
4. A Proxy need not be a member of the Company.
5. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
6. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
7. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.



**A SEASONED EXPERT WILL HELP YOU MAKE
THE WISE INVESTMENT CHOICE.**

www.geojit.com



Toll Free: 1800 425 5501 / 1800 103 5501, Paid Line: +91 484 3911 777

Disclaimer: Investment in securities market are subject to market risks, read all the related documents carefully before investing.

