



Your success is our success

Emkay Global Financial Services Limited

CIN - L67120MH1995PLC084899

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

Website: www.emkayglobal.com, T: 022-66121212, Email: compliance@emkayglobal.com

NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of the Members of Emkay Global Financial Services Limited will be held on Wednesday, 13th August, 2014 at 3.00 p.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th floor, 18/20 K. Dubhash Marg, Mumbai - 400 001 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2014, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. S. K. Saboo (DIN 00373201), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. B. L. Sarda & Associates, Chartered Accountants, bearing Firm Registration Number 109266W with the Institute of Chartered Accountants of India (ICAI), be and are hereby re-appointed as Statutory Auditors of the Company for a period of three years from the financial year 2014-2015 to 2016-2017 to hold office from the conclusion of this Annual General Meeting till the conclusion of the 23rd Annual General Meeting of the Company, subject to ratification by members at every Annual General Meeting, on such remuneration and other terms and conditions as may be fixed by the Audit Committee/Board of Directors."

Special Business

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013("Act") and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, and pursuant to SEBI Circular no CIR/CFD/POLICY CELL/2/2014 dated 17th April, 2014, Mr. G. P. Gupta (DIN 00017639) a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby reappointed as an Independent Director of the Company not liable to retire by rotation to hold office for another five consecutive years for a term up to 12th August, 2019.

RESOLVED FURTHER THAT any Director or Company Secretary of the Company be and is hereby severally authorized to do all acts, deeds and things as may be necessary to give full effect to this resolution"

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013("Act") and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, and pursuant to SEBI Circular no CIR/CFD/POLICY CELL/2/2014 dated 17th April, 2014, Mr. R. K. Krishnamurthi (DIN 00464622) a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby re-appointed as an Independent Director of the Company not liable to retire by rotation to hold office for another five consecutive years for a term up to 12th August, 2019.

RESOLVED FURTHER THAT any Director or Company Secretary of the Company be and is hereby severally authorized to do all acts, deeds and things as may be necessary to give full effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013("Act") and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, and pursuant to SEBI Circular no

CIR/CFD/POLICY CELL/2/2014 dated 17th April, 2014, Mr. G. C. Vasudeo (DIN 00021772) a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby re-appointed as an Independent Director of the Company not liable to retire by rotation to hold office for another five consecutive years for a term up to 12th August, 2019.

RESOLVED FURTHER THAT any Director or Company Secretary of the Company be and is hereby severally authorized to do all acts, deeds and things as may be necessary to give full effect to this resolution."

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

"RESOLVED THAT in supersession of the earlier resolution(s) passed, the consent of the Company, be and is hereby accorded under Section 180(1)(a) and other applicable provisions if any of the Companies Act, 2013 (as amended) to the Board of Directors of the Company to mortgage and/or charge and/or hypothecate, on such terms and conditions and at such time or times, and in such form or manner, as it may think fit, the whole or substantially the whole of any one or more of the undertakings of the Company including the present and/or future properties whether movable or immovable, comprised in any existing undertaking or undertakings of the Company, as the case may be for the purpose of securing financial assistance not exceeding Rupees 200 crore (Rupees two hundred crore only) at any point of time by way of any of the following, namely, Term Loans in Indian Rupees and Foreign Currency, Export Credit, Equipment Credit Scheme, Leasing Credit Facilities or other facilities from the Financial Institutions and/or Bankers and/or any other parties together with interest thereon, commitment charges, liquidated damages, costs, charges, expenses and other moneys payable by the Company to the respective Financial Institutions and/or Bankers and/or other parties in terms of their respective Loan Agreements/Deeds of Agreements/Hypothecation Agreements/Letters of Sanction/Memorandum of terms and conditions entered into or to be entered into by the Company in respect of the said financial assistance, such security to rank pari passu with or second or subservient to the mortgages and/or charges and/or hypothecation already created or to be created in future by the Company or in such other manner as may be agreed to between the concerned parties and as may be thought expedient by the Board of Directors.

RESOLVED FURTHER THAT any Director or Company Secretary of the Company be and is hereby severally authorized to do all acts, deeds and things as may be necessary to give full effect to this resolution."

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

"RESOLVED THAT in supersession of the Ordinary Resolution passed at the Extra Ordinary General Meeting held on 11th January, 2008 and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company's Bankers in the ordinary course of business, shall not exceed 200 crore (Rupees two hundred crores only) over and above the aggregate of the paid up share capital and free reserves of the Company.

RESOLVED FURTHER THAT any Director or Company Secretary of the Company be and is hereby severally authorized to do all acts, deeds and things as may be necessary to give full effect to this resolution."

9. To consider and if thought fit to pass, with or without modification(s), the following resolution for further issue of share capital to investors as a **Special Resolution:**

"RESOLVED THAT pursuant to Section 62(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) and the applicable rules thereunder (the "Act") and any applicable subsisting sections of the Companies Act, 1956, as amended, and the enabling provisions of the Memorandum of Association and Articles of Association of the Company, and subject to and in accordance with any other applicable law or regulation, in India or outside India, including without limitation, the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI ICDR Regulations") (including any statutory modification or re-enactment thereof, for the time being in force) the Listing Agreements entered into with the respective stock exchanges where the shares of the Company are listed, the provisions of the Foreign Exchange Management Act, 1999, as amended, including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended, and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by the Government of India ("GOI"), the Reserve Bank of India ("RBI"), the Securities

and Exchange Board of India (“SEBI”), the Registrar of Companies (the “RoC”), the stock exchanges where the shares of the Company are listed (the “Stock Exchanges”), and/or any other competent authorities, and subject to any required approvals, consents, permissions and/or sanctions of the Ministry of Finance (Department of Economic Affairs), the Ministry of Commerce & Industry (Foreign Investment Promotion Board/Secretariat for Industrial Assistance), the SEBI, the RoC, the RBI and any other appropriate statutory, regulatory or other authority and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of them while granting such approvals, consents, permissions and/or sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter called the “Board” which term shall be deemed to include any committee which the Board has constituted or may hereinafter constitute to exercise its powers including the power conferred by this Resolution), the consent, authority and approval of the Company be and is hereby accorded to the Board to, create, issue, offer and allot (including with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons including employees of the Company, as may be permitted), either in India or in the course of inter-national offering(s) in one or more foreign markets, equity shares of the Company with a face value of ₹10/- (Rupees Ten Only) each (the “Equity Shares”), global depository receipts, foreign currency convertible bonds and/or other financial instruments convertible into or exercisable for Equity Shares (including warrants, or otherwise, in registered or bearer form), fully convertible debentures, partly convertible debentures, non-convertible debentures with warrants and/or any security convertible into Equity Shares with or without voting/special rights and/or securities linked to Equity Shares and/or securities with or without detachable warrants with right exercisable by the warrant holder to convert or subscribe to Equity Shares pursuant to a green shoe option, if any (all of which are hereinafter collectively referred to as the “Securities”) or any combination of Securities, in one or more tranches, whether rupee denominated or denominated in foreign currency, through public and/or **private offerings and/or on preferential allotment basis** or any combination thereof or by issue of prospectus and/or placement document and/or other permissible/requisite offer document to any eligible person(s), including but not limited to **qualified institutional buyers in accordance with Chapter VIII of the SEBI ICDR Regulations**, or otherwise, foreign/resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), venture capital funds (foreign or Indian), alternative investment funds, foreign institutional investors, foreign portfolio investors, Indian and/or bilateral and/or multilateral financial institutions, non-resident Indians, stabilizing agents, state industrial development corporations, insurance companies, provident funds, pension funds, and/or any other categories of investors whether or not such Investors are members of the Company (collectively called the “Investors”), as may be decided by the Board at its discretion and permitted under applicable laws and regulations for an **aggregate amount not exceeding ₹150 crore (Rupees one hundred fifty crore only)** or equivalent thereof inclusive of such premium as may be fixed on such Securities at such a time or times, in such a manner and on such terms and conditions including security, rate of interest, discount (as permitted under applicable law) etc., as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of other categories of Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead manager(s) and/or underwriter(s) and/or other advisor(s) for such issue.

RESOLVED FURTHER THAT if any issue of Securities is made by way of a **Qualified Institutional Placement** in terms of Chapter VIII of the SEBI ICDR Regulations (hereinafter referred to as “Eligible Securities” within the meaning of the SEBI ICDR Regulations), the allotment of the Eligible Securities, or any combination of Eligible Securities as may be decided by the Board shall be completed within twelve months from the date of this Resolution or such other time as may be allowed under the SEBI ICDR Regulations from time to time at such a price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the SEBI ICDR Regulations. The Company may, in accordance with applicable law, also offer a discount of not more than 5% or such percentage as permitted under applicable law on the price calculated in accordance with the pricing formula provided under the SEBI ICDR Regulations

RESOLVED FURTHER THAT in the event that Equity Shares are issued to qualified institutional buyers under Chapter VIII of the SEBI ICDR Regulations, the relevant date for the purpose of pricing of the Equity Shares shall be the date of the meeting in which the Board decides to open the proposed issue of Equity Shares and in the event that convertible securities (as defined under the SEBI ICDR Regulations) are issued to qualified institutional buyers under Chapter VIII of the SEBI ICDR Regulations, the relevant date for the purpose of pricing of such securities, shall be the date of the meeting in which the Board decides to open the issue of such convertible securities.

RESOLVED FURTHER THAT the relevant date for the determination of applicable price for the issue of any other Securities shall be as per the regulations/guidelines prescribed by the SEBI, the Ministry of Finance, the RBI, the GOI through their various departments, or any other regulator and the pricing of any Equity Shares issued upon the

conversion of the Securities shall be made subject to and in compliance with the applicable rules and regulations.

RESOLVED FURTHER THAT in pursuance of the aforesaid Resolutions :

- a) the Securities to be so offered, issued and allotted shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company; and
- b) the Equity Shares that may be issued by the Company shall rank pari passu with the existing Equity Shares of the Company in all respects.

RESOLVED FURTHER THAT without prejudice to the generality of the above, subject to applicable laws, regulations and guidelines and subject to approvals, consents and permissions, if any, of any governmental body, authority or regulatory institution including any conditions as may be prescribed in granting such approvals or permissions by such governmental authority or regulatory institution, the aforesaid Securities may have such features and attributes or any terms or combination of terms that provide for the tradability and free transfer-ability thereof in accordance with the prevailing practices in the capital markets including but not limited to the terms and conditions for issue of additional Securities and the Board be and is hereby authorized in its absolute discretion in such manner as it may deem fit, to dispose of such Securities that are not subscribed.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities or as may be necessary in accordance with the terms of the offering, all such Equity Shares ranking pari passu with the existing Equity Shares in all respects.

RESOLVED FURTHER THAT for the purpose of giving effect to the Resolutions described above, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things including but not limited to finalization and approval of the preliminary as well as final offer document(s), determining the form and manner of the issue, including the class of investors to whom the Securities are to be issued and allotted, number of Securities to be allotted, issue price, face value, discounts permitted under applicable law (now or hereafter), premium amount on issue/conversion of the Securities, if any, rate of interest, execution of various agreements, deeds, instruments and other documents, including the private placement offer letter, creation of mortgage/charge in accordance with the provisions of the Act in respect of any Securities as may be required either on pari passu basis or otherwise, as it may in its absolute discretion deem fit, necessary, proper or desirable, and to give instructions or directions and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilization of the issue proceeds and to accept and to give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions as may be required by the SEBI, the RoC, the lead managers, or other authorities or agencies involved in or concerned with the issue of Securities and as the Board may in its absolute discretion deem fit and proper in the best interest of the Company without being required to seek any further consent or approval of the members or otherwise, and that all or any of the powers conferred on the Company and the Board vide this Resolution may be exercised by the Board or such committee thereof as the Board has constituted or may constitute in this behalf, to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this Resolution, and all actions taken by the Board or any committee constituted by the Board to exercise its powers, in connection with any matter(s) referred to or contemplated in any of the foregoing Resolutions be and are hereby approved, ratified and confirmed in all respects.

RESOLVED FURTHER THAT the Board be and is hereby authorized to engage/appoint the lead managers, underwriters, guarantors, depositories, custodians, registrars, stabilizing agent, trustees, bankers, advisors and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memoranda, documents etc. with such agencies and to seek the listing of such Securities on one or more national and/or international stock exchange(s).

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate (to the extent permitted by law) all or any of the powers herein conferred to any committee of directors, or any whole-time director or directors or any other officer or officers of the Company to give effect to the aforesaid Resolutions."

Registered Office:

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

Place: Mumbai
Date: 22nd May, 2014

By Order of the Board of Directors
For Emkay Global Financial Services Limited

Vaibhav Purohit
Company Secretary & Compliance Officer

Notes for Members' Attention:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND IN HOLDING NOT MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY. IN CASE A PROXY IS PROPOSED TO BE APPOINTED BY A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, THEN SUCH PROXY SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LATER THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS SENT HEREWITH. PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES ETC., MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION/AUTHORITY, AS APPLCABLE.**
2. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting are requested to send a duly certified copy of their Board Resolution authorizing their representatives to attend and vote at the forthcoming 20th Annual General Meeting.
3. Members/Proxies/Representatives should bring the enclosed Attendance Slip, dully filled in, for attending the Meeting. Copies of the Annual Report or Attendance Slips will not be distributed at the Meeting.
4. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business in the Notice is annexed hereto.
5. Profiles of the Directors seeking re-appointment/appointment, as required in terms of Clause 49 of the Listing Agreement entered into with the Stock Exchanges, are annexed to this notice.
6. The Register of Members and Share Transfer Books of the Company will remain closed from **Tuesday, the 5th August, 2014 to Wednesday, the 13th August, 2014**, (both days inclusive) for the purpose of Annual General Meeting and payment of Dividend, if declared.
7. SEBI has made it mandatory for all the companies to use bank details furnished by the investors for distributing dividends or other cash benefits to them through National Electronic Clearing Services (NECS), whenever NECS and bank details are available. In the absence of NECS facility, the Companies are required to print the bank details, if available, on payment instrument, for distribution of dividends to the investors. Therefore members holding shares in physical mode are requested to provide their banks details to the Company/Registrar & Transfer Agents. Members holding shares in demat mode are requested to record the NECS mandate with their Depository Participants.
8. **Unclaimed/Unpaid Dividend Amount**
 - a) In terms of Section 205A (5) of the Companies Act, 1956, dividends remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid/unclaimed dividend account of the Company shall be transferred by the Company to the Investor Education and Protection Fund established by the Central Government pursuant to sub-section (1) of Section 205C of the Companies Act, 1956. Members are requested to seek early settlement of claim for payment of unpaid dividend from the Company. Members may please note that no claim of the transferred unclaimed/unpaid dividend shall lie against the above said fund or the Company after transfer of the amounts to the said fund.

Financial Year	Seven Years expiring on	Transfer to IEPF Account on or before
2006-2007	31.08.2014	30.09.2014
2007-2008	10.10.2015	09.11.2015
2009-2010	04.10.2017	03.11.2017
2010-2011	05.09.2018	05.10.2018
2011-2012	10.09.2019	10.10.2019
2012-2013	--	--

Members are requested to contact M/S. Link Intime India Private Limited, The Registrar and Share Transfer Agent of the Company for claiming the dividend for the aforesaid years.

The details of the unclaimed dividends of the aforesaid years are available on the Company's website www.emkayglobal.com and also that of Ministry of Corporate affairs www.mca.gov.in.

9. Green Initiative

The Ministry of Corporate Affairs has taken a 'Green Initiative in Corporate Governance' by issuing circulars allowing paperless compliances by companies through electronic mode. The Shareholders can now receive various notices and documents through electronic mode by registering their e-mail addresses with the Company. Shareholders who have not registered their e-mail address with the Company can now register the same by post with M/s. Link Intime India Private Limited or to the Company. The Members holding shares in electronic form are requested to register their email addresses with their Depository Participants only. Even after registering for E-communication, the shareholders of the Company are entitled to receive such communication in physical form, upon request.

10. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days between 10.00a.m and 12.00 noon except Saturdays and Holidays, upto the date of the 20th Annual General Meeting.
11. Electronic copy of the Notice of the 20th Annual General Meeting of the Company inter alia indicating the process and manner of 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 Notice of the 20th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
12. Members may also note that the Notice of the 20th Annual General Meeting and the Annual Report for 2013-2014 will also be available on the Company's website www.emkayglobal.com for download.
13. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 20th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

Mr. Mitesh Dhaliwala of Parikh & Associates, Practising Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

The instructions for members for voting electronically are as under:-

1. In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- (v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- (vi) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

*Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

Please enter any one of the details in order to login. In case both the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the Company
- (xi) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "Resolutions File Link" if you wish to view all the Resolutions.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then he can Enter the User ID and Captcha Code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

2. In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on 6th August 2014 at 9.30 am and ends on 8th August 2014 at 6.00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 4th July, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- (D) As the voting would be through electronic means, the members who do not have access to e-voting, may request a Physical Ballot Form from the Company. You are required to fill in the ballot form and enclose it in a sealed envelope and send it to the Scrutinizer. Unsigned, incomplete or incorrectly ticked forms shall be rejected. The ballot must be received by the Scrutinizer on or before 8th August 2014. The Scrutinizer's decision on the validity of the forms will be final. Members are required to vote only through the electronic system or through ballot only and in no other form. In the event a member casts his votes through both the processes, the votes in the electronic system would be considered and the ballot vote would be ignored.

The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.emkayglobal.com and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

Explanatory Statement:

The Following Explanatory Statement pursuant to Section 102 of the Companies Act, 2013("Act") sets out all material facts relating to the business mentioned at Item no. 4 to 7 of the accompanying notice dated 22.5.2014.

Item No. 4

Reappointment of Independent Director- Mr. G. P. Gupta:

Mr. Gian Prakash Gupta is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in November, 2005. Mr. Gupta is Chairman of the Board, Nomination and Remuneration Committee (earlier Remuneration & Compensation Committee) and a member of the Audit Committee of the Board of Directors of the Company.

Mr. Gupta has over 40 years of experience in Development Banking. He was formerly the Chairman and Managing Director of Industrial Development Bank of India and Chairman of Unit Trust of India. He was associated as Director with various prominent Companies like Bharat Heavy Electricals Ltd., National Aluminum Co. Ltd., Hindustan Aeronautics Ltd., Power Finance Corporation Ltd., PTC India Ltd. and NTPC Ltd. Currently he serves on the Board of various listed companies, including Idea Cellular Ltd., Aditya Birla Nuvo Ltd., Birla Sun Life Insurance Co. Ltd., Swaraj Engines Ltd, and Dighi Port Ltd.

He does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, he is proposed to be re-appointed as an Independent Director for another five consecutive years for a term upto 12th August, 2019 not liable to retire by rotation . In the opinion of the board,Mr. Gupta fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for reappointment of Mr. Gupta as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office/Corporate Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Gupta as an Independent Director. Accordingly, the Board recommends the resolution in relation to reappointment of Mr. Gupta as an Independent Director.

Except Mr. Gupta, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution.

Item No. 5

Reappointment of Independent Director- Mr. R. K. Krishnamurthi:

Mr. Ravi Kumar Krishnamurthi is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in November, 2005. Mr. Krishnamurthi is Chairman of Stakeholders Relationship Committee (Investor Grievance and Share Transfer Committee) of the Board, Member of Nomination and Remuneration Committee (earlier Remuneration& Compensation Committee) and Audit Committee of the Board of Directors of the Company.

Mr. R. K. Krishnamurthi, a Solicitor in the Mumbai High Court and the Supreme Court of England, has a rich and wide experience of over 41 years in the field of Law. He is a retired Partner of Mulla & Mulla Craigie Blunt & Caroe, a reputed firm of Advocates, Solicitors and Notaries. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Mr. Krishnamurthi retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Krishnamurthi being eligible and offering himself for reappointment, is proposed to be reappointed as an Independent Director for five consecutive years for a term upto 21st May, 2019 not liable to retire by rotation.

In the opinion of the Board, Mr. Krishnamurthi fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his reappointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for reappointment of Mr. Krishnamurthi as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office/Corporate Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Krishnamurthi as an Independent Director. Accordingly, the Board recommends the resolution in relation to reappointment of Mr. Krishnamurthi as an Independent Director.

Except Mr. Krishnamurthi, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution.

Item No. 6**Reappointment of Independent Director- Mr. G. C. Vasudeo:**

Mr. G. C. Vasudeo is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in January, 2006. Mr. Vasudeo is Chairman of Audit Committee of the Board and Member of Nomination and Remuneration Committee (earlier Remuneration & Compensation Committee) of the Board of Directors of the Company.

Mr. G. C. Vasudeo is a fellow member of the Institute of Chartered Accountants of India, The Institute of Company Secretaries of India, an Associate member of The Institute of Cost and Works Accountants of India and a Law Graduate from the University of Mumbai. He has a wide and rich industrial experience of over 35 years. He is presently Managing Director of SI Group India Limited and is in charge of Corporate Finance, Accounts and Information Technology. He has been instrumental in the restructuring of the Group and also in Mergers and Acquisitions within the Group.

He does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Mr. Vasudeo retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Vasudeo being eligible and offering himself for reappointment, is proposed to be reappointed as an Independent Director for another five consecutive years for a term upto 12th August, 2019, not liable to retire by rotation.

In the opinion of the Board, Mr. Vasudeo fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his reappointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Vasudeo as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office/Corporate Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Vasudeo as an Independent Director. Accordingly, the Board recommends the resolution in relation to reappointment of Mr. Vasudeo as an Independent Director.

Except Mr. Vasudeo, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution.

Item No. 7**Creation Of charges on the assets of the company**

As a part of future growth plans of the Company, the borrowings from the Banks, financial institutions or other parties might be secured by mortgaging or charging the moveable and/or immovable assets of the Company. This may attract the provisions of Section 180(1)(a) of the Companies Act, 2013 which requires Shareholders approval.

A special resolution under Section 180 (1) (a) of the Companies Act, 2013 is therefore proposed for approval by the members.

None of the Directors, Key Managerial Personnel and the relatives of the aforesaid persons of the Company are interested in the said resolution.

The Board commends your approval of the said resolution.

Item No.8**To Approve the Borrowing Limits of the Company**

The members of the Company at their Extra Ordinary General Meeting held on 11th January, 2008 approved by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of ₹ 300 crore (Rupees three hundred crore).

Pursuant to Section 180(1)(c) of the Companies Act, 2013 effective from 12th September, 2013 it is required that the Board of Directors shall not borrow money in excess of the Company's paid up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, except with the consent of the Company accorded by way of a special resolution.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 4 of the Notice, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to borrow money upto a revised limit of ₹ 200 crore (Rupees two hundred crore only) in excess of the aggregate of the paid up share capital and free reserves of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution.

Item No.9

Authorization for Issue of Equity shares of the Company and/or other securities in the form of Qualified institutional Placement (QIP)

The Company plans to raise long term capital, inter alia, to meet long term funding requirements and for general corporate purposes. With an explicit understanding that such funds could be potentially raised, based on various factors, through issue of Securities and in any combination of instruments thereof, the consent of the shareholders is being sought by a special resolution to enable the Board to issue such Securities as may be permitted under applicable laws to any eligible person(s) in accordance with the provisions of the SEBI ICDR Regulations and any other applicable laws, including with respect to the pricing of the Securities proposed to be issued.

The Special Resolution also seeks to empower the Board to undertake a QIP with qualified institutional buyers as defined under the SEBI ICDR Regulations. The Board may in its discretion adopt this mechanism, as prescribed under Chapter VIII of the SEBI ICDR Regulations in order to augment the resources of the Company and to ensure that its growth is not impeded on account of capital constraints without the need for fresh approval from the members of the Company.

Basis or Justification of Price: The pricing of the Securities to be issued to qualified institutional buyers pursuant to Chapter VIII of the SEBI ICDR Regulations shall be determined by the Board subject to such a price not being less than the price calculated in accordance with Regulation 85 of the SEBI ICDR Regulations.

The Special Resolution seeks to give the Board the powers to issue Securities in one or more tranche or tranches, at such time or times, at such a price or prices and to such person(s) including institutions, incorporated bodies and/or individuals or otherwise as the Board, in its absolute discretion, deems fit. The detailed terms and conditions for the offer will be determined by the Board in consultation with the advisors, lead managers, underwriters and such other authority or authorities as may be required to be consulted by the Company considering the prevailing market conditions and in accordance with the applicable provisions of law, and other relevant factors.

The Equity Shares allotted or arising out of conversion of any Securities would be listed on the National Stock Exchange of India Limited and the BSE Limited. The issue/allotment/conversion would be subject to the receipt by the Company of regulatory approvals, if any. The conversion of Securities held by foreign investors, into Equity Shares would be subject to the applicable foreign investment cap. As and when the Board does take a decision on matters on which it has the discretion, necessary disclosures will be made to the relevant stock exchanges on which the Equity Shares are listed under the provisions of the Listing Agreements.

In connection with the proposed issue of Securities, the Company is required, inter alia, to prepare various documentation and execute various agreements. Accordingly, it is proposed to authorize the Board and certain officers of the Company to negotiate, finalize and execute such documents and agreements as may be required and do all such acts, deeds and things in this regard for and on behalf of the Company. The Resolution, if passed, will have the effect of allowing the Board to issue and allot Securities to the investors who may or may not be the existing members of the Company.

The Board recommends passing of the aforesaid Resolution as a Special Resolution. Neither the directors of the Company, nor the key managerial personnel of the Company nor their respective relatives are in any way concerned or interested, financially or otherwise in this Resolution

Registered Office:

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

Place: Mumbai
Date: 22nd May, 2014

By Order of the Board of Directors
For Emkay Global Financial Services Limited

Vaibhav Purohit
Company Secretary & Compliance Officer

Profile of the Directors being re-appointed/appointed at the 20th Annual General Meeting in pursuance of Clause 49 IV (G) of the Listing Agreement entered into with the Stock Exchanges:

Name of Director	Mr. S. K. Saboo
Director Identification Number	00373201
Date of Birth	5th November, 1942
Age	71 years
Date of Appointment	15th September, 1995
Experience in Specified Functional Area	Rich and vast experience of over 46 years in the field of Management
No. of shares held in the Company	Nil
Qualification	B.Com
List of other Companies in which associated as Director	Indophil Textile Mills Inc; Philippines
Chairman/Memberships of the Committee of the Board of other Companies in which associated as a Director	Chairman/Member: Nil

Name of Director	Mr. G. P. Gupta
Director Identification Number	00017639
Date of Birth	11th January, 1941
Age	73 years
Date of Appointment	10th November, 2005
Experience in Specified Functional Area	Rich and vast experience of over 41 years in Development Banking
No. of shares held in the Company	Nil
Qualification	M.Com
List of other Companies in which associated as Director	<ol style="list-style-type: none"> 1. Birla Sun Life Insurance Company Limited 2. Swaraj Engines Limited 3. Aditya Birla Nuvo Limited 4. Idea Cellular Limited 5. Landmark Property Development Company Limited 6. Dighi Port Limited 7. Aditya Birla Retail Limited 8. Aditya Birla Capital Advisors Private Limited 9. Trinethra Super Retail Private Limited 10. Emkay Investment Managers Limited 11. Intersoft Consulting and Software Services Private Limited
Chairman/Memberships of the Committee of the Board of other Companies in which associated as a Director	<p>Chairman:</p> <p>Audit Committee- Swaraj Engines Limited Idea Cellular Limited Birla Sun Life Insurance Company Limited Landmark Property Development Company Limited Aditya Birla Capital Advisors Private Limited</p> <p>Member:</p> <p>Audit Committee- Aditya Birla Nuvo Limited Aditya Birla Retail Limited Trinethra Super Retail Private Limited</p>

Name of Director	Mr. R. K. Krishnamurthi
Director Identification Number	00464622
Date of Birth	17th January, 1946
Age	68 years
Date of Appointment	10th November, 2005
Experience in Specified Functional Area	Rich and vast experience of over 41 years in the field of Law
No. of shares held in the Company	Nil
Qualification	B.A, LLB
List of other Companies in which associated as Director	<ol style="list-style-type: none"> 1. Madhav Marbles and Granites Limited 2. Emkay Commotrade Limited 3. Emkay Insurance Brokers Limited
Chairman/Memberships of the Committee of the Board of other Companies in which associated as a Director	Chairman: Nil Member: Audit Committee- 1.Emkay Commotrade Limited

Name of Director	Mr. G. C. Vasudeo
Director Identification Number	00021772
Date of Birth	23rd December, 1954
Age	59 years
Date of Appointment	28th January, 2006
Experience in Specified Functional Area	Rich and vast experience of over 35 years in the field of Financial Services
No. of shares held in the Company	Nil
Qualification	B.Com, LLB, FCS, FCA, AICWA
List of other Companies in which associated as Director	<ol style="list-style-type: none"> 1. SI Group – India Limited 2. Emkay Fincap Limited
Chairman/Memberships of the Committee of the Board of other Companies in which associated as a Director	Chairman: Nil Member: Audit Committee- 1.Emkay Fincap Limited



ANNUAL REPORT 2013-14

our Success

Your Success is our

Your Success is our Success

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Contents

Directors' Report	01
Management Discussion And Analysis	08
Corporate Governance Report	14
Independent Auditor's Report On Standalone Financial Statements	28
Standalone Financial Statements	32
Independent Auditor's Report On Consolidated Financial Statements	63
Consolidated Financial Statements	64

Corporate Information

BOARD OF DIRECTORS

G. P. Gupta	Chairman
S. K. Saboo	Director
R. K. Krishnamurthi	Director
G. C. Vasudeo	Director
Krishna Kumar Karwa	Managing Director & CFO
Prakash Kacholia	Managing Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Vaibhav Purohit

CORPORATE IDENTIFICATION NUMBER (CIN)

L67120MH1995PLC084899

WEBSITE

www.emkayglobal.com

STATUTORY AUDITORS

B. L. Sarda & Associates, Chartered Accountants

BANKERS

Abu Dhabi Commercial Bank
AXIS Bank Limited
Bank of India
BNP Paribas Bank
Citibank N A
HDFC Bank Limited
ICICI Bank Limited
Indian Overseas Bank
IndusInd Bank Limited
Kotak Mahindra Bank
Punjab National Bank
State Bank of India
Union Bank of India

REGISTERED OFFICE

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

CORPORATE OFFICE

Building "C-06", Ground Floor, Paragon Centre,
Pandurang Budhkar Marg, Worli, Mumbai - 400 013

REGISTRAR

& TRANSFER AGENTS

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West), Mumbai - 400 078

Dear Members,

Your Directors have pleasure in presenting the Twentieth Annual Report of your Company and the Audited Financial Statements for the year ended on 31st March, 2014.

1. Financial Results

An overview of the financial performance of your Company along with its Subsidiaries for the year 2013-14 is as under:

(₹ in lac)

Name	Revenue	Profit/ (Loss) before Interest, Depreciation and Tax	Profit/ (Loss) after Tax
Emkay Global Financial Services Limited	7170.27	316.74	(521.10)
Emkay Fincap Limited	523.55	400.07	240.44
Emkay Commotrade Limited	812.24	(28.49)	(153.85)
Emkay Insurance Brokers Limited	173.55	13.07	9.44
Emkay Investment Managers Limited	121.91	41.85	30.34
Aggregate (Before Elimination of Inter Company Transactions)	8801.52	743.24	(394.73)

An overview of the standalone financial performance of your Company for the year 2013-14 is as under:

(₹ in lac)

Particulars	31.03.2014	31.03.2013
Total Income	7170.27	7986.82
Profit before Interest, Depreciation and Tax	316.74	490.59
Depreciation and Amortization	415.83	529.39
Finance Cost (Interest)	415.09	283.43
Profit /(Loss) before Taxation	(514.18)	(322.23)
Provision for Taxation		
-Current Tax	-	-
-Deferred Tax Charges/(Benefit)	-	467.67
-Short Provision for Taxation of earlier years	6.92	-
Profit /(Loss) after Taxation	(521.10)	(789.90)
Add: Balance brought forward	1666.05	2455.95
Amount available for Appropriations	1144.96	1666.05
Appropriations		
-Proposed Dividend (Current and Earlier year)	-	-
-Provision for Tax on Dividend (Current and Earlier year)	-	-
-Transfer to General Reserves	-	-
Balance carried forward	1144.96	1666.05

2. Dividend

The Company has incurred a loss during the year and hence your Directors have decided not to recommend any Dividend for the year ended 31st March, 2014. (Previous year also no Dividend was declared on equity share).

3. Review of Operations

During the year under review, your Company recorded a total income of ₹ 7170.27 lac as compared to ₹ 7986.82 lac in the previous financial year, down by 10.22%. The Loss for the same period stands at ₹ 521.10 lac as compared to the Net Loss of ₹ 789.90 lac in the previous financial year.

4. Surrender of Clearing Membership of Futures & Options Segment (F&O) of MCX Stock Exchange Limited/MCX Clearing Corporation Limited(MCX CCL)

The Company is registered as a Trading cum Clearing Member for Futures & Options Segment of MCX Stock Exchange Limited. As there has been no business activity in this segment during the year under review, the Company surrendered Clearing membership of Future & Options segment of MCX Stock Exchange Limited/MCX Clearing Corporation Limited. SEBI approved the same vide their letter No. MIRSD-1/vp/9889/2013 dated 25.4.2013.

5. Appointment of IL&FS Securities Services Limited (ISSL) as Clearing Member for Futures & Options segment of MCX Stock Exchange Limited

During the year under review your Company has appointed IL&FS Securities Services Limited (ISSL) as Clearing Member for futures & Options segment of MCX Stock Exchange Limited.

6. Registration as Trading Member in Currency Derivative Segment of Bombay Stock Exchange Limited (BSE)

During the year under review, your Company made an application to BSE for registration as a trading member of Currency Derivative Segment. Your Company has received approval from the BSE for registration as Trading Member in Currency Derivative Segment of BSE Ltd.

7. Appointment of IL&FS Securities Services Limited (ISSL) as Clearing Member for Currency Derivative segment of Bombay Stock Exchange Limited (BSE)

During the year under review, your Company has appointed IL&FS Securities Services Limited (ISSL) as Clearing Member for currency derivative segment of BSE Ltd.

8. Management Discussion and Analysis

A detailed review of the operations, performance and future outlook of the Company and its businesses is given in the Management Discussion and Analysis, which forms part of the Annual Report.

9. Public Deposits

During the year, your Company has not accepted and/or renewed any public deposits in terms of the provisions of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975.

10. Subsidiary Companies

Emkay Commotrade Limited (ECL) – a 100% subsidiary:

Emkay Commotrade Limited offers commodity futures trading to its clients. It is a member of four major commodity exchanges viz. Multi Commodity Exchange of India Limited (MCX), National Commodity and Derivatives Exchange Limited (NCDEX), National Spot Exchange Limited (NSEL) and Indian Commodity Exchange Ltd (ICEX). ECL has a net worth of ₹ 419.36 lac as on 31st March, 2014.

Emkay Fincap Limited (EFL) – a 100% subsidiary:

Emkay Fincap Limited is a RBI registered Non Deposit taking NBFC. EFL has a net worth of ₹ 3301.08 lac as on 31st March, 2014.

Emkay Insurance Brokers Limited (EIBL) – a 100% subsidiary:

Emkay Insurance Brokers Limited is registered with Insurance Regulatory and Development Authority (IRDA) as a Direct Insurance Broker and focuses on life and non-life businesses. EIBL has a net worth of ₹ 64.45 lac as on 31st March, 2014.

Emkay Investment Managers Limited (EIML) – a 100% subsidiary:

EIML is registered with Securities and Exchange Board of India (SEBI) for conducting the business of Portfolio Management Services and has commenced the business of Portfolio Management Services with effect from 1st January, 2011. EIML has a net worth of ₹ 371.79 lac as on 31st March, 2014.

In accordance with the General Circular issued by the Ministry of Corporate Affairs, the Balance Sheet, Profit and Loss Account and other documents of the Subsidiary Companies are not being attached with the Balance Sheet of the Company. However the financial information of the Subsidiary Companies is disclosed in the Annual Report in compliance with the said circular.

The Consolidated Financial Statements presented by the Company include financial results of its Subsidiary Companies. The Company will make available the annual accounts of the Subsidiary Companies and the related information to any member of the Company who may be interested in obtaining

the same. The annual accounts of the said Subsidiary Companies are also available for inspection by any member of the Company at the Corporate Office situated at Paragon Centre, C-6, Ground Floor, Pandurang Budhkar Marg, Worli, Mumbai - 400 013.

The Statement containing financial information of the aforesaid Subsidiaries is included in the Consolidated Accounts forming part of the Annual Report of the Company.

11. Employee Stock Option Schemes

With a view to remain a preferred employer, the Company had granted Stock Options under two Schemes viz. ESOP 2005 & ESOP 2007 to the employees of the Company and the Subsidiary Companies.

(a) ESOP 2005

During the Financial Year 2013-14, the Remuneration/ Compensation Committee has not allotted any Equity Shares to the employees under ESOP 2005.

Summary of ESOP 2005 as on 31st March 2014:

Total no. of Stock Options available under the Scheme	3,81,250
Exercise Price	₹ 20/- per Option
Exercise Period	3 years
Total no. of Stock Options granted under the scheme	3,81,250
Stock Options lapsed	1,53,750
Stock Options vested but not exercised	0
Stock Options exercised	2,27,500
Outstanding Stock Options	0

(b) ESOP 2007

The Company had granted 1,442,000 Options on 17th January, 2008 to the employees (each Option carries entitlement for one share of the face value of ₹ 10 each) at an exercise price of ₹ 363 per Option which was later repriced at ₹ 63 per Option. Further, the Company granted 244,000 Options on 19th June, 2009, 207,500 Options on 24th July, 2009, 1,00,000 Options on 4th May, 2010, 6,11,500 Options on 27th July, 2010 and 2,00,000 Options on 21st January, 2012 at an exercise price of ₹ 63, ₹ 61, ₹ 93, ₹ 77 and ₹ 37 per Option respectively.

During the Financial Year 2013-14, the Remuneration/ Compensation Committee has not allotted any Equity Shares to the employees under ESOP 2007.

Summary of ESOP 2007 as on 31st March 2014:

Total no. of Stock Options granted under the Scheme	24,26,575
Exercise Price: 14,42,000 Options 2,44,000 Options 2,07,500 Options 1,00,000 Options 6,11,500 Options 2,00,000 Options	₹ 63/- per Option ₹ 63/- per Option ₹ 61/- per Option ₹ 93/- per Option ₹ 77/- per Option ₹ 37/- per Option
Exercise Period	3 years
Re-issued Options	3,78,425
Total no. of Stock Options granted under the scheme	28,05,000
Stock Options lapsed	15,76,600
Stock Options vested but not exercised	7,13,450
Stock Options exercised	60,250
Outstanding Stock Options	11,68,150

The paid up Equity Capital of the Company is ₹ 24,43,77,500/- as of date. The disclosures required to be made in the Directors' Report in respect of the aforesaid ESOP Schemes, in terms of the SEBI (ESOP Scheme) Guidelines, 1999 are contained in Annexure A forming part of the Directors' Report.

12. Employee Stock Option Plan - 2010 through trust route

On the recommendation of the Remuneration/Compensation Committee of your Company, the trustees of Emkay Employee Welfare Trust have granted 5,55,000 Options on 21st October, 2010 to the eligible employees (each Option carrying entitlement for one share of the face value of ₹ 10 each) at an exercise price of ₹ 93/- per Option. Further, the Remuneration/Compensation Committee/Emkay Employees Welfare Trust granted 27,000 Options on 02nd May, 2011, 15,000 Options on 22nd October, 2011 and 50,000 Options on 21st January, 2012 at an exercise price of ₹ 63, ₹ 48, and ₹ 37 per Option respectively.

Summary of ESOP 2010 (through trust route) as on 31st March 2014:

Total no. of Stock Options granted under the Scheme	24,41,995
Exercise Price: 5,55,000 Options 27,000 Options 15,000 Options 50,000 Options	₹ 93/- per Option ₹ 63/- per Option ₹ 48/- per Option ₹ 37/- per Option
Exercise Period	3 years
Total no. of Stock Options granted under the scheme	6,47,000
Stock Options lapsed	319500
Stock Options vested but not exercised	94500
Stock Options exercised	Nil
Outstanding Stock Options	327500

Details required to be provided under the Securities and Exchange Board of India (Employees Stock Options Scheme

and Employee Stock Purchase Scheme) Guidelines, 1999 are set out in Annexure "A" to this report.

13. Transfer of amounts to Investor Education and Protection Fund

Pursuant to the provisions of Section 205A(5) and 205 (c) of the Companies Act, 1956 and relevant provisions of the Companies Act, 2013, relevant amounts which remained unpaid or unclaimed for a period of 7 years have been transferred by the Company to the Investor Education and Protection Fund (IEPF).

14. Directors

At the 20th Annual General Meeting, Mr. S. K. Saboo (DIN No. 00373201) retires by rotation and being eligible, offers himself for re-appointment.

The above re-appointment forms part of the Notice of the forthcoming 20th Annual General Meeting and the respective resolution is recommended for your approval.

A brief profile of Director as required under Clause 49 of the Listing Agreement is given in the Notice of the 20th Annual General Meeting.

Impending notification of Section 149 and other applicable provisions of the Companies Act, 2013, your Directors are seeking appointment of Mr. G. P. Gupta, Mr. R. K. Krishnamurthi and Mr. G. C. Vasudeo as Independent Directors for five consecutive years for a term upto 12th August, 2019. Details of the proposal for appointment of Mr. G. P. Gupta, Mr. R. K. Krishnamurthi and Mr. G. C. Vasudeo are mentioned in the Explanatory Statement under Section 102 of the Companies Act, 2013 of the Notice of the 20th Annual General Meeting.

15. Directors' Responsibility Statement

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed consistently and proper explanation relating to material departures, if any, have been made;
- appropriate accounting policies have been selected and applied consistently and that judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2014 and of its profit for the year ended on that date;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- the annual accounts have been prepared on a going concern basis.

16. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The information as required under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in Annexure B to this report.

17. Corporate Governance

The Company adheres to the principles of Corporate Governance mandated by the Securities and Exchange Board of India and has implemented all the prescribed stipulations thereof. As stipulated in Clause 49 VI of the Listing Agreement, a detailed report on Corporate Governance and the requisite Auditor's Certificate confirming compliance with the conditions of Corporate Governance, forms part of the Annual Report.

The declaration regarding compliance with Company's Code of Conduct for Directors and Senior Management Personnel and CEO/CFO certification are furnished in Annexure '1' and Annexure '2' to the Corporate Governance Report respectively.

18. Particulars of Employees

In accordance with the provisions of Section 217(2A) read with the Companies (Particulars of Employees) Rules, 1975 as amended by the Companies (Particulars of Employees) Amendment Rules, 2011, the names and other particulars of employees are to be set out in the Directors' Report, as an addendum thereto. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and accounts as therein set out, are being sent to all members of the Company excluding the aforesaid information about the employees. Any member, who is interested in obtaining such particulars about employees, may write to the Company Secretary at the Corporate Office of the Company.

19. Auditors

Messrs. B. L. Sarda & Associates, Chartered Accountants, retire as the Statutory Auditors of the Company at the ensuing Annual General Meeting and offer to be re-appointed as Statutory Auditors of the Company for a period of three years from the financial year 2014-2015 to 2016-2017 to hold office from the conclusion of this Annual General Meeting until the conclusion of the 23rd Annual General Meeting of the Company, subject to ratification at every Annual General Meeting, on such remuneration and other terms and conditions as may be fixed by the Board of Directors/Audit Committee.

A certificate from them has been received to the effect that their appointment as Statutory Auditors of the Company, if made, would be within the limits prescribed under Section 139 (1) and 141 of the Companies Act, 2013.

Further, the Statutory Auditors have confirmed that they

have subjected themselves to the peer review process of The Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the 'Peer Review Board' of the said Institute as required by Clause 41 of the Listing Agreement.

The Audit Committee and the Board of Directors of the Company recommend the re-appointment of Messrs. B. L. Sarda & Associates, Chartered Accountants. The appointment is subject to approval of the Members at the forthcoming 20th Annual General Meeting.

The notes to the accounts referred to in the Auditor's Report are self explanatory and therefore do not call for any further comments.

20. Corporate Social Responsibility

The Ministry of Corporate Affairs released a set of Voluntary Guidelines on Corporate Social Responsibility (CSR) in December, 2009. The Company has evolved a Corporate Social Responsibility Policy and is actively practicing the Policy. The CSR Committee comprises of some Heads of Departments viz. Mr. Rajesh Sharma - Chief Operating Officer, Ms. Divya Gandhi - Head-General Insurance and Principal Officer(EIBL) and Ms. Ruth Singh - Head-Human Resources. The objectives of the CSR Policy are to contribute to social and economic development of the communities in which the Company operates, provide opportunities to employees to contribute to the society through service and contributions, monetary and otherwise and to generate, through its CSR initiatives, a community goodwill for the Company and help reinforce a positive and socially responsible image of the Company as a corporate entity.

21. Acknowledgement

Your Directors would like to take this opportunity to express sincere gratitude to the customers, bankers and other business associates for their continued cooperation and patronage. Your Directors gratefully acknowledge the ongoing co-operation and support provided by the Government, Regulatory Bodies and the Stock Exchanges.

Your Directors place on record their deep appreciation for the exemplary contribution made by employees at all levels. The Directors also wish to express their gratitude to the valued shareholders for their unwavering trust and support.

On behalf of the Board of Directors

Krishna Kumar Karwa
Managing Director & CFO

Prakash Kacholia
Managing Director

Place: Mumbai
Date: 22nd May, 2014

ANNEXURE “A” FORMING PART OF THE DIRECTORS’ REPORT

Disclosures in compliance with Clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme) and (Employee Stock Purchase Scheme) Guidelines, 1999, as amended, are set below.

Sr. No.	Particulars	ESOP Scheme-2007	ESOP Scheme-2010 (Through Trust Route)
1	Total number of Options under the plan	24,26,575	24,41,995
2	Options granted during the year	-	-
3	Exercise price & the pricing formula	Exercise price considered is the closing market price as on the day preceding the date of the grant on that stock exchange which has had the maximum trading volume of the Company’s shares.	Exercise price considered is the closing market price as on the day preceding the date of the grant on that stock exchange which has had the maximum trading volume of the Company’s shares.
	Options vested (during the year)	1,60,250	94,500
	Options exercised (during the year)	-	-
6	The total number of shares arising as a result of exercise of Options during the year.	-	-
7	Options lapsed (during the year)	5,02,850	2,40,000
8	Variation in terms of Options	-	-
9	Money realized by exercise of Options (during the year)	-	-
10	Total number of Options in force at the end of the year.	11,68,150	3,27,500
11	Employee wise details of Options granted to	-	-
	i. Senior Management personnel during the year	-	-
	ii. Employees holding 5% or more of the total number of Options granted during the year.	-	-
	iii. Employees who were granted Options during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	-	-
12	Diluted Earnings per share (EPS) pursuant to issue of shares on exercise of Option calculated in accordance with (“Accounting Standard (AS) 20” Earning Per Share)	₹ (2.13)	₹ (2.13)

Sr. No.	Particulars	ESOP Scheme-2007	ESOP Scheme-2010 (Through Trust Route)
13	Where the Company has calculated the employee compensation cost using the intrinsic value of the stock Options, the difference between the employees' compensation cost so computed and the employees' compensation cost that shall have been recognised if it had used the fair value of the Options, shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed.	Compensation Cost using the intrinsic value of the stock Options is Nil. However, had the Company followed the fair value method for accounting the stock Options, compensation cost would have been ₹ (83,623,530) with consequent lower losses. On account of the same, the basic and diluted Earnings (being in negative) per share would have been less by ₹ 3.422 per share and ₹ 3.422 per share respectively.	Compensation Cost using the intrinsic value of the stock Options is Nil. However, had the Company followed the fair value method for accounting the stock Options, compensation cost would have been ₹ 37,24,020 with consequent higher losses. No potentially dilutive shares arise out of the Options granted under ESOP 2010 (Trust Route) as the shares are already in existence as on the reporting date.
14	Weighted-average exercise prices and weighted - average fair values of Options shall be disclosed separately for Options whose exercise price either equals or exceeds or is less than the market price of the stock	—	—
15	A description of the method and significant assumptions used during the year to estimate the fair values of Options including the following weighted average information: <ol style="list-style-type: none"> 1. risk free interest rate 2. expected life 3. expected volatility 4. expected dividend yield 5. the price of the underlying shares in market at the time of Option grant (₹) 	— — — — —	— — — — —

ANNEXURE “B” FORMING PART OF THE DIRECTORS’ REPORT

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

1) Energy Conservation:

Since the Company is engaged in financial services, it does not consume substantial energy. However, as a responsible organization, the Company has adopted various environment friendly measures in order to conserve energy. The same are as follows:

- a. Installation of capacitors to save power.
- b. Installation of power saving TFT monitors.
- c. Enabled automatic power off modes on idle monitors.
- d. Installation of Blade Servers in Data Centre which consume optimum power & space.
- e. Minimal air-conditioning usage.
- f. Fixed time schedules (timers enabled) for operating air-conditioners.
- g. Shutting off electronic devices when not in use.
- h. Installation of power saving electrical equipments like CFL.
- i. Preventive maintenance of all electrical equipments for better efficiency and power consumption.
- j. Educating employees on ways to conserve electricity and other natural resources and a strict adherence to the same is ensured.

2) Technology Absorption:

It is the policy of your Company to keep abreast of all the technological advancements in its field of operation and particularly so in the field of Information Technology. The Management places immense importance on careful analysis and absorption of the latest technology as well as on the development of technologies that abet the achievement of business goals and improve its performance in the long run.

3) Details of Foreign Exchange Earnings and Outgo:

- a. The foreign exchange inflows were ₹ 111.27 lac
- b. The foreign exchange outflows were ₹ 98.33 lac

1. Economic Overview

Notwithstanding an improvement in the global sentiment, FY14 continued to mark challenging times for the Indian economy. The advent of the reversal of quantitative easing globally, specifically the Fed tapering, led to substantial pressure on the emerging economies' macro equations, including those for India.

The overall macroeconomic context was dominated by slow growth, contraction in industrial production, high and persistent inflation, significant INR depreciation, high structural current account deficit, vulnerable external balances and poor fiscal management. Amidst several fundamental imbalances on the fiscal and financial side, the steep run up in benchmark indices marked a paradox.

While the improving global sentiment remained an imperative determinant of domestic prospects; India's growth continued to remain a drag with full year FY14 GDP expectations pegged at 4.7% following the muted 4.5% growth noted in FY13. Slowdown in services and contraction in industrial production led to an overall weak GDP growth. Investment sentiment remained devoid of any signs of pickup.

The year remained plagued with currency woes tracking the huge INR depreciation against the USD. The weak INR provided some impetus to exports in H2. Corporate performance gained marginal support from companies having dollar denominated revenues that benefited due to the weak currency.

During the year, while being fairly broad-based, inflation remained stubbornly high around 9.5% on the consumer level. Persistent food inflation and high fuel inflation tracking several price hikes remained a major cause of worry. The RBI accordingly raised the Repo rate by a net 50bps to 8%.

The Government and the RBI announced several measures to tackle the elevated twin deficits. Restrictions on gold imports, significant curtailment in expenditure in Q4, regular hikes in fuel prices to curtail subsidies etc. led to a sentiment boost. The financial markets soared, gaining traction from FII investments. Hopes of a new Government coming in led to a sentimental exuberance towards end of the year.

2. Industry Overview

Financial year 2014, was yet another difficult year for the domestic brokerage industry despite the pick-up in trading volumes in the latter half of the year. The rupee volatility, current account deficit, fiscal deficit, persistent inflation along with perceived delays in policy formulation together contributed to erosion in investor confidence in the Indian capital market for a major part of the year. However, perception of improvement in major macro-economic indicators buttressed expectations of the economy bottoming out and led to an improvement in the global risk perception of India in

the later part of the last fiscal. In anticipation of a stable national government post elections in May 2014, the Q4FY14 FII inflows of USD 9.4 billion infused optimism in an otherwise lackluster year for the Indian capital markets. Not only did the benchmark indices scale newer highs in March 2014 and continued their upward march in April 2014, even broader based mid-cap indices displayed a significant uptick in Q4FY14.

At the industry level, Equity Average Daily Volumes (ADV) rose by ~22% to ₹ 511 trillion in FY14 buoyed by the continued rise in volumes of option trading, which accounted for ~78% of the overall market volumes in FY14 (~76% in FY13). Despite the modest rise of 2% in FY14 after the last few years of steady decline, the proportion of cash volumes to overall traded equity volumes continued to decline to 6.5% as compared to 7.8% in FY13. On the other hand, futures volumes rose by ~19% in FY14 while options volumes displayed a strong growth of 25% over the same period. Anecdotal evidence suggests that more and more non-institutional investors have been taking a liking to trading in options. A broad based investor segment could ensure that the dominant share of options volumes to total equity volumes continues over the medium term.

The institutional broking business faced significant headwinds in FY14 despite some improvement in the later part of the year following strong FII activity and successful big-ticket divestments. Also, a large proportion of incremental flows have been from long-only funds, leading to the penetration of Direct Market Access (DMAs) stabilizing at ~30-35% of overall volumes.

On the retail equities side, the going remained tough as the retail participation was at multi-year lows for a large part of FY14. Post the strong FII inflows in Q4FY14, retail volumes also saw traction and were higher by 5-25% in March - April 2014 as compared to the average of the rest of the year.

3. Business Overview

Emkay Global Financial Services Ltd. is an established name in the financial services arena, offering the entire gamut of wealth management and advisory services under one roof. The Company's operations include broking in equities and derivatives on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE), commodities, insurance, investment banking, and portfolio management among others. It is also a Depository Participant with CDSL (Central Depository Services Ltd). Further, Emkay's NBFC (non banking financial company) conducts share financing activities.

• Equity

Emkay is an INR 129.60 crore net worth Company with over 300 retail outlets across the country. It caters to both institutional and non-institutional clients. Backed by one of the strongest equities research team in the country, Emkay assists in adding wealth-creating equities to its clients' portfolios. It

strongly believes in the principle of value investing, which involves identifying under-valued stocks through in-depth qualitative and quantitative analysis.

During the year, the institutional segment contributed 55.44% of the total equity broking business, while the non-institutional segment accounted for the remaining. The total number of institutional clients increased from 239 in FY13 to 248 in FY14 while the number of non-institutional clients stood at 1,26,878. The AUM went up from ₹ 1584 crore to ₹ 4008 crore and the number of active DP accounts was 87,651.

• Research

Emkay's research capabilities are well demonstrated and appreciated across the industry. The many awards that have been conferred upon our research and analysts over years substantiate our clients' views. We have a competent team of 23 analysts and associates who are assisted by a production support team and database analysts. All the analysts are experienced and professionally qualified, with many of them coming with strong domain knowledge from their respective industries. Our research team actively covers 166 stocks and additionally researches another 80. During the year, the team released 4 industry and 8 thematic reports and organised more than 30 national and international corporate road shows, more than 250 corporate – investor meetings, over 150 investor – corporate conference calls and more than 70 industry expert interactions.

• Investment Banking

The last quarter of FY14 saw a pick-up in Equity Capital Market volumes largely owing to SBI QIP and FPOs of EIL and NHPC, though activity levels were lower compared to earlier years. The Debt Capital Markets also saw an uptick QoQ buoyed by increase in INR loans. However, year on year, while ECM volumes experienced a decline largely driven by reduced activity in the IPO space, DCM volumes almost remained flat.

Emkay is a SEBI registered Category I Merchant Banker. To capitalise on Emkay's franchisee in the mid cap corporate segment, the Investment Banking division provides debt and equity solutions to mid-cap/SME segment. It has strong relationships across the spectrum of investors ranging from marquee private equity funds, mutual funds, overseas institutional investors, hedge funds, very high net worth investors as well as bankers. During 2013-14 the Investment Banking team managed 5 transactions, including the rights issue of Alok Industries, placement of Somany Ceramics and share buyback of eClerx.

• PMS & Distribution Services

According to one study, the total Indian individual wealth on the basis of Financial Assets stands at ₹ 109.86 lac crore in FY13 marking a growth of 7.1% as compared to FY12. The overall wealth held by individuals in India is expected to double to ₹ 411 lac crore in the next 5 years. The gross savings rate in India is expected to remain at 30.8% in FY14, same as

the last fiscal. Although India's savings rate continues to decline, it boasts of a higher rate than most of the emerging economies.

The Mutual Funds industry lost about 33 lac investors, measured in terms of individual accounts or folios, in the last financial year 2013-14, primarily on account of volatility in equity market. It was the fifth consecutive year of loss of folios by mutual funds (MF). According to market regulator Sebi's data, on total investor accounts with 44 fund houses, the number of folios fell to around 3.95 crore at the end of 2013-14, from 4.28 crore in the last fiscal (2012-13) - a decline of 33 lac new investor accounts. During 2013-14, the number of investor folios for equity schemes fell by 40 lac. The total number of folios in equity funds were 2.92 crore by the end of 2013-14, as against 3.31 crore in the preceding fiscal. The total number of folios in debt funds rose by about 7.28 lac to 68.67 lac at the end of March 2013. Balanced schemes, which invest in equity and debt category, gained 10,824 folios to end at 26.13 lac during the last financial year. Improving financial literacy is imperative for the growth of the mutual fund industry. While investors are familiar with funds in the metros, people in smaller towns and cities still have inhibitions about investing. To enable this, AMFI (the Association of Mutual Fund Industry) has launched the District Adoption Programme, or DAP, wherein a mutual fund company will adopt certain districts to improve financial awareness. This will help investors understand the potential of funds and think beyond fixed deposits or National Saving Certificates.

Your Company is a SEBI registered Portfolio Manager since 2003 and conducts the portfolio management business through its wholly owned subsidiary Emkay Investment Managers Ltd. (EIML). EIML offers six different types of PMS, catering to individual risk appetite, goals and investment preference. The PMS team is focused on offering the clients a superior research based portfolio which effectively manages risk and optimizes returns. Emkay PMS follows a judicious mix of both bottoms up and tops down method, with more emphasis on the bottoms up approach especially for stock selection. All of EIML's PMS schemes have consistently outperformed the index over the years, thereby building substantial wealth for its clients. As on 31st March, 2014, the Company's PMS and Distribution business had more than 12,300 clients and assets under management of ₹ 20,751 lac.

• Commodity

Commodities broking which had turned out to be one of the brighter spots in the otherwise lackluster performance of the Indian brokerage industry over the last 2-3 years, ended FY14 as one of the most disappointing years on account of the imposition of the Commodities Transaction Tax (CTT) which took away a large chunk of jobber/arbitrageur volumes from the market and impacted liquidity. This combined with lower volatility in the commodity prices coupled with the NSEL crisis and its fallout further impacted volumes, which then became a self-feeding phenomenon.

With the Bharatiya Janata Party-led National Democratic Alliance forming government at the Centre, the commodity derivatives market is expecting major developments, including stability in prices and reforms in agriculture marketing. It is also expected that the Forward Markets Commission (FMC) will be strengthened. If FCRA is amended, more reforms could be introduced, including index futures and option trading.

Emkay offers commodity trading through Emkay Commotrade Ltd., a wholly owned subsidiary of Emkay Global. In spite of the adverse business environment, Emkay Commotrade continued to add clients, on the back of its unparalleled customer service, strong research capabilities and trustworthiness in the market. Emkay Commotrade's revenues stood at ₹ 813 lac in FY14, while it registered a loss of ₹ 154 lac in the same period.

• Currency

Foreign exchange is the world's largest and most traded market, with an average daily global turnover of nearly \$4.3 trillion (₹ 200 lac crore). This is more than 12 times the average daily turnover of the global equity markets.

As per RBI, India's foreign exchange (Forex) reserves jumped by \$15.5 billion in the Financial Year ended March 2014 to touch \$303.67 billion. India's average CAD was 1.7% of the GDP as against 4.7% of the GDP in the previous fiscal – CAD dropped on sharp contraction in imports, particularly gold imports. The Indian Rupee ended the year at 59.91/92 to the USD.

In FY14, the total turnover of the currency market in India decreased by 25% yoy to ₹ 64,34,921 crore. Emkay's turnover fell ~9% yoy to ₹ 17,941 crore. Emkay's revenue in the segment dropped nearly 35% to ₹ 163 lac in FY14 and the market share dropped marginally to 0.28% from 0.31% in FY13.

• Insurance

The life insurance industry in the country is forecasted to increase at a compound annual growth rate (CAGR) of 12–15 per cent in the next five years. The industry aims to hike penetration levels to five per cent by 2020, and has the potential to touch US\$ 1 trillion over the next seven years.

The cap on foreign direct investment (FDI) also looks likely to be increased from 26 per cent to 49 per cent. The Insurance Bill which has been pending in the Parliament since 2008, if passed under the new government, is expected to increase FDI inflows to US\$ 10 million in the short term.

The general insurance industry clocked a growth rate of 12.23% in GWP (Gross Written Premiums) last fiscal to ₹ 77,538.25 crore as against ₹ 69,088.69 crore during FY 2012-13, as per data from Irda (Insurance Regulatory and Development Authority). While the general insurance industry clocked a double-digit growth last fiscal, industry observers

say the growth has been lower compared to earlier years on account of the prevailing economic conditions.

In terms of growth in GWP, the private sector reported a higher growth of 15.37% last fiscal amounting to ₹ 34,246.01 crore as compared to ₹ 29,682.99 crore during FY13. On the other hand, public insurers reported a growth of 9.86% last fiscal amounting to ₹ 43,292.24 crore as against ₹ 39,405.70 crore during FY13.

Emkay offers an extensive product line in both the life and non-life insurance businesses catering to corporates as well as individuals through its 100% subsidiary Emkay Insurance Brokers Limited. As an Insurance broker, Emkay caters to all the insurance needs of its clients and provides technical expertise and value enhancements to them.

During FY14, corporate business accounted for 74% of the business income from this segment while retail policy sales accounted for the balance. The Non life insurance business contributed 74% of total brokerage while the life segment brought in the remaining 26%. The total number of policies increased marginally from 5533 to 5550; the premiums collected increased from ₹ 1198 lac to ₹ 2600 lac while brokerage rose from ₹ 132 lac to ₹ 172 lac.

• Credit & Finance

Emkay Fincap Limited, a 100% subsidiary, carries out NBFC activities like financing against shares and margin funding. The amount deployed in margin funding increased from ₹ 2684 lac in FY13 to ₹ 3290 lac in FY14. The Profit/Loss After Tax from this business was reported at ₹ 240 lac as against ₹ (189) lac in the previous year.

4. Opportunities & Threats

The exuberance seen in domestic markets is largely driven by FII flows, dependent on expected growth reforms from the Modi government to steer the economy through the next growth cycle. However uncertainty persists despite improving global growth scenario. While the advanced economies have done the necessary adjustments, India's painful corrections are yet to happen. Thus, amidst structural issues and long-term pending meaningful adjustments, near term growth outlook remains subdued in case Government bites the bullet to bring about sustainable growth.

Threats such as the El-Nino effect possibly leading to a weak monsoon, affecting agriculture growth as well as implying higher food prices, loom over India's growth inflation dynamics. Subsidy bills and fiscal balances, thus, could be adversely impacted.

It would be crucial to watch if lifting the ban on gold imports and the Government pursuing populist measures as promised in the election manifesto could lead to resurfacing of elevated twin deficit risks. Thus, a weakening bias for the currency would retain external sector vulnerability.

Long-term opportunities lie in various investment driven measures such as meaningful fiscal consolidation, implementation of GST/DTC, higher capital spending, RBI's continued focus on inflation targeting, further opening up of FDI. These could augur well for spurring savings, investments and facilitating macro stability. Modi government's pledge for improved governance and focus on infrastructure development could boost the investment cycle.

Government's actions towards meaningful fiscal consolidation and revival of investments remain imperative. The economy is likely to gain gradually from the measures announced earlier. Significant FII inclination towards Indian capital markets remains a positive for the fund flows, domestic currency and overall external balances.

5. Future Outlook

The 2009 global crisis led to a stretched period of global economic pain. However, after five acrimonious years, the Indian economy is now set for an uptrend. Recent positive developments in the economy suggest that the days of gloom are a thing of the past.

A decisive victory for the new Government has ushered in a sense of confidence towards both the domestic prospects as well as global perception about India as a preferred investment destination. These developments have cumulatively augured well for the economy and the capital markets.

Clear intent and implementation from the Government to deliver on fiscal consolidation have ebbed concerns. Measures such as tackling subsidies via consistent fuel price hikes reflected Governments' proactive adjustments to contain the fiscal deficit. Higher exports growth and lower imports have helped curb the current account deficit substantially. Lower gold and steady crude prices also helped contain inflation. Lower core inflation and containment of the twin deficits led to substantial foreign funds into the Indian economy. The sentimental boost and fund flows led to a significant appreciation in the INR from the record lows seen earlier.

A stable INR (with an appreciating bias), downtrend for the core inflation, delivery of a better than promised fiscal deficit to GDP ratio, significant decline in the current account deficit and expectations of investment led reforms from the NDA Government have made India a hot-pick for global investors.

With the macro framework set for the next investment cycle, belief in pro-investment reforms from the Modi Government have aided a sentimental boost towards steering the Indian economy through the next growth cycle.

Your Company believes that the Indian macro factors are now favourable with improving domestic economy, peak of the rate hike cycle, falling inflation, crude and commodity prices and improving US economy. Global liquidity will continue to flow to high-growth potential Indian capital market given its

most attractive historical return. GDP growth seems to have bottomed out and is likely to recover to the mean rate of 7-8% in next two-three years. The twin deficits have been contained and the next investment boom seems to be on its way.

Higher market optimism and greater investor participation, both institutional and retail, are very likely. These augur well for the investors as well as your Company's prospects.

6. Risks & Concerns

• Economic Risk

Volatility in the Indian and global markets may affect the Company's results of operation and performance. Any unfavorable changes in government policies, economic conditions, demographic trends, income and employment levels, social and political instability or natural calamities may negatively impact our business.

• Market Risk

The Company, as a part of the financial services sector, stands exposed to market risks. Economic conditions and events in India and the world could adversely impact the Company's financial performance. However, the Company has sufficiently mitigated this risk through diversification of its revenue across multiple business lines.

• Competition Risk

The Company may face growing competition from existing players and new entrants. The performance of the Company and profitability may hence be adversely affected. However, we have always considered competition as a favorable factor since it drives us further towards growth. The Company with its well diversified service offerings, nationwide reach, strong brand equity, coupled with the latest technological infrastructure and strong risk management systems will facilitate continuous growth in the coming years.

• Human Resource Risk

Availability of highly skilled labour is a key for any business' success. The Company's growth depends on its ability to attract and retain skilled manpower. We are taking all the necessary steps by continuously strengthening our HR practices to retain the key personnel in all our divisions. The Company has a well defined performance appraisal system, HR policies, induction programs and training programs. All policies and programmes are implemented to enable the employees to constantly develop and upgrade their skills.

• Regulatory Risk

The Company's growth and goodwill can be negatively affected if there is a violation of or non-compliance with regulatory norms. The Company has always maintained the highest level of compliance with regulatory norms. Our legal department is well experienced and trained to ensure conformity to all the legal requirements. Hence, we do not expect to be significantly affected by this risk.

7. Human Resources

Given our knowledge centric approach to business, we believe that our people are our most valuable resource. They are the capital on which our business is built and they are the assets that enable us to reap rich dividends. We continually seek to ensure their wellbeing and do all we can to improve the quality of their output. We partner our people in realizing their personal goals and in giving wings to the dreams of their lives. We provide the tools they need to reach their full potential, hone their skills and develop new ones through training programs and continuous mentoring. As in the past, in 2013-14, we took a number of initiatives towards these ends, including:

- Streamlining HR Processes – Recruitment, Reference Checks, Induction Feedback, On boarding and Exits - through In-house Online HR Software
- Introducing 1 Day Induction Program with a walk through for all New Joinees at Head Office and Mumbai Branches
- Introducing Background Screening and Verification [in addition to reference check], of New Joinees through Pinkerton Corporate Risk Management
- Setting KRAs and mapping competencies for specific designations; organizing quarterly review meets and preparing performance improvement plans for those whose ratings are below a particular mark in the appraisal
- Individual Feedback and Counseling for those whose performance is not up to the mark
- More than 50 training workshops across the various verticals, covering more than 600 man-days of training of employees across all locations, giving emphasis to our employee growth and development strategy

In addition, to boost the spirit of the employees, regular outings and other recreational activities were organized. We believe in making work an enjoyable experience by providing the right balance between fun and work. To promote employee bonding and a sense of belonging and pride in working for the organization, we organized multi-facet Employee Welfare and Engagement events such as Emkay MasterChef, Tree Plantation Drive, Independence Day, Photography Workshop, Baking Sesssion, among others.

The fiscal was also packed with training programmes and refresher courses towards the development of more subtle aspects of our employees. Programs were customized for various departments depending upon their requirement. For the Institutional, Private Wealth Management, Insurance and Commodities team, we organized training workshops on Leadership and Powerful Impact, Advanced Derivative Trading, NISM, Time Management and training on Bloomberg, Options and Technical Analysis. To hone the skills of our back

office operations team, we organized training on Advanced Excel and Process Improvement.

8. Internal Control Systems and their Adequacies

The Company's internal control systems are adequate and are provided for, through competent management, implementation of standard policies and processes, maintenance of an appropriate audit program with internal control environment, effective risk monitoring and management information systems. Moreover, the Company continuously upgrades these systems in line with the best available practices.

The internal control systems are supplemented by extensive internal audits, regular reviews by management and standard policies and guidelines to ensure reliability of financial and all other records to prepare financial statements and other data. The Management Information System (MIS) forms an integral part of the Company's control mechanism. The Company has regular checks and procedures through internal audits conducted by an independent audit firm on a monthly basis. The reports are deliberated and executive summary of the same along with steps taken by the Management to address the issues are placed before the Audit Committee meeting/ Board meeting for their review. Reports of internal auditors are reviewed by the Audit Committee, and corrective measures, if any, are carried out towards further improvement in systems and procedures in compliance with Internal Control System. The Board also recognizes the work of the auditors as an independent check on the information received from the management on the operations and performance of the Company.

9. Financial Overview

Consolidated:

Income: The Company recorded a total income of ₹ 8,609 lac in FY14, as against ₹ 9,992 lac in FY13, a decrease of 13.84%.

EBIDTA: The Company's EBIDTA stood at ₹ 595 lac compared to ₹ (-) 247 lac in FY13, an increase of 341.37%.

PAT: The Profit/(Loss) after Tax stood at ₹ (395) lac as against ₹ (1478) lac in FY13, an increase of 73.29%.

Standalone:

Income: The Company recorded a total income of ₹ 7,170 lac, as against ₹ 7,987 lac in FY13, a decrease of 10.22 %.

EBIDTA: The Company's EBIDTA stood at ₹ 317 lac, as against ₹ 491 lac in FY13, a decrease of 35.44 %.

PAT: The Profit/(Loss) after Tax stood at ₹ (521) lac against ₹ (790) lac in FY13, an increase of 34.03%.

10. Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied.

Important factors that could influence the Company's operations include economic developments within the country, demand and supply conditions in the industry, input prices, changes in Government regulations, tax laws and other factors such as litigation and industrial relations.

CORPORATE GOVERNANCE REPORT

(As per Clause 49 of the Listing Agreement entered into with the Stock Exchanges)

I. Company's Philosophy on Corporate Governance

Corporate Governance is a set of systems, practices and an important tool in the hands of shareholders for protection and maximization of their long term values. It has been a constant endeavor on the part of the Company to achieve excellence in corporate governance by following the principles of transparency, accountability and integrity in functioning, so as to meet stakeholder's aspirations and societal expectations. As a good corporate, your Company is committed to sound corporate governance and fully realizes the rights of its shareholders to information on various aspects having direct impact on the Company's business and financial performance. The Company is in continuous efforts for adopting the best practices in corporate governance and believes that these practices would go beyond adherence to the regulatory framework. The Company not only adheres to the prescribed corporate governance practices as per Clause 49 but is also committed to sound corporate governance principles and practices and constantly strives to adopt emerging best practices.

II. Board Of Directors (Board)

1. Composition

The Company has an optimum combination of Executive and Non-Executive Directors in its Board and comprises of six Directors, each having expertise in their field of operation.

The total number of Non-Executive Directors and Independent Directors is more than 50% of the total number of Directors, which is in conformity with the requirement of Clause 49 of the Listing Agreement. The Chairman of the Board is a Non-Executive Independent Director, as per clause 49 of the Listing Agreement with the Stock Exchanges.

None of the Directors is a Director in more than 15 public limited companies and member of more than 10 committees or acts as Chairman of more than 5 committees across all companies in which he/she is a Director. (For the purpose of reckoning the limit under this para, Chairmanship/Membership of the Audit Committee and the Shareholders' Grievance Committee alone have been considered as specified in Clause 49 of the Listing Agreement).

The Non-Executive Directors, including Independent Directors on the Board, possess experience and specialization in diverse fields such as legal, finance, banking, administration etc. The brief profile of each Director is given below:

Mr. G. P. Gupta (Non-Executive Chairman, Independent)

Mr. Gian Prakash Gupta has over 40 years of experience in Development Banking. He was formerly the Chairman and Managing Director of Industrial Development Bank of India and Chairman of Unit Trust of India. He was associated as Director with various prominent companies like Bharat Heavy Electricals Ltd., National Aluminum Co. Ltd., Hindustan

Aeronautics Ltd., Power Finance Corporation Ltd., PTC India Ltd. and NTPC Ltd. Currently he serves on the Board of various listed companies, including Idea Cellular Ltd., Aditya Birla Nuvo Ltd., Birla Sun Life Insurance Co. Ltd., Swaraj Engines Ltd, and Dighi Port Ltd. and other renowned companies.

Mr. S. K. Saboo (Non-Executive, Non Independent Director)

Mr. Sushil Kumar Saboo has more than 46 years of management experience. Presently he is the Group Advisor (Chairman's Office) for Aditya Birla Group, one of the premier business groups of India.

Mr. R. K. Krishnamurthi (Non-Executive, Independent Director)

Mr. R. K. Krishnamurthi, a Solicitor in the Mumbai High Court and the Supreme Court of England, has a rich and wide experience of over 41 years in the field of Law. He is a retired Partner of Mulla & Mulla Craigie Blunt & Caroe, a reputed firm of Advocates, Solicitors and Notaries.

Mr. G. C. Vasudeo (Non-Executive, Independent Director)

Mr. G. C. Vasudeo is a fellow member of the Institute of Chartered Accountants of India, a fellow member of The Institute of Company Secretaries of India, an Associate member of The Institute of Cost and Works Accountants of India and a Law Graduate from the University of Mumbai. He has a wide and rich industrial experience of over 35 years. He is presently Managing Director of SI Group India Limited and is in charge of Corporate Finance, Accounts and Information Technology. He has been instrumental in the restructuring of the Group and also in Mergers and Acquisitions within the Group.

Mr. Krishna Kumar Karwa (Managing Director & CFO, Promoter)

Mr. Krishna Kumar Karwa, a rank holder Member of the Institute of Chartered Accountants of India, is the Promoter, Managing Director & CFO of the Company. Mr. Krishna Kumar Karwa has a rich and varied experience of 26 years in all aspects of the Equity Capital Markets. He also serves on the board of West Coast Paper Mills Limited as an Independent Director.

Mr. Prakash Kacholia (Managing Director, Promoter)

Mr. Prakash Kacholia, a Member of the Institute of Chartered Accountants of India, is the Promoter and Managing Director of the Company. Mr. Kacholia has a rich experience of 25 years in the capital markets with a focus on the derivatives segment. He is currently on the Board of BOI Shareholding Limited.

The Composition of the Board, Directorship/Committee positions in other companies as on 31st March, 2014 and number of Meetings held and attended during the year are as follows:

Name of the Director	Category	Board Meetings during Financial Year 2013-14		Attendance at last AGM held on 05.08.2013	Other Directorships		Other Committees	
		Held	Attended		Private Companies	Public Companies	Chairman	Member
Mr. G. P. Gupta	NED (I)	4	4	Y	3	8	4	2
Mr. S. K. Saboo	NED	4	4	Y	--	1	--	--
Mr. R. K. Krishnamurthi	NED (I)	4	4	Y	--	3	--	1
Mr. G. C. Vasudeo	NED (I)	4	3	N	--	2	--	1
Mr. Krishna Kumar Karwa	ED	4	4	Y	2	5	1	2
Mr. Prakash Kacholia	ED	4	4	Y	2	5	1	--

Note: Category: NED – Non-Executive Director, NED (I) – Non-Executive Director and Independent, ED – Executive Director & Promoter

2. Board Meetings

During the Financial Year 2013-2014, 4 Meetings were held on 18th May, 2013, 5th August, 2013, 28th October, 2013 and 25th January, 2014.

The gap between any two Meetings did not exceed four months.

The Company Secretary prepares the agenda papers in consultation with the Managing Directors and circulates the same to each Director sufficiently before Board and Committee Meetings. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meetings. Wherever it is not practicable to attach any document to the agenda, the same is tabled before the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted.

To enable the Board to discharge its responsibilities effectively, both the Managing Directors appraise the Board at every meeting on the overall performance of the Company, followed by a detailed presentation.

The Board periodically reviews strategies, business plans, annual operating and capital expenditure budgets and evaluates the functions of the management in order to meet shareholders' aspirations. Some of the important matters that are discussed in the meeting of the Board are:

- The minutes of the Board meeting of unlisted Subsidiary Companies.
- Minutes of the meetings of Audit Committee and other Committees of the Board.
- Declaration of Independent Directors at the time of appointment/annually.
- Annual operating plans of various businesses, budgets and any updates on the same.
- Statement of all significant transactions, related party

transactions and arrangements with the Subsidiary Companies.

- Quarterly Results of the Company on Standalone & Consolidated basis.
- Annual Financial Results of the Company, Auditor's Report and the Report of the Board of Directors.
- Dividend declaration.
- Compliance Certificate certifying compliance with all the laws as applicable to the Company.
- Consideration and review of investments and exposure limits.
- Action taken report on the decisions taken at the previous meeting of the Board and other Committees.

The information as specified in Annexure "IA" to Clause 49 of the Listing Agreement is regularly made available to the Board, whenever applicable, for discussion and consideration.

The minutes of the proceedings of each Board and Committee Meeting are duly recorded. A draft of the minutes is circulated to all the members of the Board/Board Committee for their comments.

3. Code of Conduct

The Board of Directors has laid down a Code of Conduct for all the Board Members and all the employees in the management grade of the Company. The code covers amongst other things, the Company's commitment towards honest & ethical personal conduct, transparency and compliance of laws & regulations. The Code of Conduct is posted on the website of the Company i.e. www.emkayglobal.com.

The Board of Directors and Senior Management Personnel have confirmed compliance with the code. Declarations to this effect signed by the Managing Directors are annexed to this report as Annexure '1'.

III. Committees of Directors

1. Audit Committee

• Composition

The present composition of the Audit Committee is as follows:

Mr. G. C. Vasudeo	Chairman
Mr. G. P. Gupta	Member
Mr. R. K. Krishnamurthi	Member
Mr. Prakash Kacholia	Member

The Audit Committee comprises of three Non-Executive Independent Directors and one Executive Director. The Chairman of the Audit Committee, Mr. G. C. Vasudeo a Non-Executive Independent Director having expertise in the field of accounting and related financial management. Mr. G. C. Vasudeo acted as chairman of all the audit committee meetings except on 5th August, 2014 and in his absence, Mr. R. K. Krishnamurthi acted as the chairman of the committee for the meeting held on 5th August, 2013. All the members of the Committee are financially literate. The Statutory Auditors, Internal Auditors and Assistant Vice President Accounts & Finance are permanent invitees to the Meetings. Mr. Vaibhav Purohit was appointed as Company Secretary of the company, w.e.f. 1st August, 2013 and since then he has acted as the Secretary of the various Committees of the Board of Directors.

• Meetings

During the Financial Year 2013-14, four Meetings were held on 18th May, 2013, 5th August, 2013, 28th October, 2013 and 25th January, 2014. The gap between any two Meetings did not exceed four months. The attendance of each Committee member was as under:

Name	No. of Meetings attended
Mr. G. P. Gupta	4
Mr. G. C. Vasudeo	3
Mr. R. K. Krishnamurthi	4
Mr. Prakash Kacholia	4

• Terms of Reference

The terms of reference of Audit Committee are described below:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors and the fixation of audit fees.
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

- Matters required to be included in the Directors' Responsibility Statement, to be included in the Board's report in terms of Clause 2AA of Section 217 of the Companies Act, 1956.
 - 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 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, 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 on any significant findings and follow up there on.
 - 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.
 - Discussion with statutory auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 - To look into the reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
 - To review the functioning of the Whistle Blower mechanism, in case the same exists.
 - 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 utilizations of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

- n. 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 & background, etc. of the candidate.
- o. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- p. Committee will also function terms of reference as amended from time to time by SEBI.
- q. The Committee also reviews the following matters:
 - i. Management Discussions and Analysis of Company's Operations.
 - ii. Periodical Internal Audit Reports.
 - iii. Letters of Statutory Auditors to management on internal control weakness, if any.
 - iv. Appointment, removal and terms of remuneration of Internal Auditors.
 - v. Significant related party transactions.
 - vi. Quarterly and Annual Financial Statements including investments made by the Subsidiary Companies.

2. Remuneration/Compensation Committee

• Composition

The present composition of the Remuneration/Compensation Committee is as follows:

Mr. G. P. Gupta	Chairman
Mr. S. K. Saboo	Member
Mr. R. K. Krishnamurthi	Member
Mr. G. C. Vasudeo	Member

The Committee comprises of only Non-Executive Directors as its members. All the members of the committee are Independent except Mr. S. K. Saboo.

• Meetings

During the Financial Year 2013-14, three Meetings were held on 18th May, 2013, 5th August, 2013 and 28th October, 2013. The attendance of each Committee member was as under:

Name	No. of Meetings attended
Mr. G. P. Gupta	3
Mr. G. C. Vasudeo	2
Mr. R. K. Krishnamurthi	3
Mr. S. K. Saboo	3

• Terms of Reference

The Remuneration/Compensation Committee shall determine the Company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment and carry out the role as per the corporate governance regulations framed by the authorities from time to time.

The Remuneration/Compensation Committee shall also meet as and when required for the purpose of proper administration and implementation of the ESOP Schemes formulated by the Company from time to time.

The main function of the committee will include implementation, administration and superintendence of the ESOP Scheme formulated by the Company from time to time and to formulate the detailed terms and conditions for the same including:

- a) The quantum of options to be granted under an ESOP Scheme per employee and in aggregate;
- b) The Eligibility Criteria;
- c) The Schedule for Vesting of Employee Stock Options;
- d) The conditions under which the Employee Stock Option vested in Employees may lapse in case of termination of employment for misconduct;
- e) The procedure for making a fair and reasonable adjustment to the number of Employee Stock Options and to the Exercise Price in case of a corporate action such as rights issues, bonus issues, merger, sale of division and others;
- f) The procedure and terms for the Grant, Vest and Exercise of Employee Stock Option in case of Employees who are on long leave;
- g) The procedure for cashless exercise of Employee Stock Options, if required;
- h) Approve forms, writings and/or agreements for use in pursuance of the ESOP Schemes;
- i) Frame suitable policies and systems to ensure that there is no violation by an employee of (a) Securities and Exchange Board of India (Insider Trading) Regulations, 1992;
- j) Frame any other byelaws, rules or procedures as it may deem fit for administering ESOP.

• Remuneration Policy

The Board of Directors and Remuneration/Compensation Committee of Directors are authorized to decide the remuneration of Executive Directors, subject to the approval of the Members and Central Government, if required. Payment of remuneration to the Managing Directors is governed by the letter of appointment issued to them by the Company, containing the terms and conditions of appointment approved by the Board of Directors and Remuneration/Compensation Committee and the Shareholders. The remuneration structure comprises of salary, perquisites, retirement benefits and performance linked bonus. The Non-Executive Directors do not draw any remuneration from the Company other than sitting fees and such commission, as approved by the Shareholders at the Annual General Meeting held on 30th August, 2010. No

stock options are granted to the Directors of the Company. The Non-Executive Directors of the Company do not hold any equity shares in the Company.

• **Details of Remuneration paid to Executive Directors for the Financial Year 2013-14**

The tenure of Mr. Prakash Kacholia as Managing Director and Mr. Krishna Kumar Karwa as Managing Director & CFO ended on 30th September, 2013. On the basis of the recommendation of the Remuneration/Compensation Committee and the Board of Directors of the Company at their meeting held on 18th May, 2013, the Members of the Company at their meeting held on 5th August, 2013 approved their re-appointment and payment of remuneration for a period of three years with effect from 1st October, 2013.

Due to inadequacy of profits during the financial year 2013-2014, the remuneration paid to Mr. Prakash Kacholia and Mr. Krishna Kumar Karwa for the period from 1st October, 2013 to 31st March, 2014 exceeded the limits as prescribed under Section 198 read with Schedule XIII of the Companies Act, 1956. In compliance with the provisions of the Companies Act, 1956, the Company made an application to the Ministry of Corporate Affairs for approving their appointment and payment of remuneration in excess of the limits prescribed, for a period of three years with effect from 1st October, 2013.

Ministry of Corporate Affairs had approved their reappointment and payment of Remuneration of ₹ 84,00,000/- per annum to Mr. Prakash Kacholia and Mr. Krishna Kumar Karwa each vide their approval letter dated 27th February, 2014 as against ₹ 1,57,08,000/- per annum each, approved by the Members of the Company on 5th August, 2013.

However, In view of the deteriorated business environment in the past few months and financial position of the Company, both the Managing Directors of the Company expressed their desire to accept the salary of ₹ 60,00,000/- p.a. w.e.f. 1st April, 2013 and post their reappointment w.e.f. 1st October, 2013 again expressed their desire to accept the salary of ₹ 60,00,000/- w.e.f. 1st October, 2013.

• **Remuneration paid to Managing Directors for the Financial Year 2013-2014.**

(Amt. in ₹)

Particulars	Mr. Krishna Kumar Karwa (Managing Director & CFO)	Mr. Prakash Kacholia (Managing Director)
Salary	53,57,148	53,57,148
Companies Contribution to Provident Fund	6,42,852	6,42,852
Total	60,00,000	60,00,000

The Basic Salary may be reinstated whenever the Board and/or Remuneration/Compensation Committee feels it appropriate and fit after considering the business environment from the new financial year starting 1st April, 2014.

The Non Executive Directors are paid remuneration by way of Sitting Fees as under:

• **Details of Remuneration paid by way of Sitting Fees to Non-Executive Directors during the Financial Year 2013-2014**

Name	Sitting Fees for Board/Committee Meetings attended (₹)
Mr. G. P. Gupta	1,10,000
Mr. S. K. Saboo	70,000
Mr. R. K. Krishnamurthi	1,10,000
Mr. G. C. Vasudeo	80,000
Total	3,70,000

3. Investor Grievance and Share Transfer Committee.

• **Composition**

The present composition of the Investor Grievance and Share Transfer Committee of the Company is as follows:

Mr. R. K. Krishnamurthi	Chairman
Mr. Prakash Kacholia	Member
Mr. Krishna Kumar Karwa	Member

The Chairman of the Committee is the Non-Executive Independent Director. Mr. Vaibhav Purohit was appointed as Company Secretary of the company w.e.f. 1st August, 2013 and since then he has acted as Secretary of the Committee. In case there is a request for transfer of shares, demat- remat of shares during a fortnight, the Committee meeting is held fortnightly, else the Committee meets once in every quarter.

During the financial year 2013-14, the Committee had 4 meetings. These meetings were held on 18th May, 2013, 5th August, 2013, 28th October, 2013 and 25th January, 2014. All the Members of the Committee were present at all the meetings. The Investor Grievance and Share Transfer Committee looks into the redressal of shareholder and investor complaints, issue of duplicate/consolidated share certificates, remat/demat of shares and review of cases for refusal of transfer/transmission and reference to statutory and regulatory authorities.

Company has been complying with the requirements of the Securities Law and the Listing Agreement with the Stock Exchanges.

• **Details of Shareholders/Investors Complaints for the financial year 2013-14:**

Number received during the year	Nil
Number resolved to the satisfaction of complainant	Nil
Number pending redressal	Nil
Number pending transfers	Nil

IV. Subsidiary Companies

The Company has four wholly owned unlisted subsidiaries as under:

1. Emkay Fincap Limited
2. Emkay Commotrade Limited
3. Emkay Insurance Brokers Limited
4. Emkay Investment Managers Limited

Out of the above four subsidiaries, Emkay Fincap Limited is a material non-listed Indian subsidiary as per Clause 49 of the Listing Agreement whose turnover or net worth (i.e. paid-up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year ended 31st March, 2013. As required under Clause 49, an Independent Director of the Company has been appointed on the Board of Emkay Fincap Limited.

The Company monitors the performance of its subsidiaries, inter alia, by following means:

- The Financial Statements, in particular the investments made by the unlisted subsidiary companies are placed before the Company's Audit Committee as well as before the Board.
- The Minutes of Board and Audit Committee Meetings of the subsidiaries are placed at the Board Meetings of the Company.
- Details of significant transactions and arrangements entered into by the unlisted subsidiary companies with the Company are placed before the Company's Board, as and when applicable.

V. CEO/CFO Certification

The certificate required under Clause 49(V) of the Listing Agreement, duly signed by the Managing Directors/CFO has been given to the Board and the same is annexed to this report as Annexure '2'.

VI. Management Discussion And Analysis

The Management Discussion and Analysis Report is given separately in the Annual Report.

VII. IPO Unclaimed Shares Demat Suspense Account

As per a directive issued by the Securities Exchange Board of India (SEBI), the Company had opened a Beneficiary Account with Emkay Global Financial Services Limited, in the capacity of Depository Participant of CDSL in the name and style of "Emkay Global Financial Services Limited A/C IPO-Unclaimed Securities Suspense Account" and credited the unclaimed shares lying in the Escrow Account which are not transferable in any manner. The said account is held by the Company purely on behalf of the allottees who are entitled

to the shares but have not claimed their shares. As on 31st March, 2014, a total of 1150 (31st March, 2013; 1150) shares pertaining to 7 allottees are lying in the said Depository Account. The voting rights on the shares in the suspense accounts shall remain frozen till the rightful owners of such shares claim the shares.

Further, in compliance with the aforesaid SEBI Circular, the Company has opened an account with HDFC Bank Ltd. in the name and style of "EGFSL – IPO Unclaimed Shares Unpaid Dividend Account" and credited the said bank account with the dividends declared on Unclaimed IPO Shares. As on 31st March 2014, an amount of ₹ 6325/- (31st March, 2013; ₹ 7144/-) is lying in the said bank account.

VIII. Reconciliation of Share Capital Audit Report

During the Financial Year 2013-14, Reconciliation of Share Capital Audit Report as stipulated under Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996 was carried out on a quarterly basis by Practicing Company Secretary for reconciliation of the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued and listed capital. This audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares held in physical form and the total number of dematerialized shares held with NSDL and CDSL. The Reconciliation of Share Capital Audit Report is submitted to Stock Exchanges and is also placed before the Board of Directors.

IX. Code of Conduct for Prevention of Insider Trading

Pursuant to the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended, the Company adopted a Code of Conduct for Prevention of Insider Trading at the Meeting of the Board of Directors of the Company held on 19th May, 2012. This Code of Conduct is applicable to all Directors and such identified employees of the Company as well as of the Subsidiary Companies who are expected to have unpublished price sensitive information relating to the Company.

X. General Body Meetings

1. Details of venue, date and time of the last three Annual General Meetings (AGM) held:

Financial Year	AGM No.	Venue	Date	Time
2012-2013	19th	M. C. Ghia Hall, Fort, Mumbai	5th August, 2013	4.00 p.m
2011-2012	18th		8th August, 2012	2.00 p.m
2010-2011	17th		1st August, 2011	3.00 p.m.

2. Special Resolutions passed at the last three AGMs:

- At the 19th AGM held on 5th August, 2013
 - a. Re-appointment of and Payment of remuneration to Managing Directors
- At the 17th AGM held on 1st August, 2011
 - a. Approving Amendments of ESOP-2005, ESOP-2007 and ESOP-2010 (through Trust Route).

3. Postal Ballot:

During the Financial Year 2013-14, the Company had passed a Special Resolution for amendment of ESOP Scheme-2010 through trust route and the approval of members was sought through postal ballot process.

The Board of Directors of the Company appointed Mr. P. N. Parikh of M/s. Parikh & Associates, Practicing Company Secretary, Mumbai as scrutinizer for conducting the postal ballot process in a fair and transparent manner.

The results of the Postal Ballot were declared on 20th December, 2013 by the Managing Director at the Registered Office of the Company. The details of voting pattern are as follows:

Particulars	Special Resolution for amendment/modifications of ESOP Scheme-2010 through Trust Route as mentioned in the Notice for Postal Ballot dated 28th October, 2013	
	No. of Ballots	No. of Shares
TOTAL RECEIVED	156	1,90,46,375
Less: Invalid	23	15,087
Valid	133	1,90,31,288
- Assent	114	1,90,28,958
- Dissent	19	2,330

4. Details of Directors seeking appointment/re-appointment as required under Clause 49 IV (G) of the Listing Agreement entered into with Stock Exchanges:

Name of Director	Mr. S. K. Saboo
Director Identification Number	00373201
Date of Birth	5th November, 1942
Age	71 years
Date of Appointment	15th September, 1995
Experience in Specified Functional Area	Rich and vast experience of over 46 years in the field of Management
No. of shares held in the Company	Nil
Qualification	B.Com
List of other Companies in which associated as Director	1. Indophil Textile Mills Inc; Philippines
Chairman/Memberships of the Committee of the Board of other Companies in which associated as a Director	Chairman/Member: Nil

Name of Director	Mr. G. P. Gupta
Director Identification Number	00017639
Date of Birth	11th January, 1941
Age	73 years
Date of Appointment	10th November, 2005
Experience in Specified Functional Area	Rich and vast experience of over 41 years in Development Banking
No. of shares held in the Company	Nil
Qualification	M.Com
List of other Companies in which associated as Director	<ol style="list-style-type: none"> 1. Birla Sun Life Insurance Company Limited 2. Swaraj Engines Limited 3. Aditya Birla Nuvo Limited 4. Idea Cellular Limited 5. Landmark Property Development Company Limited 6. Dighi Port Limited 7. Aditya Birla Retail Limited 8. Aditya Birla Capital Advisors Private Limited 9. Trinethra Super Retail Private Limited 10. Emkay Investment Managers Limited 11. Intersoft Consulting and Software Services Private Limited
Chairman/Memberships of the Committee of the Board of other Companies in which associated as a Director	<p>Chairman Audit Committee-</p> <ol style="list-style-type: none"> 1. Idea Cellular Limited 2. Birla Sun Life Insurance Company Limited 3. Landmark Property Development Company Limited 4. Aditya Birla Capital Advisors Private Limited 5. Swaraj Engines Limited <p>Member: Audit Committee-</p> <ol style="list-style-type: none"> 1. Aditya Birla Nuvo Limited 2. Aditya Birla Retail Limited 3. Trinethra Super Retail Private Limited

Name of Director	Mr. R. K. Krishnamurthi
Director Identification Number	00464622
Date of Birth	17th January, 1946
Age	68 years
Date of Appointment	10th November, 2005
Experience in Specified Functional Area	Rich and vast experience of over 41 years in the field of Law
No. of shares held in the Company	Nil
Qualification	B.A, LLB
List of other Companies in which associated as Director	1. Madhav Marbles and Granites Limited 2. Emkay Commotrade Limited 3. Emkay Insurance Brokers Limited
Chairman/Memberships of the Committee of the Board of other Companies in which associated as a Director	Chairman : Nil Member : Audit Committee 1.Emkay Commotrade Limited

Name of Director	Mr. G. C. Vasudeo
Director Identification Number	00021772
Date of Birth	23rd December, 1954
Age	59 years
Date of Appointment	28th January, 2006
Experience in Specified Functional Area	Rich and vast experience of over 35 years in the field of Financial Services
No. of shares held in the Company	Nil
Qualification	B.Com, LLB, FCS, FCA, AICWA
List of other Companies in which associated as Director	1. SI Group India Limited 2. Emkay Fincap Limited
Chairman/Memberships of the Committee of the Board of other Companies in which associated as a Director	Chairman : Nil Member : Audit Committee 1. Emkay Fincap Limited

XI. Disclosures

- Transactions with related parties, as per requirements of Accounting Standard 18, are disclosed elsewhere in this Annual Report.
 - A statement in summary form of transactions with related parties in the ordinary course of business is placed periodically before the audit committee.
 - There are no transactions with related parties which are not in the normal course of business.
 - All related party transactions are negotiated on arm length basis and are intended to further the interest of the Companies concerned.
- The Company has not entered into any other transaction of

a material nature with the related parties viz. promoters, directors or the Management, their subsidiaries or relatives etc. that may have a potential conflict with the interests of the Company at large.

- The Company has followed all the relevant Accounting Standards while preparing the Financial Statements and confirms that there have been no deviations whatsoever.
- The Company has in place a mechanism to inform the Board members about the Risk assessment and minimization procedures and periodical reviews to ensure that the critical risks are controlled by the executive management.
- No penalties or strictures were imposed by the Stock Exchanges or by SEBI or any other statutory authority on the Company in any matter related to capital market in connection with its equity share capital from the date of listing.
- The Company has complied with Clause 38 of the listing agreement with respect to payment of Annual Listing fees to the Exchanges and Annual Custodial fees to the Depositories.

XIII. Non-Mandatory Requirements

The Company has complied with all mandatory requirements and has adopted the following non-mandatory requirements of Clause 49 of the Listing Agreement.

1. Remuneration Committee

The Company has constituted Remuneration Committee to recommend/review remuneration of the Managing Directors based on their performance and defined assessment criteria.

2. Audit Qualification

The Company is in the regime of unqualified financial statements.

XIII. Means of Communication

- The Quarterly/Annual Financial Results of the Company are normally published in the Business Standard and Sakal/Free Press Journal and Navshakti.
- The Quarterly/Annual Financial Results were promptly displayed on the Company's website www.emkayglobal.com.
- All the official news releases are regularly sent to the Stock Exchanges and are promptly displayed on the Company's website.

XIV. General Shareholder Information

AGM: Date, time and venue	Wednesday, the 13th August, 2014 at 3.00 P.M. at M. C. Ghia Hall, Fort, Mumbai - 400001
Financial Year	1st April, 2013 to 31st March, 2014
Date of Book Closure	Tuesday, 5th August, 2014 to Wednesday, 13th August, 2014 (Both days inclusive)
Dividend Payment Date	No Dividend Declared
Listing on Stock Exchanges	-BSE Limited -National Stock Exchange of India Limited
Stock Code/Symbol	-BSE-532737 -National Stock Exchange of India Limited-EMKAY
ISIN Number	INE296H01011
Registrar and Transfer Agents	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai-400078
Share Transfer System	The Company has constituted an Investor Grievance and Share Transfer Committee comprising of its Directors. In case there is a request for transfer of shares, demat-remat of shares during a fortnight, the committee shall meet once in every quarter. The List of valid transfers/transmission/remat etc. prepared by the Registrar & Transfer Agent in respect of transfer cases received by them, if any, is placed before the Investor Grievance and Share Transfer Committee for its approval/confirmation
Dematerialization of Shares and liquidity	As on 31.03.2014, 99.89% of the Equity Share Capital comprising 2,44,10,370 equity shares out of total 2,44,37,750 were dematerialized.
Outstanding GDR/ADR/Warrants or any Convertible Instruments, Conversion Date and likely impact on equity	The Company has not issued any GDR /ADR/Warrants.
Plant Locations	The Company is in the business of providing financial services, therefore it does not have any manufacturing plants.
Address for correspondence	Registered Office: The Ruby, 7th Floor, Senapati Bapat Marg, Dadar (West), Mumbai-400028 Corporate Office: Paragon Center, C-06, Ground Floor, Pandurang Budhkar Marg, Worli, Mumbai-400 013 Registrar and Transfer Agent: Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078

XV. Categories of Share Holding as on 31st March, 2014

The Shareholding of different categories of the shareholders as on 31st March, 2014 is given below:

Category	No. of Shareholders	No. of Shares	% of total
Promoters	3	1,38,22,500	56.5621
Relatives of Directors	4	40,75,000	16.6750
Other Bodies Corporate	154	6,66,146	2.7259
NRI (including Non Repatriable)	50	1,11,554	0.4565
Trusts	1	7,54,648	3.0880
Public	5982	50,07,902	20.4925
Total	6194	2,44,37,750	100.0000

XVI. Distribution of Shareholding as on 31st March, 2014

The Shareholding distribution of the equity shares as on 31st March, 2014 is given below:

Number of Shares held (Face value of ₹ 10 each)	Shareholders		Shares	
	Number	% of total	Number	% of total
1-500	5447	87.9399	547911	2.2421
501-1000	313	5.0533	260266	1.0650
1001-2000	166	2.6800	250608	1.0255
2001-3000	76	1.2270	195925	0.8017
3001-4000	37	0.5974	134546	0.5506
4001-5000	23	0.3713	109253	0.4471
5001-10000	60	0.9687	452647	1.8522
10001 & above	72	1.1624	22486594	92.0158
Total	6194	100.0000	24437750	100.0000

XVII. Market Price Data

During the year, the BSE Sensex increased from 18,864.75 as on 1st April 2013 to 22,386.27 as on 31st March 2014 (Source-BSE)

The Market Price of the Company's Shares traded on the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE) during each month of the last Financial Year from 1st April, 2013 to 31st March, 2014 is as follows:

Month	BSE		NSE	
	High ₹	Low ₹	High ₹	Low ₹
April, 2013	22.00	16.00	21.00	16.50
May, 2013	20.05	14.15	20.00	14.15
June, 2013	18.00	11.12	17.55	11.45
July, 2013	19.30	16.20	18.20	17.05
August, 2013	18.00	13.40	14.95	14.95
September, 2013	22.60	14.64	22.00	14.25
October, 2013	21.20	18.95	18.65	15.15
November, 2013	21.00	13.50	16.50	14.40
December, 2013	14.15	13.00	14.25	13.10
January, 2014	16.65	13.90	16.25	14.10
February, 2014	15.90	13.30	17.50	13.70
March, 2014	15.50	13.00	15.25	11.95

On behalf of the Board of Directors

For **Emkay Global Financial Services Limited**

Krishna Kumar Karwa
Managing Director & CFO

Prakash Kacholia
Managing Director

Place: Mumbai

Date: 22nd May, 2014



CERTIFICATE OF CORPORATE GOVERNANCE

To the Members of

Emkay Global Financial Services Limited

We have examined the compliance of conditions of Corporate Governance by Emkay Global Financial Services Limited ('the Company') for the year ended 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

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

For B. L. Sarda & Associates

Firm Registration No.109266W

Chartered Accountants

(CA. B. L. Sarda)

Partner

Membership No. 014568

Place: Mumbai

Date: 22nd May, 2014

In accordance with Sub-Clause I (D) of Clause 49 of the Listing Agreement with the Stock Exchanges, we, Krishna Kumar Karwa - Managing Director & CFO and Prakash Kacholia - Managing Director of the Company confirm that the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended 31st March, 2014.

For Emkay Global Financial Services Limited

Krishna Kumar Karwa
Managing Director & CFO

Prakash Kacholia
Managing Director

Place: Mumbai
Date: 22nd May, 2014

We hereby certify that -

- a. We have reviewed Financial Statements and the Cash Flow Statement of Emkay Global Financial Services Limited for the year ended 31st March, 2014 and that 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 which violate 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 the internal control systems of the Company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
- d. We have indicated to the Auditors and the Audit Committee;
 - i) that there are no significant changes in internal control over financial reporting during the year;
 - ii) that there are no significant changes in accounting policies during the year; and
 - iii) that there are no instances of significant fraud of which we have become aware.

Krishna Kumar Karwa
Managing Director & CFO

Prakash Kacholia
Managing Director

Place: Mumbai
Date: 22nd May, 2014

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INDEPENDENT AUDITOR'S REPORT

To the Members of

EMKAY GLOBAL FINANCIAL SERVICES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of EMKAY GLOBAL FINANCIAL SERVICES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting

estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) In the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note No. 5 to the financial statements which describe the uncertainty related to the outcome of the appeal pending before Securities Appellate Tribunal (SAT) against rejection of Company's annulment application by NSE on account of occurrence of a mistake while executing a sale order on Cash Segment of the said exchange resulting in loss of ₹ 5194.04 lac. The impact, if any, of the abovesaid matter on the Company's financials is dependent upon the outcome of the said appeal. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required under provisions of section 227(3) of the Companies Act, 1956, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

- c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013; and
- e. On the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

Place : Mumbai
Date : 22nd May, 2014

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

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING OF "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

- (i) In our opinion and according to the information and explanations given to us, the nature of the Company's business/activities during the year are such that matters specified in clauses (viii), (xiii) and (xix) of Paragraph 4 of the said Order do not apply to the Company.
- (ii) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, fixed assets of the Company have been physically verified by the management during the year which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the Company has not disposed off substantial part of fixed assets which could affect the going concern status of the Company.
- (iii) (a) The securities held as stock in trade have been confirmed with the statement of holding of depository at the end of the year. In our opinion, the frequency of verification of statement of holding is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedure of confirmation of securities held as stock in trade followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of securities held as stock in trade and as informed to us, no discrepancies have been noticed on verification between the statement of holding and the book records.
- (iv) (a) The Company has granted unsecured demand loans to two companies both being its subsidiaries which are also covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was ₹ 280 lac and the year end balance of loans granted to said companies was ₹ NIL.
- (b) In our opinion, the rate of interest and other terms and conditions on which the said unsecured loans have been granted to two companies listed in the register maintained under section 301 of the Act are not prejudicial to the interest of the Company.
- (c) The said Companies have fully repaid the principal alongwith interest thereon during the year as and when demanded.
- (d) The clause 4(iii)(d) of order regarding any overdue amount of loan granted to the said companies is not applicable in view of our comments in para (iv)(c) above.
- (e) The Company has taken unsecured demand loans from three companies and two parties covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was ₹2720 lac and the year end balance of loan taken from the said companies and said parties were ₹1195 lac.
- (f) In our opinion, the rate of interest and other terms and conditions on which the said unsecured loans have been taken from three companies and two parties listed in the register maintained under section 301 of the Act are not, prima facie, prejudicial to the interest of the Company.
- (g) The Company is repaying the principal amount during the year as and when demanded and has also been regular in paying the interest thereon.
- (v) In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of securities, fixed assets and for sale of securities and services. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have we been informed of any instance of major weakness in the aforesaid internal control systems.
- (vi) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act and exceeding the value of rupees five lac in respect

of any party during the year for services provided to such a party, no comparison could be made since similar transactions have not been made with other parties.

- (vii) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from public within the meaning of Sections 58A and 58AA or any other relevant provisions of the Act and the rules framed thereunder.
- (viii) In our opinion, the Company has an adequate internal audit system commensurate with the size of the Company and the nature of its business.
- (ix) (a) The Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues applicable to it. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.
- (b) As at 31st March, 2014, according to the records of the Company and the information and explanations given to us, the following are the particulars of disputed dues on account of income tax, sales tax, service tax, custom duty, wealth tax, excise duty and cess matters that have not been deposited:

Nature of dues	Amount (₹ in lac)	Period to which the amount relates	Forum where pending
Tax Deducted at Source and Interest	0.35	FY 2005-2006	Appeal effects
Income Tax and Interest	9.29	FY 2007-2008	Rectifications/ Appeal effects
Income Tax and Interest	16.73	FY 2008-2009	(a) Rectifications/ Appeal effects, and (b) Income Tax Appellate Tribunal
Income Tax and Interest	9.60	FY 2010-2011	Commissioner of Income Tax(Appeals)

- (x) The Company has no accumulated losses as at 31st March, 2014. It has incurred cash losses during the financial year covered by our audit but not in the immediately preceding financial year.
- (xi) According to the information and explanations given to us, the Company has not defaulted in repayment of

dues to the bank. The Company has not obtained any borrowings from any financial institutions or by way of debentures.

- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of the transactions and contracts in respect of its dealing or trading in shares, securities and other investments and timely entries have been made therein and the shares, securities and other investments have been held by the Company in its own name.
- (xiv) To the best of our knowledge and belief and according to the information and explanations given to us, the terms and conditions at which guarantee has been given by the Company for credit facilities taken from banks by a subsidiary are, in our opinion, not, *prima facie*, prejudicial to the interest of the Company.
- (xv) To the best of our knowledge and belief and according to the information and explanations given to us, no term loans were obtained by the Company during the year.
- (xvi) According to the Cash Flow Statement and other records examined by us and the information and explanations given to us, on an overall basis, funds raised on short term basis have, *prima facie*, not been used during the year for long term investment.
- (xvii) According to the information and explanations given to us, the Company has not made any preferential allotment during the year to Companies/Firms/Parties covered in the register maintained under section 301 of the Act.
- (xviii) The Company has not raised any money by public issues during the year.
- (xix) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

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

(CA B. L. Sarda)

Place : Mumbai
Date : 22nd May, 2014

Partner
Membership No. 014568

BALANCE SHEET

AS at 31st March, 2014

	Note No.	As at 31st March, 2014	As at 31st March, 2013
		(₹)	(₹)
EQUITY AND LIABILITIES			
1. SHAREHOLDER'S FUNDS			
Share Capital	3.1	244,377,500	244,377,500
Reserves and Surplus	3.2	981,999,926	1,034,109,682
		1,226,377,426	1,278,487,182
2. NON-CURRENT LIABILITIES			
Long-Term Borrowings	3.3	-	-
Other Long-Term Liabilities	3.4	24,627,942	32,908,919
		24,627,942	32,908,919
3. CURRENT LIABILITIES			
Short-Term Borrowings	3.5	272,857,533	389,222,363
Trade Payables	3.6	510,312,642	316,591,615
Other Current Liabilities	3.7	431,385,498	262,017,050
Short-Term Provisions	3.8	2,370,060	1,467,347
		1,216,925,733	969,298,375
		2,467,931,101	2,280,694,476
ASSETS			
1. NON CURRENT ASSETS			
Fixed Assets			
- Tangible Assets	3.9 (a)	384,213,163	417,506,143
- Intangible Assets	3.9 (b)	4,067,784	6,078,684
Non-Current Investments	3.10	346,004,526	345,004,526
Long-Term Loans and Advances	3.11	150,579,701	146,734,501
		884,865,174	915,323,854
2. CURRENT ASSETS			
Inventories	3.12	610	610
Trade Receivables	3.13	372,006,654	228,398,997
Cash and Cash Equivalents	3.14	542,400,551	563,986,826
Short-Term Loans and Advances	3.15	658,251,617	564,706,573
Other Current Assets	3.16	10,406,495	8,277,616
		1,583,065,927	1,365,370,622
		2,467,931,101	2,280,694,476
SIGNIFICANT ACCOUNTING POLICIES			
	2		
The accompanying notes are an integral part of the financial statements.			

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

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

Place : Mumbai
Date : 22nd May, 2014

For and behalf of the Board of
EMKAY GLOBAL FINANCIAL SERVICES LIMITED

KRISHNA KUMAR KARWA
Managing Director & CFO

R. K. KRISHNAMURTHI
Director

S. K. SABOO
Director

Place : Mumbai
Date : 22nd May, 2014

PRAKASH KACHOLIA
Managing Director

G. C. VASUDEO
Director

VAIBHAV PUROHIT
Company Secretary &
Compliance Officer

STATEMENT OF PROFIT AND LOSS

For the year ended 31st March, 2014

	Note No.	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2013
		(₹)	(₹)
Revenue			
Revenue from Operations	3.17	708,214,788	765,052,766
Other Income	3.18	8,812,478	33,629,491
Total Revenue		717,027,266	798,682,257
Expenses			
Employee Benefits Expense	3.19	320,386,326	347,855,453
Finance Costs	3.20	41,509,341	28,343,210
Depreciation and Amortization Expense	3.21	41,582,673	52,938,868
Other Expenses	3.22	364,966,768	401,767,537
Total Expenses		768,445,108	830,905,068
Loss Before Tax		(51,417,842)	(32,222,811)
Tax Expense:			
Income-Tax			
- Deferred Tax Charge/(Benefit) [Refer note no.14]		-	46,767,100
- Short Provision for Taxation for Earlier Years		691,914	-
Loss for the year		(52,109,756)	(78,989,911)
Earnings per Equity Shares of nominal value of ₹10/- each			
-Basic		(2.13)	(3.23)
-Diluted		(2.13)	(3.23)
SIGNIFICANT ACCOUNTING POLICIES :	2		
The accompanying notes are an integral part of the financial statements.			

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

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

Place : Mumbai
Date : 22nd May, 2014

For and behalf of the Board of
EMKAY GLOBAL FINANCIAL SERVICES LIMITED

KRISHNA KUMAR KARWA
Managing Director & CFO

R. K. KRISHNAMURTHI
Director

S. K. SABOO
Director

Place : Mumbai
Date : 22nd May, 2014

PRAKASH KACHOLIA
Managing Director

G. C. VASUDEO
Director

VAIBHAV PUROHIT
Company Secretary &
Compliance Officer

CASH FLOW STATEMENT

For the year ended 31st March, 2014

	Year ended 31st March, 2014		Year ended 31st March, 2013	
	(₹)	(₹)	(₹)	(₹)
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax, extraordinary items		(51,417,842)		(32,222,811)
Adjustment for :				
Finance Costs	41,509,341		28,358,279	
Depreciation and Amortization	41,582,673		52,938,868	
Loss on Sale/Discard of Fixed Assets	1,150,155		8,481,555	
Interest Received	(8,517,966)		(23,772,495)	
Dividend Received	(265,422)		(356,996)	
Provision for Doubtful Debts /Deposits/Advances (Net off write back)	(13,113,400)		(2,495,905)	
Provision for loss on equity index futures	2,313,559	64,658,940		63,153,306
Operating profit before working capital changes		13,241,098		30,930,495
Adjustment for :				
Trade and other receivables	(226,056,488)		(464,183,709)	
Deposits with Banks and Other items not considered as cash equivalents (Refer Note 3 below)	69,204,118		237,837,315	
Trade and other payables	356,774,625	199,922,255	(119,999,146)	(346,345,540)
Cash Generated from operations		213,163,353		(315,415,045)
Direct taxes (Paid)/Refund		(8,962,365)		(7,243,308)
Cash flow before extraordinary items		204,200,988		(322,658,353)
Extraordinary items		-		-
Net Cash from/(used in) Operating Activities		204,200,988		(322,658,353)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets & Capital Work in Progress	(8,204,513)		(9,711,342)	
Sale of Fixed Assets	775,565		1,623,920	
Acquisition of Non-Current Investments	(1,000,000)		-	
Interest received	8,517,966		23,772,495	
Loans (given)/received back to/from related parties	2,000,000		98,000,000	
Loans (given)/received back to/from ESOP Trust	-		400,000	
Dividend received	265,422	2,354,440	356,996	114,442,069
Net Cash from/(used in) Investing Activities		2,354,440		114,442,069

CASH FLOW STATEMENT

For the year ended 31st March, 2014

	Year ended 31st March, 2014		Year ended 31st March, 2013	
	(₹)	(₹)	(₹)	(₹)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds/(Repayment) of Long-Term Borrowings	(1,005,111)		(996,680)	
Proceeds/(Repayment) of Short-Term Borrowings	(116,364,830)		261,237,625	
Finance Costs	(41,509,341)		(28,358,279)	
Dividend paid (including dividend tax)	(58,303)	(158,937,585)	(14,150,368)	217,732,298
Net Cash from/(used in) financing activities		(158,937,585)		217,732,298
Net increase in cash and cash equivalents (A+B+C)		47,617,843		9,516,014
Cash and cash equivalents at the beginning of the year		49,229,583		39,713,569
Cash and cash equivalents at the close of the year		96,847,426		49,229,583
Notes :				
1. Cash and cash equivalents comprise of :				
Cash		267,753		573,620
Cheque on hand		-		420,322
Balances with Scheduled Banks				
- In Current Accounts		96,570,829		48,086,805
Balances in Pay Direct Card		3,761		15,446
Foreign Currency on Hand		5,083		133,390
		96,847,426		49,229,583

- Cash flow statement has been prepared under the Indirect Method as set out in the Accounting Standard - 3 (AS-3) "Cash Flow Statement".
- Cash and cash equivalent excludes deposit with banks which have been pledged with exchanges/banks, balance in Unclaimed Dividend and IPO Refund Account, Gift/Meal Coupons and Stamps in hand.
- Previous year's figures are re-grouped/recasted/re-arranged wherever considered necessary.

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

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

Place : Mumbai
Date : 22nd May, 2014

For and behalf of the Board of
EMKAY GLOBAL FINANCIAL SERVICES LIMITED

KRISHNA KUMAR KARWA
Managing Director & CFO

R. K. KRISHNAMURTHI
Director

S. K. SABOO
Director

Place : Mumbai
Date : 22nd May, 2014

PRAKASH KACHOLIA
Managing Director

G. C. VASUDEO
Director

VAIBHAV PUROHIT
Company Secretary &
Compliance Officer

1. Corporate Information

The Company was incorporated on 24th January, 1995 as a private limited Company by the name of Emkay Share and Stock Brokers Private Limited. On 20th October, 2005, the Company was converted into a public limited Company and the name got changed to Emkay Share and Stock Brokers Limited. Subsequently with effect from 2nd June, 2008, the name of the Company was changed to Emkay Global Financial Services Limited. The Company came out with the Initial Public Offer and got listed on NSE and BSE on 28th April, 2006. The Company is presently having membership of various exchanges and is in the business of providing Stock Broking services, Investment Banking, Depository Participant for CDSL and distribution of third party products.

2. Significant Accounting Policies

2.1 Basis of Preparation of Financial Statements

The accompanying financial statements are prepared in accordance with Generally Accepted Accounting Principles and provisions of the Companies Act, 1956 under the historical cost convention on the accrual basis of accounting. The accounting policies have been consistently applied by the Company unless otherwise stated.

2.2 Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates and the differences between actual results and estimates are recognised in the periods in which the results are known/materialize.

2.3 Revenue Recognition

- (a) Brokerage from secondary market is recognized as per contracted rates on the execution of transactions on behalf of the clients on the trade date.
- (b) One time non refundable subscription fees for joining various special brokerage schemes are treated as income when the client agrees to join that particular scheme and renders payment for the same. No brokerage under the said schemes are charged till the time brokerage on the trades executed by the clients gets equal to the subscription fees paid by the client.
- (c) Dividend including interim is accounted when the right to receive payment is established.
- (d) Profit/(Loss) in proprietary trades in securities and derivatives comprises of profit/(loss) on sale of securities held as stock-in-trade, profit/(loss) on equity derivative instruments and profit/(loss) on currency futures transactions. Profit/(loss) on sale of securities is determined based on first-in-first-out (FIFO) basis of cost of securities sold. Profit/(loss) on equity derivative instruments is determined as explained in para 2.4 and 2.5 below. Profit/(loss) on Currency Futures transactions is also determined *mutatis mutandis* as explained in para 2.4 and 2.5 below.

2.4 Equity Index/Stock - Futures

- (a) Equity Index/Stock Futures are marked-to-market on a daily basis. Debit or Credit balance disclosed under Short- Term Loans and Advances or Current Liabilities, respectively, in the Mark-to-Market Margin – Equity Index/Stock Futures Account, represents the net amount paid or received on the basis of movement in the prices of Index/Stock futures till the Balance Sheet date.
- (b) As on the Balance Sheet date, Profit/Loss on open positions in Equity Index/Stock Futures is accounted for as follows:
 - i) Credit balance in the Mark-to-Market Margin – Equity Index/Stock Futures Account, being the anticipated profit, is ignored and no credit for the same is taken in the Statement of Profit and Loss.
 - ii) Debit balance in the Mark-to-Market Margin – Equity Index/Stock Futures Account, being the anticipated loss, is provided in the Statement of Profit and Loss and is reflected in “Provision for Loss on Equity Index/Stock Futures Account” under Current Liabilities.
- (c) On final settlement or squaring-up of contracts for Equity Index/Stock Futures, the Profit or Loss is calculated as the difference between the settlement/squaring-up price and the contract price. Accordingly, debit or credit balance pertaining to the settled/squared-up contract in Mark-to-Market Margin – Equity Index/Stock Futures Account after adjustment of the provision for anticipated losses is recognized in the Statement of Profit and Loss. When more than one contract in respect of the relevant series of Equity Index/Stock Futures contract to which the squared-up contract pertains is outstanding at the time of the squaring-up of the contract, the contract price of the contract so squared-up is determined using the weighted average cost method for calculating the Profit/Loss on squaring-up.

NOTES ON FINANCIAL STATEMENTS

For the year ended 31st March, 2014

2.5 Equity Index/Stock - Options

- (a) "Equity Index/Stock Options Premium Account" represents premium paid or received for buying or selling the options, respectively. Debit or Credit balance under the said account is disclosed under Short - Term Loans and Advances or Current Liabilities as the case may be.
- (b) At the time of final settlement
Premium paid/received is recognised as an expense/income on exercise of Option. Further, difference between the final settlement price as on the exercise/expiry date and the strike price is recognised as Profit or Loss.
- (c) At the time of squaring off
Difference between the premium paid and received on squared off transactions is treated as Profit or Loss.
- (d) At the Balance Sheet date
In the case of long positions, provision is made for the amount by which the premium paid for those options exceeds the premium prevailing on the balance sheet date, and in the case of short positions, for the amount by which premium on the Balance Sheet date exceeds the premium received for those options, and is reflected in "Provision for Loss on Equity Index/Stock Option Account" under Current Liabilities.

2.6 Fixed Assets and Depreciation

- (a) Fixed Assets are stated at cost of acquisition including incidental expenses related to such acquisition and installation less accumulated depreciation.
- (b) Depreciation on Fixed Assets other than Improvements to Leasehold/Licensed Premises have been provided on written down value method at the rates prescribed under Schedule XIV to the Companies Act, 1956 as amended from time to time including pro rata depreciation on additions/deletions made during the year.
- (c) Improvements to Leasehold/Licensed Premises are depreciated on a straight-line method over the Primary Lease Period or over a period of 3 years whichever is less starting from the date when the Leasehold/Licensed Premises are put to use.

2.7 Intangible Assets and Amortization

Items of expenditure that meet the recognition criteria as mentioned in Accounting Standard - 26 on "Intangible Assets" are classified as intangible assets and are amortized over the period of economic benefits.

Softwares are stated at cost of acquisition and are amortized on straight line basis over a period of 3 years irrespective of the date of acquisition.

Membership Rights in Stock Exchanges are amortized on straight line basis over a period of 10 years.

2.8 Stock - in - Trade

Stock - in - Trade of securities are valued at lower of the cost or market value on individual scrip by scrip basis. Cost is determined on First-in-First-Out (FIFO) basis.

2.9 Investments

Investments that are readily realizable and intended to be held for not more than twelve months are classified as Current Investments. All other investments are classified as Long Term Investments. Long Term Investments are stated at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the Long Term Investments.

Current Investments are stated at lower of cost and fair value and determined on an individual investment basis.

2.10 Employee Benefits

(a) Short Term Benefits

All employee benefits including short term compensated absences and statutory bonus/performance bonus/incentives payable wholly within twelve months of rendering the service are classified as short term employee benefits and are charged to the Statement of Profit and Loss of the year.

(b) Long Term Benefits

(i) Post Employment Benefits

- (a) Defined Contribution Plans:- Retirement/Employee benefits in the form of Provident Fund, Employees State Insurance and Labour Welfare are considered as Defined Contribution Plan and contributions to the respective funds administered by the Government are charged to the Statement of Profit and Loss of the year when the contribution to the respective funds are due.

NOTES ON FINANCIAL STATEMENTS

For the year ended 31st March, 2014

(b) Defined Benefit Plans:- Retirement benefits in the form of gratuity is considered as defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made as at the date of the Balance Sheet. The scheme is maintained and administered by an insurer to which the trustees make periodic contributions. Actuarial gain/loss, if any are immediately recognized in the Statement of Profit and Loss.

(ii) *Other Long Term Benefits*

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

2.11 Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

2.12 Assets on Operating Leases

Lease payments under operating leases are recognized as expenses on accrual basis in accordance with the respective lease and license agreements.

2.13 Share Issue Expenses

Expenses incurred in connection with fresh issue of Share Capital are adjusted against Securities Premium Account in the year in which they are incurred.

2.14 Taxation

Provision for Taxation has been made in accordance with the Income Tax Laws prevailing for the relevant assessment years.

2.15 Deferred Taxation

Deferred tax assets and liabilities are recognized for timing differences between the accounting and taxable income measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits

At each Balance Sheet date, the carrying amount of deferred tax assets is reviewed to reassure its realization.

2.16 Contingencies and Events occurring after the Balance Sheet date

Events occurring after the date of the Balance Sheet, which provide further evidence of conditions that existed at the Balance Sheet date or that arose subsequently, are considered up to the date of approval of accounts by the Board of Directors, where material.

2.17 Impairment

Where the recoverable amount of the fixed asset is lower than its carrying amount, a provision is made for the impairment loss. Post impairment, depreciation is provided for on the revised carrying value of the asset over its remaining useful life.

2.18 Provisions, Contingent Liabilities & Contingent Assets

A provision is recognized when an enterprise has a present obligation as a result of past event(s) and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation(s), in respect of which a reliable estimate can be made for the amount of obligation. Contingent liabilities, if material, are disclosed by way of notes. Contingent assets are not recognized or disclosed in the financial statements.

2.19 Foreign Currency Transactions

Foreign currency transactions are accounted at the exchange rates prevailing on the date of the transaction. Foreign currency monetary items outstanding as at the Balance Sheet date are reported using the closing rate. Gains and losses resulting from the settlement of such transactions and translation of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Profit and Loss.

2.20 Employee Stock Compensation Cost

The Company follows the intrinsic value method as prescribed by the Guidance note on "Accounting for Employee Share-based Payments" issued by the Institute of Chartered Accountants of India to account for the compensation cost of its Stock based employee compensation plans.

NOTES ON FINANCIAL STATEMENTS

For the year ended 31st March, 2014

2.21 Stock Lending and Borrowing

Borrowing/Lending fees paid/received on stocks borrowed/lent under Stock Lending and Borrowing Mechanism is recognized on accrual basis.

Amount deposited with Stock Exchanges for borrowed stocks has been shown as Current Assets under Short-term Loans and Advances and the same is reversed on return of such borrowed stock.

Sale proceeds of borrowed stock has been shown as Current Liabilities under Other Current Liabilities and the same is reversed on squaring up of the transaction with resultant gain/loss being recognized in the Statement of Profit and Loss.

Provision is made for anticipated losses however anticipated profits are ignored for difference between sale price of borrowed stock and the price prevailing at the Balance Sheet date on such borrowed stock.

3.1 Share Capital

Particulars	As at 31st March, 2014	As at 31st March, 2013
	(₹)	(₹)
Authorised		
40,000,000 Equity Shares of ₹10/- each	400,000,000	400,000,000
Issued, Subscribed and Paid Up		
244,37,750 Equity Shares of ₹10/- each fully paid up	244,377,500	244,377,500
	244,377,500	244,377,500

Notes:-

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

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	No of Shares	(₹)	No of Shares	(₹)
At the beginning of the period	24,437,750	244,377,500	24,437,750	244,377,500
Add: Shares issued on exercise of Employee Stock options	-	-	-	-
Outstanding at the end of the period	24,437,750	244,377,500	24,437,750	244,377,500

(b) Terms/Rights attached to equity shares

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

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

(c) Details of Shareholders holding more than 5% Shares in the Company

Name of the shareholder	As at 31st March, 2014		As at 31st March, 2013	
	No of shares	% held	No of shares	% held
Equity shares of ₹10 each fully paid				
Mr. Krishna Kumar Karwa	4,922,500	20.14	4,922,500	20.14
Mr. Prakash Kacholia	4,750,000	19.44	4,750,000	19.44
Emkay Corporate Services Private Limited	4,150,000	16.98	4,150,000	16.98
Mrs. Preeti Kacholia	2,125,000	08.70	2,125,000	08.70
Mr. Raunak Karwa	1,750,000	07.16	1,750,000	07.16

(d) Shares Reserved for issue under options:

The Company has reserved issuance of 23,66,325 (Previous Year 23,66,325) Equity Shares of ₹ 10/- each for offering to eligible employees of the Company and its subsidiaries under Employees Stock Option Schemes. The Options would vest over a maximum period of four years or such other period as may be decided by the Board/Remuneration Committee subject to the applicable law.

NOTES ON FINANCIAL STATEMENTS

For the year ended 31st March, 2014

3.2 Reserves and Surplus

Particulars	As at	
	31st March, 2014 (₹)	31st March, 2013 (₹)
Securities Premium Account		
Balance as per last financial statements	691,353,584	691,353,584
General Reserve		
Balance as per last financial statements	176,150,794	176,150,794
Surplus in the Statement of Profit and Loss		
Balance as per last Financial Statements	166,605,304	245,595,215
Less : Loss for the year	(52,109,756)	(78,989,911)
Net Surplus in the Statement of Profit and Loss	114,495,548	166,605,304
	981,999,926	1,034,109,682

3.3 Long Term Borrowings

Particulars	Non-Current Portion		Current Maturities	
	As at		As at	
	31st March, 2014 (₹)	31st March, 2013 (₹)	31st March, 2014 (₹)	31st March, 2013 (₹)
Secured				
Term Loan from others	-	-	-	1,005,111
Note: Secured by Hypothecation of Motor Car and repayable over a period of three years.				
	-	-	-	1,005,111

3.4 Other Long Term Liabilities

Particulars	As at	
	31st March, 2014 (₹)	31st March, 2013 (₹)
Others		
-Security Deposits	24,627,942	32,908,919
	24,627,942	32,908,919

Note: Represents received from Authorised Persons/Sub-Brokers and treated as Long Term as they are expected to remain with the Company for a period of more than one year.

3.5 Short-Term Borrowings

Particulars	As at	
	31st March, 2014 (₹)	31st March, 2013 (₹)
Secured		
Loan repayable on demand:		
- Overdraft from a Bank	153,357,533	249,222,363
Unsecured		
- Loan from a Director [Refer note no.(20)(B)(IV)(c)]	54,500,000	20,000,000
- Loan from Subsidiary Companies [Refer note no.(20)(B)(IV)(c)]	65,000,000	120,000,000
	272,857,533	389,222,363

Note: Overdraft referred above to the extent of :

- ₹ Nil (P. Y. ₹ 106,044,299/-) is secured by way of lien against term deposits with bank and
- ₹ 15,33,57,533/- (P. Y. ₹ 143,178,064/-) is secured by Equitable Mortgage of Office Premises.

NOTES ON FINANCIAL STATEMENTS

For the year ended 31st March, 2014

3.6 Trade Payables

Particulars	As at	
	31st March, 2014 (₹)	31st March, 2013 (₹)
Trade Payables	510,312,642	316,591,615
	510,312,642	316,591,615

3.7 Other Current Liabilities

Particulars	As at	
	31st March, 2014 (₹)	31st March, 2013 (₹)
Current maturities of long term borrowing -Vehicle Loan (Refer note no.3.3)	-	1,005,111
Interest accrued and due on Short-Term Borrowings from a Director [Refer note no.(20)(B)IV (i)]	-	59,177
Income Received in advance	2,110,967	1,733,526
Unclaimed Dividend *	270,877	329,180
Unclaimed Share Application Money *	-	228,240
Others		
Advance Received from Clients	60,786,569	4,575,549
Payable for Expenses	31,382,666	50,645,962
Other Liabilities	2,852,737	1,798,895
Statutory Liabilities	24,097,902	15,187,374
Deposit towards Margin and other from Clients	309,883,780	179,168,707
Cheques Overdrawn	-	7,206,279
Equity Index/Stock Options Premium	-	79,050
	431,385,498	262,017,050

* Appropriate amount shall be transferred to "Investor Education & Protection Fund" as and when due.

3.8 Short-Term Provisions

Particulars	As at	
	31st March, 2014 (₹)	31st March, 2013 (₹)
For Gratuity [Refer Note no.7]	2,370,060	1,438,257
For Wealth Tax (Net of taxes paid)	-	29,090
	2,370,060	1,467,347



NOTES ON FINANCIAL STATEMENTS

For the year ended 31st March, 2014

3.9 Fixed Assets (a) Tangible Assets

Particulars	Office Premises	Air Conditioners	Computers	Motor Cars	Furniture & Fixtures	Office Equipments	Leasehold Improvement	Total
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
Gross Block (At Cost)								
At 1st April, 2012	379,521,179	11,910,935	104,712,228	7,678,383	42,648,812	38,833,091	61,250,175	646,554,803
Additions	954,552	131,500	1,212,925	-	238,694	802,700	2,124,186	5,464,557
Deductions	-	3,332,597	29,489,697	-	1,511,216	15,115,043	8,313,127	57,761,680
At 31st March, 2013	380,475,731	8,709,838	76,435,456	7,678,383	41,376,290	24,520,748	55,061,234	594,257,680
Additions	-	424,209	2,266,640	-	61,348	1,161,175	978,461	4,891,833
Deductions	-	1,170,668	3,202,258	567,118	715,939	2,006,220	16,934,727	24,596,930
At 31st March, 2014	380,475,731	7,963,379	75,499,838	7,111,265	40,721,699	23,675,703	39,104,968	574,552,583
Depreciation/Amortization								
At 1st April, 2012	10,412,264	4,810,064	85,605,966	3,108,263	9,453,867	16,473,459	49,165,901	179,029,784
Charge for the Year	18,529,560	915,009	7,595,808	1,183,204	6,208,806	2,950,721	7,994,850	45,377,958
Deductions	-	1,909,631	27,453,120	-	1,233,911	8,746,416	8,313,127	47,656,205
At 31st March, 2013	28,941,824	3,815,442	65,748,654	4,291,467	14,428,762	10,677,764	48,847,624	176,751,537
Charge for the Period	17,576,701	680,889	4,884,206	873,156	4,920,847	1,998,974	5,324,320	36,259,093
Deductions	-	654,683	3,026,556	514,872	651,164	1,126,194	16,697,741	22,671,210
At 31st March, 2014	46,518,525	3,841,648	67,606,304	4,649,751	18,698,445	11,550,544	37,474,203	190,339,420
Net Block								
At 31st March, 2013	351,533,907	4,894,396	10,686,802	3,386,916	26,947,528	13,842,984	6,213,610	417,506,143
At 31st March, 2014	333,957,206	4,121,731	7,893,534	2,461,514	22,023,254	12,125,159	1,630,765	384,213,163



NOTES ON FINANCIAL STATEMENTS

For the year ended 31st March, 2014

(b) Intangible Assets

Particulars	Stock Exchanges Membership Rights	Software	Total
	(₹)	(₹)	(₹)
Gross Block (At Cost)			
At 1st April, 2012	28,255,000	48,667,865	76,922,865
Additions	-	5,577,996	5,577,996
At 31st March, 2013	28,255,000	54,245,861	82,500,861
Additions	-	3,312,680	3,312,680
At 31st March, 2014	28,255,000	57,558,541	85,813,541
Depreciation/Amortization			
At 1st April, 2012	28,255,000	40,606,267	68,861,267
Charge for the Year	-	7,560,910	7,560,910
At 31st March, 2013	28,255,000	48,167,177	76,422,177
Charge for the Year	-	5,323,580	5,323,580
At 31st March, 2014	28,255,000	53,490,757	81,745,757
Net Block			
At 31st March, 2013	-	6,078,684	6,078,684
At 31st March, 2014	-	4,067,784	4,067,784

NOTES ON FINANCIAL STATEMENTS

For the year ended 31st March, 2014

3.10 Non Current Investments

Particulars	Face Value Per Share (₹)	No. of Shares		Amount	
		As At 31.03.2014	As At 31.03.2013	As At 31.03.2014 (₹)	As At 31.03.2013 (₹)
Non Current Investments (Long-Term) (At Cost)					
(A) Trade Investments					
In Equity Shares - Unquoted, fully Paid-up					
Bombay Stock Exchange Limited	1	58,838	58,838	4,526	4,526
Total Trade Investments (A)				4,526	4,526
(B) Other Investments					
In Wholly Owned Subsidiaries:					
In Equity Shares - Unquoted, fully Paid-up					
- Emkay Fincap Limited	10	22,000,000	22,000,000	220,000,000	220,000,000
- Enkay Commotrade Limited	10	6,000,000	6,000,000	60,000,000	60,000,000
- Emkay Insurance Brokers Limited	10	4,100,000	4,000,000	41,000,000	40,000,000
- Emkay Investment Managers Limited	10	2,500,000	2,500,000	25,000,000	25,000,000
Total Other Investments (B)				346,000,000	345,000,000
Total Non-Current Investments (A + B)				346,004,526	345,004,526
Aggregate Cost of Un-Quoted Investments				346,004,526	345,004,526

3.11 Long-Term Loans and Advances

Particulars	As at	
	31st March, 2014 (₹)	31st March, 2013 (₹)
Unsecured, Considered Good		
Capital Advances	970,938	140,320
Deposits	39,056,611	44,045,658
Loan to ESOP Trust [Refer note no.4(ii)]	58,000,000	58,000,000
Other Loans and Advances		
Income Tax Paid (Net of Provisions)	51,516,060	43,245,609
Prepaid Expenses	416,474	277,742
Loans to Staff	471,596	877,150
Fringe Benefit Tax Refundable	148,022	148,022
	150,579,701	146,734,501

3.12 Inventories

Particulars	As at	
	31st March, 2014 (₹)	31st March, 2013 (₹)
Stock in Trade (Valued at lower of cost or market value)		
- Shares and Securities	610	610
	610	610

NOTES ON FINANCIAL STATEMENTS

For the year ended 31st March, 2014

3.13 Trade Receivables

Particulars	As at	
	31st March, 2014 (₹)	31st March, 2013 (₹)
Unsecured		
(Considered good unless otherwise stated)		
Outstanding for a period exceeding Six Months		
- Considered Good	6,331,421	4,870,091
- Considered Doubtful	40,803,515	57,892,730
	47,134,936	62,762,821
Less: Provision for Doubtful Debts	40,803,515	57,892,730
	6,331,421	4,870,091
Others		
- Considered Good	365,675,233	223,528,906
- Considered Doubtful	5,396,654	740,959
	371,071,887	224,269,865
Less: Provision for Doubtful Debts	5,396,654	740,959
	365,675,233	223,528,906
	372,006,654	228,398,997
Note: Above includes due from Directors [Refer note no.(20)(B)(IV)(d)]	579	53,716

3.14 Cash and Cash Equivalents

Particulars	As at	
	31st March, 2014 (₹)	31st March, 2013 (₹)
Cash and Cash Equivalents		
Balances with Banks		
- In Current Accounts	96,570,829	48,086,805
- In Deposit Accounts	445,060,835	514,041,351
- In IPO Refund Account	-	228,240
- In Unclaimed Dividend Account	270,877	329,180
Cheque on Hand	-	420,322
Cash on Hand	267,753	573,620
Foreign Currency on Hand	5,083	133,390
Others		
- Meal Coupons on Hand	139,193	146,072
- Gift Coupons on Hand	82,220	12,400
- Balance in Paydirect Card	3,761	15,446
	542,400,551	563,986,826

Note:-

- Deposits with banks includes deposits of ₹ 292,250,000/- (P. Y. ₹ 408,750,000/-) with maturity of more than 12 months.
- Deposits with banks includes
 - Deposit of ₹ 38,37,50,000/- (P. Y. ₹ 36,62,50,000/-) held as margin for bank guarantee.
 - Deposit of ₹ 3,00,00,000/- (P. Y. ₹ 14,25,00,000/-) held as security for bank overdraft facility
 - Deposit of ₹ 3,13,10,835/- (P. Y. ₹ 52,91,351/-) lodged with exchanges/professional clearing member towards base/additional base capital.

NOTES ON FINANCIAL STATEMENTS

For the year ended 31st March, 2014

3.15 Short Term Loans and Advances

Particulars	As at	
	31st March, 2014 (₹)	31st March, 2013 (₹)
Unsecured, Considered Good unless otherwise stated		
Deposits		
- Considered Good	124,182,768	7,967,260
- Considered Doubtful	126,830	784,562
	124,309,598	8,751,822
Less: Provision for Doubtful Deposits	126,830	784,562
	124,182,768	7,967,260
Loans and Advances to related parties		
- Loans [Refer note no.(20)(B)(IV) (f)]	-	2,000,000
- Recoverable towards expenses [Refer note no.(20)(B)(IV) (g)]	96,721	269,818
Advances recoverable in cash or kind or for value to be received [Refer note no.5]		
- Considered Good	521,135,440	521,564,959
- Considered Doubtful	1,456,510	1,456,510
	522,591,950	523,021,469
Less: Provision for Doubtful Advances	1,456,510	1,456,510
	521,135,440	521,564,959
Other Loans and Advances		
Prepaid Expenses	8,848,427	10,375,138
Loans to Staff		
- Considered Good	1,254,504	1,298,537
- Considered Doubtful	37,500	59,648
	1,292,004	1,358,185
Less: Provision for Doubtful Loans	37,500	59,648
	1,254,504	1,298,537
Service Tax Input Credit Available/Receivable	1,936,896	2,874,573
Equity Index/Stock Options Premium	796,861	18,356,288
Mark to Market Margin- Equity Index Futures	2,313,559	-
Less: Provision for Loss on Equity Index Futures	2,313,559	-
	-	-
	12,836,688	32,904,536
	658,251,617	564,706,573

NOTES ON FINANCIAL STATEMENTS

For the year ended 31st March, 2014

3.16 Other Current Assets

Particulars	As at	
	31st March, 2014 (₹)	31st March, 2013 (₹)
Interest Accrued on fixed deposits with banks	7,735,618	7,071,341
Interest Accrued on Loans to related parties [Refer note no.(20)(B)(IV)(e)]	-	25,805
Income Receivable	2,670,877	1,180,470
	10,406,495	8,277,616

3.17 Revenue from Operations

Particulars	For the Year Ended 31.03.2014 (₹)	For the Year Ended 31.03.2013 (₹)
Sale of Services		
Brokerage	579,618,437	616,718,044
Investment Banking Activities	9,852,454	3,395,271
Depository Operations	12,335,756	6,351,353
Placement Fees	11,250,000	20,661,800
Research Fees	11,207,734	13,881,590
Other Fees	933,532	1,708,447
	625,197,913	662,716,505
Other Operating Income		
Interest on Deposit* with		
- Banks	33,579,053	35,406,382
- Others	33,411	8,014
Profit in Proprietary Trades in Securities/Derivatives Instruments (Net)	28,740,260	25,469,930
Less : Provision for Loss on Equity Index Futures	(2,313,559)	-
	26,426,701	25,469,930
Delayed Payments Charges	14,642,515	16,715,878
Liability No Longer Payable Written Back	577,497	11,873,985
Provision for Doubtful Debts Written Back	679,321	1,957,051
Bad Debts Recovered	589,766	406,189
Miscellaneous Income	6,488,611	10,498,832
	83,016,875	102,336,261
* Acquired/held for the purposes of Stock/Currency Exchanges.		

3.18 Other Income

Particulars	For the Year Ended 31.03.2014 (₹)	For the Year Ended 31.03.2013 (₹)
Interest		
-On Fixed Deposit with Banks*	7,014,365	17,823,750
-On Unsecured Loans granted	257,193	5,748,785
-Others	1,246,408	199,960
Dividend	265,422	356,996
Insurance Claim Received	-	9,500,000
Others	29,090	-
* Acquired/held for purposes other than stock/currency exchanges.		
	8,812,478	33,629,491

3.19 Employee Benefits Expenses

Particulars	For the Year Ended 31.03.2014 (₹)	For the Year Ended 31.03.2013 (₹)
Salaries and Other Benefits	307,406,226	331,409,154
Contribution to Provident and Other funds	8,890,706	8,987,450
Staff Welfare Expenses	4,089,394	7,458,849
	320,386,326	347,855,453

3.20 Finance Costs

Particulars	For the Year Ended 31.03.2014 (₹)	For the Year Ended 31.03.2013 (₹)
Interest Expense	34,308,989	20,259,404
Other Borrowing Costs	7,200,352	8,083,806
	41,509,341	28,343,210

3.21 Depreciation and Amortization Expense

Particulars	For the Year Ended 31.03.2014 (₹)	For the Year Ended 31.03.2013 (₹)
Depreciation of Tangible Assets	36,259,093	45,377,958
Amortization of Intangible Assets	5,323,580	7,560,910
	41,582,673	52,938,868

NOTES ON FINANCIAL STATEMENTS

For the year ended 31st March, 2014

3.22 Other Expenses

Particulars	For the Year Ended 31.03.2014 (₹)	For the Year Ended 31.03.2013 (₹)
Brokerage & Commission	90,153,794	87,565,725
Communication, Postage and Courier Charges	25,901,693	28,701,670
Fees & Stamps	1,363,217	4,418,665
Contribution/Payments to Stock Exchanges/Professional Clearing Member	36,986,721	40,906,953
Membership & Subscription	24,518,420	32,515,010
Registration Fees	2,245,590	2,540,838
Depository Charges	664,163	2,072,904
Consultancy Fees	5,375,000	2,186,000
Loss due to Execution of Error Trades	7,686,577	14,271,793
Claims/Compensation/Settlement Charges	176,385	6,075,000
Expenses Attributable to proprietary trades in Securities/Derivative instruments	4,052,106	4,544,848
Electricity Charges	16,794,517	17,287,451
Insurance	1,902,802	865,516
Repair & Maintenance - Own Premises	3,626,700	3,746,710
Repair & Maintenance - Other	12,029,221	11,725,312
Advertisement & Business Promotion Expenses	11,231,021	11,186,717
Printing & Stationery	4,548,757	5,246,714
Travelling, Conveyance & Vehicle Expenses	31,551,445	28,378,787
Provision for Doubtful Debts	3,569,064	9,195,374
Provision for Doubtful Deposits/Loans /Advances	164,330	64,000
Bad Debts Written off	16,748,525	9,777,112
Less : Provision Written Back	(15,323,263)	(9,777,112)
	1,425,262	-
Deposits & Advances Written off	919,669	170,001
Less : Provision Written Back	(844,210)	(21,116)
	75,459	148,885
Software Expenses	11,148,994	10,029,777
Legal & Professional Fees	18,016,310	15,876,070
Loss on Sale/Discard of Fixed Assets	1,150,155	8,481,555
Auditor's Remuneration (Net of Service Tax)		
As Auditor		
- Audit Fees	1,150,000	900,000
- Tax Audit Fees	100,000	100,000
In Other Capacity		
- Taxation Matter	223,500	303,500
- Other Services	365,000	290,000
	1,838,500	1,593,500
Rent	22,658,402	28,928,191
Service Tax	7,250,577	6,607,412
Rates & Taxes	1,327,894	1,435,570
Miscellaneous Expenses	15,476,450	14,738,912
Foreign Exchange Rate Fluctuations Loss	22,242	87,678
Donation	35,000	344,000
	364,966,768	401,767,537

NOTES ON FINANCIAL STATEMENTS

For the year ended 31st March, 2014

4. Employees Stock Option Schemes

- (i) Disclosure required pursuant to "Guidance Note on Accounting for Employee Share- based payments" in connection with Company's Employees Stock Option Schemes :-
- a) The Company has granted Employee Stock Options (ESOP) to its employees and employees of its subsidiaries. During the year ended 31st March, 2014, following schemes were in operation:

Particulars	ESOP – 2007	ESOP – 2010
	Starting from	
Date of Grant	17.01.2008 to 21.01.2012	21.10.2010 to 21.01.2012
Number of Options Granted*	2,805,000	647,000
Method of Settlement	Equity	
Vesting period from the date of Grant	Graded Vesting – Over 3 years	Graded Vesting – Over 5 years
Exercise period from the date of Vesting	3 Years from the date of each vesting	
	Ranging from	
Exercise Price (₹ per share) **	₹37.00 to ₹93.00	₹37.00 to ₹93.00
	Ranging from	
Market Price at the date of grant (₹ per share)	₹36.95 to ₹92.75	₹37.00 to ₹92.50

* Options granted under ESOP – 2007 includes 1,20,000 Options to employees of Subsidiary Companies.

** Closing market price prior to the date of grant.

- b) The Company introduced ESOP-2010 Scheme during the year 2010-11 and set up "Emkay Employees Welfare Trust" to administer and implement this in accordance with recommendations of the Remuneration/Compensation Committee of the Company. Consequent to various circulars issued by SEBI from January 2013 onwards, the Company has modified its Employee Stock Option Plan 2010 on 20.12.2013 vide Members Resolution whereby the said ESOP Trust can only subscribe to the shares of the Company and no secondary market purchases shall be allowed. The Company may grant financial assistance to the ESOP Trust for this purpose with or without interest.
- c) Details of activity under the ESOP Schemes have been summarized below:

Particulars	ESOP-2005		ESOP-2007		ESOP-2010	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Options Outstanding at the beginning of the year	-	6,750	1,671,000	2,030,500	567,500	639,500
Options Granted during the year	-	-	-	-	-	-
Options Forfeited during the year	-	-	-	-	-	-
Options Exercised during the year	-	-	-	-	-	-
Options Expired/Lapsed during the year	-	6,750	502,850	359,900	240,000	72,000
Options Outstanding at the end of the year	-	-	1,168,150	1,671,000	327,500	567,500
Options Exercisable at the end of the year	-	-	713,450	873,700	94,500	-
Weighted Average remaining contractual life (in years)	-	-	2.86	3.68	4.53	5.52

NOTES ON FINANCIAL STATEMENTS

For the year ended 31st March, 2014

- d) The Company has accounted compensation cost for the stock options granted using intrinsic value method. Had the Company used the fair value method for calculating compensation cost for stock options granted, the impact on the Company's net profit and earning per share would have been as per the proforma amounts indicated below:

Particulars	Year Ended 31st March, 2014 Amount (₹)	Year Ended 31st March, 2013 Amount (₹)
Net Income as reported	(5,21,09,756)	(7,89,89,911)
Add: - Intrinsic Value Compensation Cost	NIL	NIL
Less :- Fair Value Compensation Cost	(7,98,99,509)	(2,78,58,965)
Adjusted Pro-forma Net Income	2,77,89,753	(5,11,30,946)
Earning per Share		
Basic		
- As reported	(2.13)	(3.23)
- Proforma	1.14	(2.09)
Diluted		
- As reported	(2.13)	(3.23)
- Proforma	1.14	(2.09)

- e) The fair value and other disclosures and assumptions have been determined by an independent consultant and relied upon by the Auditors.

- (ii) The Company has provided interest free loan to "Emkay Employees Welfare Trust" an independent ESOP Trust which is administrating ESOP 2010 Scheme of the Company and the loan outstanding as at 31st March, 2014 is ₹580.00 lac (Previous Year ₹580.00 lac). As on 31st March, 2014, out of the said loan, the trust has purchased, 7,54,648 equity shares of the Company from the market during the period starting from September,2010 to July,2011 for stock options granted/to be granted from time to time to the eligible employees. Further as on 31st March, 2014, the trust hold 4,27,148 equity shares of the Company for which options are yet to be granted for which it has time till 30.06.2014 to either grant options or sell in the secondary market. The repayment of the loan granted by the Company to the trust is dependent on the exercise of the options by the eligible employees and the market price of the underlying shares of the unexercised options at the end of the respective exercise period. As on 31st March, 2014, 94500 Options have vested to the eligible employees. The current market value of the shares held by the said trust is lower than the cost of acquisition by ₹ 487.02 lac which is on account of market volatility. The impact of fall in market value, if any would be appropriately considered by the Company in its Statement of Profit and Loss at the time of exercise of options by the eligible employees.

5. "Advances recoverable in cash or kind or for value to be received" under "Short Term Loans and Advances" includes ₹ 5194.04 lac (P.Y.₹ 5194.04 lac) paid to National Stock Exchange of India Limited (NSE) towards pay-in obligation raised by them. This pay-in obligation arose on account of loss which occurred due to a manifest material mistake occurred on October 5, 2012 while executing a sale order on Cash Segment of NSE and the same has been discharged wholly and exclusively for protecting and continuing the business of the Company. The Company made an application for annulment to NSE which subsequent to the balance sheet date was not accepted favourably by the relevant authority of NSE against which the Company has preferred an appeal before Securities Appellate Tribunal (SAT) and the same is admitted and pending disposal.

The Company has opinions of eminent legal experts to the effect that the issue under appeal is a fit case for annulment. In view of this, the Company considers that there is no probability of outflow of resources and therefore the same has not been provided for.

6. Debit and Credit balances are subject to confirmation.
7. Disclosure on retirement benefits as required in Accounting Standard 15 (AS - 15) on "Employee Benefits" are given below:

(i) Defined Contribution Plan

The Company has recognized the following amounts in Statement of Profit and Loss towards Contribution to Defined Contribution Plans which are included under "Contribution to Provident fund and other funds":

Particulars	Year ended 31st March, 2014 Amount (₹)	Year ended 31st March, 2013 Amount (₹)
Provident Fund	59,62,496	67,83,374
Employees State Insurance Scheme	5,56,754	7,64,640
Labour Welfare Fund	1,396	1,179

NOTES ON FINANCIAL STATEMENTS

For the year ended 31st March, 2014

(ii) Defined Benefit Plan

The details of the Company's post retirement benefit plan for gratuity for its employees in conformity with the principles set out in AS – 15 which has been determined by an Actuary appointed for the purpose and relied upon by the Auditors are given below :

Sr. No.	Particulars	2013-14 (₹)	2012-13 (₹)
I	Changes in present value of obligations		
	Present Value of Obligations at beginning of the period	23,585,431	22,920,556
	Interest cost	1,763,254	1,803,857
	Current Service Cost	4,206,173	4,799,072
	Benefits Paid	(3,363,305)	(3,397,429)
	Actuarial (gain)/loss on obligations	(2,819,742)	(2,540,625)
	Present Value of Obligations at end of the period	23,371,811	23,585,431
II	Changes in fair value of plan assets		
	Fair Value of Plan Assets at beginning of the period	22,147,174	20,956,963
	Expected Return on Plan Assets	1,906,600	1,821,600
	Contributions	1,438,257	1,963,593
	Benefits Paid	(3,363,305)	(3,397,429)
	Actuarial gain/(loss) on plan assets	(1,126,975)	802,447
	Fair Value of Plan Assets at end of the period	21,001,751	22,147,174
III	Fair Value of Plan Assets		
	Fair Value of Plan Assets at beginning of the period	22,147,174	20,956,963
	Actual Return on Plan Asset	779,625	2,624,047
	Contributions	1,438,257	1,963,593
	Benefits Paid	(3,363,305)	(3,397,429)
	Fair Value of Plan Assets at end of the period	21,001,751	22,147,174
	Funded Status	(2,370,060)	(1,438,257)
	Excess of actual over estimated return on Plan Assets	(1,126,975)	802,447
IV	Actuarial Gain/(Loss) Recognized		
	Actuarial Gain/(Loss) for the period (Obligation)	2,819,742	2,540,625
	Actuarial Gain/(Loss) for the period (Plan Assets)	(1,126,975)	802,447
	Total Gain/(Loss) for the period	1,692,767	3,343,072
	Actuarial Gain/(Loss) recognized for the period	1,692,767	3,343,072
	Unrecognized Actuarial Gain/(Loss) at end of the period	-	-
V	Amounts recognized in the Balance Sheet		
	Present Value of Obligations at end of the period	23,371,811	23,585,431
	Fair Value of Plan Assets at end of the period	21,001,751	22,147,174
	Funded Status	(2,370,060)	(1,438,257)
	Unrecognized Actuarial Gain/(Loss)	-	-
	Net Asset/(Liability) recognized in the balance sheet	(2,370,060)	(1,438,257)
	under Short-Term Provisions – Gratuity		
VI	Expense recognized in Statement of Profit and Loss		
	Current Service Cost	4,206,173	4,799,072
	Interest cost	1,763,254	1,803,857
	Expected Return on Plan Assets	(1,906,600)	(1,821,600)

NOTES ON FINANCIAL STATEMENTS

For the year ended 31st March, 2014

Sr. No.	Particulars	2013-14 (₹)	2012-13 (₹)
	Net Actuarial (Gain)/Loss recognized for the period	(1,692,767)	(3,343,072)
	Expense recognized in statement of Profit and Loss under Employee Benefit Expense	2,370,060	1,438,257
VII	Movements in the Liability recognized in Balance Sheet		
	Opening Net Liability	1,438,257	1,963,593
	Adjustment to Opening Fair Value of Plan Assets	--	--
	Expenses as above	2,370,060	1,438,257
	Contribution paid	(1,438,257)	(1,963,593)
	Closing Net Liability	2,370,060	1,438,257
VIII	Experience Anyalasis - Liabilities		
	Actuarial (Gain)/Loss due to change in bases	(980,919)	375,346
	Experience (Gain)/Loss due to Change in Experience	(1,838,823)	(2,915,971)
	Total	(2,819,742)	(2,540,625)
	Experience Anyalasis - Plan Assets		
	Experience (Gain)/Loss due to change in Plan Assets	1,126,975	(802,447)
IX	Investment pattern		
	Insurer Managed Funds	100.00%	100.00%
X	Principal Assumptions		
	Mortality	IALM(2006-08)Ult	LIC(1994-96)Ult
	Discount Rate	9.20%	8.05%
	Rate of increase in compensation	5.00%	5.00%
	Rate of return (expected) on plan assets	9.00%	9.00%
	Withdrawal Rate	Upto Age 45: 25%	Upto Age 45: 25%
		46 & above : 10%	46 & above : 10%

8. In the opinion of Board of Directors, the assets other than fixed assets and non-current investements have value on realisation in ordinary course of business at least equal to the amount at which they are stated except as otherwise stated.

9. Contingent Liabilities and Commitments

(a) Contingent Liabilities

Particulars	As at 31st March, 2014 Amount (₹)	As at 31st March, 2013 Amount (₹)
(i) Claims against the Company not acknowledged as debts	30,70,450	55,20,653
(ii) Guarantees issued by the Banks	767,500,000	732,500,000
(iii) Corporate guarantee issued in favor of a bank to secure credit facilities sanctioned by the bank to Emkay Commotrade Limited (a Subsidiary Company)	200,000,000	200,000,000
(iv) Income Tax matters in appeal (Net of taxes paid)	35,96,872	83,21,173
(v) Towards occurrence of manifest material mistake while Executing a sale order{ Net of payment of ₹ 519,404,259/-, (P. Y. ₹ 519,404,259/-) }	—	—

(b) Commitments

Particulars	As at 31st March, 2014 Amount (₹)	As at 31st March, 2013 Amount (₹)
(i) Estimated amounts of contracts remaining to be executed on capital account and not provided for	25,10,000	1,71,500

NOTES ON FINANCIAL STATEMENTS

For the year ended 31st March, 2014

10. (a) Shares (i) received from clients/Remisiers/Sub-brokers as collateral for margins/security deposits, (ii) of clients, withheld against their outstanding balances, are held by the Company in its own name in a fiduciary capacity. Depending upon business needs of the Company, some of these shares are lodged with the exchanges towards additional base capital/exposure.
- (b) Fixed Deposits taken out from banks by the clients in the name of Company as collateral for their margin requirements are lien marked directly in favor of stock exchanges through their custodians and are utilized towards additional base capital/exposure/margin requirement of the Company.
11. There are no amounts payable to any micro, small and medium enterprises as identified by the management from the information available with the Company and relied upon by auditors.
12. Expenses includes ₹ Nil (P.Y. ₹ 343,806/-) pertaining to earlier years.
13. Other current liabilities includes ₹ 11,44,075/- (P.Y. ₹ 13,56,264/-) being aggregate amount of deposits in Company's bank accounts made directly by clients whose details are awaited. The liabilities are properly adjusted subsequently on receipt of information from them.
14. Considering the principle of virtual certainty as stated in the "Accounting Standard AS-22 –Accounting for Taxes on Income" , the deferred tax assets for the year have not been recognized. Further, during the previous year carrying amount of deferred tax assets of ₹ 4,67,67,100/- as at 31st March, 2012 had also been written down.
15. Disclosure in respect of Loans and Advances in the nature of Loans pursuant to clause 32 of Listing Agreement:-

Particulars	As at 31.03.2014 Amount (₹)		As at 31.03.2013 Amount (₹)	
	Outstanding Balance	Maximum Balance during the year	Outstanding Balance	Maximum Balance during the year
To Subsidiaries				
- Emkay Commotrade Ltd*	-	25,000,000	-	100,000,000
- Emaky Insurance Brokers Ltd *	-	3,000,000	2,000,000	2,000,000
- Emaky Fincap Ltd. *	-	-	-	50,000,000
- Emaky Investment Managers Ltd. *	-	-	-	10,00,000
To Others				
- Emkay Employees Welfare Trust**	58,000,000	58,000,000	58,000,000	58,400,000

* Interest bearing without any repayment schedule.

** Interest free without any repayment schedule for acquiring shares of the Company for ESOP 2010.

16. The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated 8th February, 2011 and 21st February, 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.

17. **Assets taken on Operating Leases (on and after 1st April, 2003) :-**

- (a) The Company has taken various commercial premises under operating leases. These lease arrangements are normally renewable on expiry. The rental expenses (net of recovery) in respect of above operating leases is ₹ 2,26,58,402/- (P. Y. ₹ 2,89,28,191/-)
- (b) The future minimum lease payments in respect of non-cancellable operating leases are as follows:

Particulars	Year Ended 31st March, 2014	Year Ended 31st March, 2013
	Amount (₹)	Amount (₹)
a) Payments not later than one year	103,24,257	45,14,739
b) Payable later than one year and not later than five years	22,03,961	35,98,710
c) Payable later than five years	-	-
Total	125,28,218	81,13,449

NOTES ON FINANCIAL STATEMENTS

For the year ended 31st March, 2014

18. Earnings Per Share

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Loss available for Equity Shareholders (₹)	(5,21,09,756)	(7,89,89,911)
Weighted average number of Shares used in Computing Basic earning per share	24,437,750	24,437,750
Add : Potential number of Equity share that could arise on exercise of Employee Stock Options	-	-
Weighted average number of Shares used in Computing Diluted earning per share	24,437,750	24,437,750
Nominal Value of Equity Shares (₹)	10	10
Basic Earnings Per Share (₹)	(2.13)	(3.23)
Diluted Earnings Per Share (₹)	(2.13)	(3.23)

19. Segment Information

(a) Primary Segment

The Company's operations relate to one reportable business segment namely "Advisory and Transactional Services" comprising of Broking & Distribution of Securities, Investment Banking and other related Financial Intermediation Services.

(b) Secondary Segment

The Company operates in India and hence there are no reportable Geographical Segments.

20. Related Party Disclosures

(a) List of Related Parties (where transactions have taken place)

Sr. No.	Name of Related Party	Nature of Relationship
(i)	Key Management Personnel/Individuals having control or significant influence a) Shri Krishna Kumar Karwa b) Shri Prakash Kacholia	Managing Director & CFO Managing Director
(ii)	Relatives of Key Management Personnel a) Priti Karwa b) Raunak Karwa c) Soumya Karwa d) Geetadevi Karwa e) Murlidhar Karwa HUF f) Krishna Kumar Karwa HUF g) Prakash Kacholia HUF h) Preeti Kacholia i) Krishna R. Kacholia j) Deepak Kacholia	Relatives of Managing Director & CFO Relatives of Managing Director
(iii)	Enterprises owned/controlled by Key Management Personnel or their relatives a) Cambridge Securities b) Synthetic Fibres Trading Company c) Emkay Corporate Services Private Limited d) Krishna Investments	Enterprises owned/controlled by Key Management Personnel or their relatives
(iv)	Subsidiaries a) Emkay Fincap Limited b) Emkay Commotrade Limited c) Emkay Insurance Brokers Limited d) Emkay Investment Managers Limited	Subsidiary
(v)	Others a) Emkay Charitable Foundation	Others



NOTES ON FINANCIAL STATEMENTS

For the year ended 31st March, 2014

20. (b) Transactions with Related Parties

Sr. No.	Nature of Related Party Transactions and name of related party	Key Management Personnel/Individuals having control or significant influence		Relatives of Key Management Personnel		Subsidiaries		Enterprises owned/ controlled by Key Management Personnel or their relatives		Others		
		2013-2014	2012-13	2013-2014	2012-13	2013-2014	2012-13	2013-2014	2012-13	2013-2014	2012-13	2013-2014
		(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
I	Expenditure											
(a)	Salaries & Other Benefits *	12,000,000	12,880,000	-	-	-	-	-	-	-	-	
	- Krishna Kumar Karwa	6,000,000	6,440,000	-	-	-	-	-	-	-	-	
	- Prakash Kacholia	6,000,000	6,440,000	-	-	-	-	-	-	-	-	
(b)	Brokerage & Commission	-	-	-	-	-	-	260,669	231,702	-	-	
	- Krishna Investments	-	-	-	-	-	-	260,669	231,702	-	-	
(c)	Donation/Contribution	-	-	-	-	-	-	-	-	-	-	
	- Emkay Charitable Foundation	-	-	-	-	-	-	-	-	-	-	
(d)	Interest Paid	2,576,576	1,312,739	-	-	13,942,193	777,259	-	-	-	-	
	- Krishna Kumar Karwa	576,575	353,835	-	-	-	-	-	-	-	-	
	- Prakash Kacholia	2,000,001	958,904	-	-	-	-	-	-	-	-	
	- Emkay Fincap Limited	-	-	-	-	11,335,069	530,959	-	-	-	-	
	- Emkay Investement Managers Limited	-	-	-	-	2,360,549	170,958	-	-	-	-	
	- Others	-	-	-	-	246,575	75,342	-	-	-	-	
II	Income											
(a)	Brokerage	250,223	218,112	276,982	431,824	7,362	43,403	132,992	148,249	-	-	
	- Krishna Kumar Karwa	244,970	212,175	-	-	-	-	-	-	-	-	
	- Preeti Kacholia	-	-	120,839	322,634	-	-	-	-	-	-	
	- Synthetic Fibre Trading Co.	-	-	-	-	-	-	132,992	148,249	-	-	
	- Others	5,253	5,937	156,143	109,190	7,362	43,403	-	-	-	-	
(b)	Depository Charges	3,835	3,632	6,750	2,452	423,235	238,352	2,205	1,130	-	-	
	- Emkay Fincap Limited	-	-	-	-	258,265	207,465	-	-	-	-	
	- Emkay Commotrade Limited	-	-	-	-	92,465	28,747	-	-	-	-	
	- Emkay Investment Managers Limited	-	-	-	-	72,505	2,140	-	-	-	-	
	- Others	3,835	3,632	6,750	2,452	-	-	2,205	1,130	-	-	
(c)	Infrastructure Maintenance Charges	-	-	-	-	4,000,000	6,000,000	-	-	-	-	
	- Emkay Commotrade Limited	-	-	-	-	4,000,000	6,000,000	-	-	-	-	
(d)	Interest Received	-	-	-	-	257,193	5,748,785	-	-	-	-	
	- Emkay Commotrade Limited	-	-	-	-	80,876	5,595,481	-	-	-	-	
	- Emkay Insurance Brokers Limited	-	-	-	-	176,317	112,603	-	-	-	-	
	- Others	-	-	-	-	-	40,701	-	-	-	-	



NOTES ON FINANCIAL STATEMENTS

For the year ended 31st March, 2014

Sr. No.	Nature of Related Party Transactions and name of related party	Key Management Personnel/Individuals having control or significant influence		Relatives of Key Management Personnel		Subsidiaries		Enterprises owned/ controlled by Key Management Personnel or their relatives		Others	
		2013-2014 (₹)	2012-13 (₹)	2013-2014 (₹)	2012-13 (₹)	2013-2014 (₹)	2012-13 (₹)	2013-2014 (₹)	2012-13 (₹)	2013-2014 (₹)	2012-13 (₹)
III	Others										
(a)	Expenses Recovered										
	- Emkay Comtrade Limited	-	-	-	-	8,856,539	11,014,504	-	-	-	-
	- Emkay Investment Managers Limited	-	-	-	-	6,773,898	9,161,224	-	-	-	-
	- Others	-	-	-	-	1,143,096	1,151,280	-	-	-	-
		-	-	-	-	939,545	702,000	-	-	-	-
(b)	Payments made on behalf of										
	- Emkay Comtrade Ltd.	-	-	-	-	-	40,577	-	-	-	3,528
	- Emkay Insurance Brokers Limited	-	-	-	-	-	24,477	-	-	-	-
	- Emkay Investment Managers Limited	-	-	-	-	-	10,100	-	-	-	-
	- Emkay Charitable Foundation	-	-	-	-	-	4,800	-	-	-	-
	- Others	-	-	-	-	-	-	-	-	-	3,528
		-	-	-	-	-	1,200	-	-	-	-
(c)	Payments received on behalf of Clients										
	- Emkay Comtrade Limited	-	-	-	-	1,082,850	411,471	-	-	-	-
		-	-	-	-	1,082,850	411,471	-	-	-	-
(d)	Loans Granted										
	- Emkay Fincap Ltd.	-	-	-	-	97,300,000	313,300,000	-	-	-	-
	- Emkay Comtrade Limited	-	-	-	-	-	130,000,000	-	-	-	-
	- Others	-	-	-	-	95,500,000	180,000,000	-	-	-	-
		-	-	-	-	1,800,000	3,300,000	-	-	-	-
(e)	Loans Granted - Received Back										
	- Emkay Fincap Ltd.	-	-	-	-	99,300,000	411,300,000	-	-	-	-
	- Emkay Comtrade Limited	-	-	-	-	-	130,000,000	-	-	-	-
	- Others	-	-	-	-	95,500,000	280,000,000	-	-	-	-
		-	-	-	-	3,800,000	1,300,000	-	-	-	-
(f)	Short-Term Borrowings										
	- Krishna Kumar Karwa	34,500,000	86,000,000	-	-	277,500,000	182,500,000	-	-	-	-
	- Prakash Kacholia	34,500,000	66,000,000	-	-	-	-	-	-	-	-
	- Emkay Fincap Ltd.	-	20,000,000	-	-	-	-	-	-	-	-
	- Emkay Comtrade Ltd.	-	-	-	-	227,500,000	100,000,000	-	-	-	-
	- Emkay Investment Managers Limited	-	-	-	-	50,000,000	62,500,000	-	-	-	-
		-	-	-	-	-	20,000,000	-	-	-	-



NOTES ON FINANCIAL STATEMENTS

For the year ended 31st March, 2014

Sr. No.	Nature of Related Party Transactions and name of related party	Key Management Personnel/Individuals having control or significant influence		Relatives of Key Management Personnel		Subsidiaries		Enterprises owned/ controlled by Key Management Personnel or their relatives		Others	
		2013-2014 (₹)	2012-13 (₹)	2013-2014 (₹)	2012-13 (₹)	2013-2014 (₹)	2012-13 (₹)	2013-2014 (₹)	2013-2014 (₹)	2012-13 (₹)	2013-2014 (₹)
(g)	Repayment of Short-Term Borrowings										
	- Krishna Kumar Karwa	-	66,000,000	-	-	332,500,000	62,500,000	-	-	-	-
	- Emkay Fincap Ltd.	-	66,000,000	-	-	-	-	-	-	-	-
	- Emkay Comtrade Ltd.	-	-	-	-	262,500,000	-	-	-	-	-
	- Emkay Investment Managers Ltd	-	-	-	-	50,000,000	62,500,000	-	-	-	-
(h)	Other Long Term Liabilities : Security/ Margin Money Received/ Refunded										
	- Priti Karwa	-	-	-	34,000,000	-	-	-	-	-	-
	- Emkay Comtrade Limited	-	-	-	-	20,000,000	-	-	-	-	-
(i)	Investment made										
	- Emkay Insurance Brokers Limited	-	-	-	-	1,000,000	-	-	-	-	-
IV	Outstandings										
(a)	Trade Payables	668,497	-	-	1,208,320	-	1,301	-	49,164	-	-
	- Prakash Kacholia	668,497	-	-	-	-	-	-	-	-	-
	- Preeti Kacholia	-	-	-	915,217	-	-	-	-	-	-
	- Krishna Kacholia	-	-	-	292,853	-	-	-	-	-	-
	- Others	-	-	-	250	-	1,301	-	49,164	-	-
(b)	Other Current Liabilities : Salary Payable										
	- Krishna Kumar Karwa	-	544,158	-	-	-	-	-	-	-	-
	- Prakash Kacholia	-	272,079	-	-	-	-	-	-	-	-
(c)	Short Term Borrowings	54,500,000	20,000,000	-	-	65,000,000	120,000,000	-	-	-	-
	- Prakash Kacholia	20,000,000	20,000,000	-	-	-	-	-	-	-	-
	- Krishna Kumar Karwa	34,500,000	-	-	-	-	-	-	-	-	-
	- Emkay Fincap Limited	-	-	-	-	65,000,000	100,000,000	-	-	-	-
	- Emkay Investment Managers Limited	-	-	-	-	-	20,000,000	-	-	-	-
(d)	Trade Receivables	579	53,716	38,165	1,011,787	32,870	16,696	2,314,292	1,165,176	-	-
	- Krishna Kumar Karwa HUF	-	-	51	1,010,861	-	-	-	-	-	-
	- Krishna Investments	-	-	-	-	-	-	2,313,854	1,165,176	-	-
	- Others	579	53,716	38,114	926	32,870	16,696	438	-	-	-



NOTES ON FINANCIAL STATEMENTS

For the year ended 31st March, 2014

Sr. No.	Nature of Related Party Transactions and name of related party	Key Management Personnel/Individuals having control or significant influence		Relatives of Key Management Personnel		Subsidiaries		Enterprises owned/controlled by Key Management Personnel or their relatives		Others	
		2013-2014 (₹)	2012-13 (₹)	2013-2014 (₹)	2012-13 (₹)	2013-2014 (₹)	2012-13 (₹)	2013-2014 (₹)	2012-13 (₹)	2013-2014 (₹)	2012-13 (₹)
(e)	Interest Accrued on Loans Granted	-	-	-	-	-	-	-	-	-	-
	- Emkay Fincap Limited	-	-	-	-	-	-	-	-	-	-
	- Emkay Insurance Brokers Limited	-	-	-	-	-	-	-	-	-	-
(f)	- Others	-	-	-	-	-	-	-	-	-	-
	Loans Granted	-	-	-	-	-	-	-	-	-	-
	- Emkay Insurance Brokers Limited	-	-	-	-	-	-	-	-	-	-
(g)	Recoverable towards expenses	-	-	-	-	-	-	-	-	-	-
	- Emkay Comtrade Ltd.	-	-	-	-	-	-	-	-	-	-
	- Emkay Investment Managers Limited	-	-	-	-	-	-	-	-	-	-
(h)	Security/Margin Deposits	-	-	-	-	-	-	-	-	-	-
	- Krishna Investments	-	-	-	-	-	-	-	-	-	-
	- Emkay Investment Managers Limited	-	-	-	-	-	-	-	-	-	-
(i)	Interest accrued and due on short-term borrowing	-	-	-	-	-	-	-	-	-	-
	- Krishna Kumar Karwa	-	-	-	-	-	-	-	-	-	-
	- Emkay Investment Managers Limited	-	-	-	-	-	-	-	-	-	-
(j)	Non-Current Investments	-	-	-	-	-	-	-	-	-	-
	- Emkay Fincap Limited - Equity Shares	-	-	-	-	-	-	-	-	-	-
	- Emkay Comtrade Limited - Equity Shares	-	-	-	-	-	-	-	-	-	-
	- Emkay Insurance Brokers Limited - Equity Shares	-	-	-	-	-	-	-	-	-	-
	- Emkay Investment Managers Limited - Equity Shares	-	-	-	-	-	-	-	-	-	-
	- Emkay Investment Managers Limited - Equity Shares	-	-	-	-	-	-	-	-	-	-

* Contribution to Group Gratuity Scheme and Premium paid for Group Personal Accident Policy, Group Mediclaim Insurance Policy and Group Term Life Insurance Policy has not been considered, as employee-wise details are not available.

(c) Related Parties are identified by the management and relied upon by the Auditors.

(d) No balances in respect of Related Parties have been written off.

NOTES ON FINANCIAL STATEMENTS

For the year ended 31st March, 2014

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

22. Detailed information in respect of Securities traded in :-

Particulars	Purchase (₹)		Sales (₹)	
	2013-14	2012-13	2013-14	2012-13
Shares & Securities	-	31,15,002	-	38,51,053

23. (a) Detailed information in respect of Equity Index/Stock Futures contracts outstanding (Open Interest) :-

Name of Equity Index/Stock Futures	As at 31.03.2014			As at 31.03.2013		
	No. Of Contracts	No. of Units		No. of Contracts	No. of Units	
		Long	Short		Long	Short
Nifty	825	-	41250	34	1700	-

(b) Detailed information in respect of Equity Index/Stock Options contracts outstanding (Open Interest):-

Name of Equity Index/Stock Options	Premium carried forward as at 31.03.2014 [net of provisions made] (₹)	Premium carried forward as at 31.03.2013 [net of provisions made] (₹)
Nifty	7,96,861	1,82,77,238
Total	7,96,861	1,82,77,238

24. Additional information required pursuant to Part II of Schedule VI to the Companies Act, 1956: -

Particulars	Year ended 31.03.2014 (₹)	Year ended 31.03.2013 (₹)
(a) Expenditure in Foreign Currency		
- Travelling Expenses	2,266,200	3,176,099
- Membership & Subscription	3,113,327	7,320,817
- Advertisement & Business Promotion	568,215	736,899
- Brokerage & Commission	3,633,600	2,618,442
- Others	251,404	148,690
(b) Earning in Foreign Currency		
- Research Fees	10,985,235	13,881,590
- Miscellaneous Income	141,670	307,419



NOTES ON FINANCIAL STATEMENTS

For the year ended 31st March, 2014

25. Other additional information required pursuant to Part II of Schedule VI to the Companies Act, 1956 are not applicable to the Company.
26. Figures in brackets indicates previous years figures.
27. Figures have been rounded off to the nearest rupees.

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

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

Place : Mumbai
Date : 22nd May, 2014

For and behalf of the Board of
EMKAY GLOBAL FINANCIAL SERVICES LIMITED

KRISHNA KUMAR KARWA
Managing Director & CFO

R. K. KRISHNAMURTHI
Director

S. K. SABOO
Director

Place : Mumbai
Date : 22nd May, 2014

PRAKASH KACHOLIA
Managing Director

G. C. VASUDEO
Director

VAIBHAV PUROHIT
Company Secretary &
Compliance Officer

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INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF EMKAY GLOBAL FINANCIAL SERVICES LIMITED

We have audited the accompanying consolidated financial statements of EMKAY GLOBAL FINANCIAL SERVICES LIMITED ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2014, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of Significant Accounting Policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Group's preparation and fair presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

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 the reports of the other auditors on the financial statements of the subsidiaries as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2014;
- (b) in the case of the consolidated Profit and Loss Account, of the loss of the Group for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Emphasis of Matter

We draw attention to Note No. 4 to the consolidated financial statements which describe the uncertainty related to the outcome of the appeal pending before Securities Appellate Tribunal (SAT) against rejection of Company's annulment application by NSE on account of occurrence of a mistake while executing a sale order on Cash Segment of the said exchange resulting in loss of ₹ 5194.04 lac. The impact, if any, of the abovesaid matter on the consolidated financials is dependent upon the outcome of the said appeal. Our opinion is not qualified in respect of this matter.

Other Matter

We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets (net) of ₹ 3365.54 lac as at 31st March, 2014, total revenues of ₹ 697.10 lac and net cash inflows amounting to ₹ 93.64 lac for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

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

(CA B. L. Sarda)

Place: Mumbai
Date : 22nd May, 2014

Partner
Membership No. 014568

CONSOLIDATED BALANCE SHEET

AS at 31st March, 2014

Particulars	Note No.	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
EQUITY AND LIABILITIES			
SHAREHOLDER'S FUNDS			
Share Capital	2.1	244,377,500	244,377,500
Reserves and Surplus	2.2	1,051,665,078	1,091,142,595
		1,296,042,578	1,335,520,095
NON-CURRENT LIABILITIES			
Long-Term Borrowings	2.3	-	-
Other Long-Term Liabilities	2.4	28,795,799	37,600,990
Long-Term Provisions	2.5	1,169,452	998,772
		29,965,251	38,599,762
CURRENT LIABILITIES			
Short-Term Borrowings	2.6	344,642,798	410,617,656
Trade Payables	2.7	531,998,260	479,983,915
Other Current Liabilities	2.8	534,887,209	439,450,020
Short-Term Provisions	2.9	2,730,698	1,802,883
		1,414,258,965	1,331,854,474
TOTAL		2,740,266,794	2,705,974,331
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
- Tangible Assets	2.10 (a)	385,200,391	418,923,965
- Intangible Assets	2.10 (b)	4,083,440	6,425,406
Non-Current Investments	2.11 (a)	7,221,599	4,991,033
Deferred Tax Assets (Net)	2.12	40,874,975	50,314,599
Long-Term Loans and Advances	2.13	169,651,861	162,480,479
		607,032,265	643,135,482
CURRENT ASSETS			
Current Investments	2.11 (b)	25,735,338	5,430,113
Inventories	2.14	610	610
Trade Receivables	2.15	388,676,803	341,555,185
Cash and Cash Equivalents	2.16	706,716,223	790,527,304
Short-Term Loans and Advances	2.17	999,608,292	913,370,578
Other Current Assets	2.18	12,497,264	11,955,060
		2,133,234,529	2,062,838,850
TOTAL		2,740,266,794	2,705,974,331
SIGNIFICANT ACCOUNTING POLICIES			
1			
The accompanying notes are an integral part of the financial statements.			

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

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

Place : Mumbai
Date : 22nd May, 2014

For and behalf of the Board of
EMKAY GLOBAL FINANCIAL SERVICES LIMITED

KRISHNA KUMAR KARWA
Managing Director & CFO

R. K. KRISHNAMURTHI
Director

S. K. SABOO
Director

Place : Mumbai
Date : 22nd May, 2014

PRAKASH KACHOLIA
Managing Director

G. C. VASUDEO
Director

VAIBHAV PUROHIT
Company Secretary &
Compliance Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the year ended 31st March, 2014

Particulars	Note No.	For the Year Ended 31st March, 2014 (₹)	For the Year Ended 31st March, 2013 (₹)
Income			
Revenue from Operations	2.19	847,492,875	964,686,628
Other Income	2.20	13,445,607	34,528,195
Total Revenue		860,938,482	999,214,823
Expenses			
Employee Benefits Expense	2.21	369,520,813	400,168,808
Finance Costs	2.22	45,244,678	33,915,862
Depreciation and Amortization Expense	2.23	42,488,499	54,538,945
Other Expenses	2.24	431,883,792	623,710,849
Total Expenses		889,137,782	1,112,334,464
(Loss) Before Tax		(28,199,300)	(113,119,641)
Tax Expense:			
Income-Tax			
- Current Tax		1,130,000	5,440,000
- Deferred Tax Charge [Refer note no.2.12]		9,439,624	29,169,974
- Short Provision for Taxation for Earlier Years		708,594	60,645
(Loss) for the year		(39,477,518)	(147,790,260)
Earnings per Equity Shares of nominal value of ₹10/- each			
-Basic		(1.62)	(6.05)
-Diluted		(1.62)	(6.05)
SIGNIFICANT ACCOUNTING POLICIES	1		
The accompanying notes are an integral part of the financial statements.			

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

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

Place : Mumbai
Date : 22nd May, 2014

For and behalf of the Board of
EMKAY GLOBAL FINANCIAL SERVICES LIMITED

KRISHNA KUMAR KARWA
Managing Director & CFO

R. K. KRISHNAMURTHI
Director

S. K. SABOO
Director

Place : Mumbai
Date : 22nd May, 2014

PRAKASH KACHOLIA
Managing Director

G. C. VASUDEO
Director

VAIBHAV PUROHIT
Company Secretary &
Compliance Officer

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st March, 2014

Particulars	Year ended 31st March, 2014 (₹)		Year ended 31st March, 2013 (₹)	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax, extraordinary items		(28,199,300)		(113,119,641)
Adjustment for :				
Finance Costs	45,244,678		33,915,862	
Depreciation and Amortization	42,488,499		54,538,945	
Net Gain on Sale of Current Investments	(100,923)		(2,222,936)	
Loss on Sale/Discard of Fixed Assets	1,150,155		8,481,555	
Interest Received	(12,669,219)		(22,004,536)	
Dividend Received	(630,391)		(779,346)	
Provision for Loss Assets (net off write back)	(49,971,680)		43,477,811	
Provision for Standard Assets	152,181		(428,464)	
Provision for Doubtful Debts/Deposits/Advances (net off write back)	(10,415,969)		44,308,565	
Provision for loss on equity index/stock futures/equity index/stock options and currency futures	2,313,559		-	
		17,560,890		159,287,456
Operating profit before working capital changes		(10,638,410)		46,167,815
Adjustment for :				
Trade and other receivables	(68,480,442)		(53,828,013)	
Deposits with Banks and Other items not considered as cash equivalents (Refer Note 3 below)	129,889,808		272,869,470	
Trade and other payables	140,722,568	202,131,934	(289,729,240)	(70,687,783)
Cash Generated from operations		191,493,524		(24,519,968)
Direct taxes (Paid)/Refund		(16,423,475)		(23,313,148)
Cash flow before extraordinary items		175,070,049		(47,833,116)
Extraordinary items		-		-
Net Cash From/(used in) Operating Activities		175,070,049		(47,833,116)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets and Capital - WIIP	(8,348,679)		(10,186,998)	
Sale of fixed assets	775,565		1,623,920	
Current Investments (Purchased)/Redeemed	(20,305,225)		25,138,708	
Non Current Investments (Purchased)/Disposed Off	(2,230,566)		(4,986,507)	
Net Gain on Sale of Current Investments	100,923		2,222,936	
Interest received	12,669,219		22,004,536	
Loan (given)/received back to/from ESOP Trust	-		400,000	
Dividend received	630,391	(16,708,372)	779,346	36,995,941
Net Cash from/(used in) Investing Activities		(16,708,372)		36,995,941

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the year ended 31st March, 2014

Particulars	Year ended 31st March, 2014 (₹)		Year ended 31st March, 2013 (₹)	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds/(Repayment) of Long Term Borrowings	(1,005,111)		(996,680)	
Proceeds/(Repayment) of Short Term Borrowings	(65,974,858)		45,132,918	
Finance Costs	(45,244,678)		(33,915,862)	
Dividend paid (including dividend tax)	(58,303)	(112,282,950)	(14,150,368)	(3,929,992)
Net cash from/(used in) financing activities		(112,282,950)		(3,929,992)
Net increase in cash and cash equivalents (A+B+C)		46,078,727		(14,767,167)
Cash and cash equivalents at the beginning of the year		69,976,060		84,743,227
Cash and cash equivalents at the close of the year		116,054,787		69,976,060
Note :				
1. Cash and cash equivalents comprise of :				
Cash on hand		287,177		596,398
Cheques on hand		-		983,046
Balances with Scheduled Banks				
- In Current Accounts		115,758,766		68,247,780
Balances in Pay Direct Card		3,761		15,446
Foreign Currency on Hand		5,083		133,390
		116,054,787		69,976,060

- Cash flow statement has been prepared under the Indirect Method as set out in the Accounting Standard - 3 (AS-3) "Cash Flow Statement".
- Cash and cash equivalent excludes deposit with banks which have been pledged with exchanges/banks, balance in Unclaimed Dividend and IPO Refund Account, Gift/Meal Coupons and Stamps in hand.
- Previous year's figures are re-grouped/recasted/re-arranged wherever considered necessary.

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

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

Place : Mumbai
Date : 22nd May, 2014

For and behalf of the Board of
EMKAY GLOBAL FINANCIAL SERVICES LIMITED

KRISHNA KUMAR KARWA
Managing Director & CFO

R. K. KRISHNAMURTHI
Director

S. K. SABOO
Director

Place : Mumbai
Date : 22nd May, 2014

PRAKASH KACHOLIA
Managing Director

G. C. VASUDEO
Director

VAIBHAV PUROHIT
Company Secretary &
Compliance Officer

1 Significant Accounting Policies

1.1 Basis of Preparation of Consolidated Financial Statements

The accompanying Consolidated Financial Statements are prepared in accordance with Generally Accepted Accounting Principles and provisions of the Companies Act, 1956 under the historical cost convention on the accrual basis of accounting. The accounting policies have been consistently applied by the group unless otherwise stated.

1.2 Use of Estimates

The preparation of Consolidated Financial Statements in conformity with Generally Accepted Accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates and the differences between actual results and estimates are recognised in the periods in which the results are known/materialize.

1.3 Basis of Consolidation

a) Basis of Preparation:

The Consolidated Financial Statements are prepared in accordance with Accounting Standard (AS-21) on "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India and notified under the Companies (Accounting Standards) Rules, 2006. Reference in these notes to the Parent Company means Emkay Global Financial Services Limited, reference to Subsidiary Companies means four subsidiaries of Emkay Global Financial Services Limited, i.e. Emkay Fincap Limited, Emkay Commotrade Limited, Emkay Insurance Brokers Limited and Emkay Investment Managers Limited and reference to Group means the Parent Company and the Subsidiary Companies.

b) The subsidiaries considered in Consolidated Financial Statements are:-

Name of the Subsidiaries	Date of Incorporation	Period of Included in Consolidation	Proportion of Ownership Interest	Nature of Business
Emkay Fincap Limited	16.05.2005	FY 2013-14	100%	Non Banking Finance Activities
Emkay Commotrade Limited	05.01.2006	FY 2013-14	100%	Commodity Broking
Emkay Insurance Brokers Limited	08.03.2007	FY 2013-14	100%	Direct Insurance Brokers
Emkay Investment Managers Limited	08.06.2010	FY 2013-14	100%	Portfolio Management Services

c) Principles of Consolidation:

- The Consolidated Financial Statements comprise of the Financial Statements of the Parent Company and its subsidiaries and have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions and resulting profits/losses in full.
- The Consolidated Financial Statements are presented, to the extent possible in the same format as that adopted by the Parent Company for its separate financial statements.
- The Consolidated Financial Statements of the group companies are prepared according to uniform accounting policies across the Group and is in accordance with accounting principles generally accepted in India.
- Goodwill/Capital Reserve on Consolidation:
The excess of cost to the Parent Company of its investment in subsidiaries over its portion of equity in the subsidiaries at the respective dates on which investment in subsidiaries was made is recognised in the financial statements as goodwill and vice versa is recognised in financial statements as capital reserve. The Parent Company's portion of equity in the subsidiaries is determined on the basis of the value of assets and liabilities as per the financial statements of the subsidiaries as on the date of investment.

1.4 Revenue Recognition

- Brokerage income is recognized as per contracted rates on the execution of transactions on behalf of the clients on the trade date.
- One time non refundable subscription fees for joining various special brokerage schemes is treated as income when the client agrees to join that particular scheme and renders payment for the same. No brokerage under the said schemes is charged till the time brokerage on the trades executed by the clients gets equal to the subscription

fees paid by the client. However in respect of one of the subsidiary company, instead of no brokerage charged, the brokerage is reversed by making provisions at the end of each quarter and actual credit for brokerage reversible to the client is given at the end of the validity period of the scheme opted by clients.

- (c) Portfolio Management Fees on Portfolio Management Services (PMS) business is accounted on accrual basis as follows:-
- (i) in case of fees based on fixed percentage of Assets Under Management, income is accrued at the end of each quarter or closure of Portfolio Account, whichever is earlier.
 - (ii) in case of fees based on returns on Portfolio, income is accounted at the end of completion of one year by each client from the date of joining the Portfolio Management Scheme or closure of Portfolio Account, whichever is earlier.
- (d) Dividend including interim are accounted when the right to receive payment is established.
- (e) Profit/(loss) in proprietary trades in securities and derivatives comprises of profit/(loss) on sale of securities (i.e. Shares, Corporate Bonds and Government Securities, etc.) held as stock-in-trade, profit/(loss) on equity derivative instruments, profit/(loss) on currency futures transactions and profit/(loss) on commodity futures transactions. Profit/(loss) on sale of securities is determined based on first-in-first-out (FIFO) basis of cost of securities sold. Profit/(loss) on equity derivative instruments is determined as explained in para 1.5 and 1.6 below. Profit/(loss) on Currency and Commodity derivative instruments is also determined *mutatis mutandis* as explained in para 1.5 and 1.6 below.
- (f) Interest Income on Loans & Inter Corporate Deposits given is accounted for on accrual basis except in case of non-performing assets which is recognized on receipt basis as per the RBI guidelines in case of subsidiary carrying on Non-banking Financial Business.
- (g) Income from Insurance Commission is accounted for on accrual basis in respect of business confirmed with clients in case of subsidiary carrying on Direct Insurance Broking Business.

1.5 Equity Index/Stock – Futures

- (a) Equity Index/Stock Futures are marked-to-market on a daily basis. Debit or Credit balance disclosed under short term Loans and Advances or Current Liabilities, respectively, in the Mark-to-Market Margin – Equity Index/Stock Futures Account, represents the net amount paid or received on the basis of movement in the prices of Index/Stock futures till the Balance Sheet date.
- (b) As on the Balance Sheet date, Profit/Loss on open positions in Equity Index/Stock Futures is accounted for as follows:
- Credit balance in the Mark-to-Market Margin:- Equity Index/Stock Futures Account, being the anticipated profit, is ignored and no credit for the same is taken in the statement of Profit and Loss.
 - Debit balance in the Mark-to-Market Margin:- Equity Index/Stock Futures Account, being the anticipated loss, is provided in the statement of Profit and Loss and is reflected in “Provision for Loss on Equity Index/Stock Futures Account” under Current Liabilities.
- (c) On final settlement or squaring-up of contracts for Equity Index/Stock Futures, the Profit or Loss is calculated as the difference between the settlement/squaring-up price and the contract price. Accordingly, debit or credit balance pertaining to the settled/squared-up contract in Mark-to-Market Margin – Equity Index/Stock Futures Account after adjustment of the provision for anticipated losses is recognized in the statement of Profit and Loss. When more than one contract in respect of the relevant series of Equity Index/Stock Futures contract to which the squared-up contract pertains is outstanding at the time of the squaring-up of the contract, the contract price of the contract so squared-up is determined using the weighted average cost method for calculating the Profit/Loss on squaring-up.

1.6 Equity Index/Stock - Options

- (a) “Equity Index/Stock Options Premium Account” represents premium paid or received for buying or selling the options, respectively. Debit or Credit balance under the said account is disclosed under Short-Term Loans and Advances or Current Liabilities as the case may be.
- (b) At the time of final settlement
Premium paid/received is recognised as an expense/income on exercise of Option. Further, difference between the final settlement price as on the exercise/expiry date and the strike price is recognised as Profit or Loss.

(c) At the time of squaring off
Difference between the premium paid and received on squared off transactions is treated as Profit or Loss.

(d) At the Balance Sheet date
In the case of long positions, provision is made for the amount by which the premium paid for those options exceeds the premium prevailing on the Balance Sheet date, and in the case of short positions, for the amount by which premium on the Balance Sheet date exceeds the premium received for those options, and is reflected in "Provision for Loss on Equity Index/Stock Option Account" under Current Liabilities.

1.7 Fixed Assets and Depreciation

- a) Fixed Assets are stated at cost of acquisition including incidental expenses related to such acquisition and installation less accumulated depreciation.
- b) Depreciation on Fixed Assets other than Improvements to Leasehold/Licensed Premises have been provided on written down value method at the rates prescribed under Schedule XIV to the Companies Act, 1956 as amended from time to time including pro rata depreciation on additions/deletions made during the year.
- c) Improvements to Leasehold/Licensed Premises are depreciated on a straight-line method over the Primary Lease Period or over a period of 3 years whichever is less starting from the date when the Leasehold/Licensed premises are put to use.

1.8 Intangible Assets and Amortization

Items of expenditure that meet the recognition criteria as mentioned in Accounting Standard – 26 on "Intangible Assets" are classified as intangible assets and are amortized over the period of economic benefits.

Softwares are stated at cost of acquisition and are amortized on straight line basis over a period of 3 years irrespective of the date of acquisition. Membership Rights in Stock Exchanges are amortized on straight- line basis over a period of 10 years.

1.9 Stock – in – Trade

Stock-in-Trade of securities are valued at lower of the cost or market value on individual scrip by scrip basis. Cost is determined on First-in-First-Out (FIFO) basis.

1.10 Investments

Investments that are readily realizable and intended to be held for not more than twelve months are classified as Current Investments. All other investments are classified as Long Term Investments. Long Term Investments are stated at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

Current Investments are stated at lower of cost and fair value and determined on an individual investment basis.

1.11 Employee Benefits

(a) Short Term Benefits

All employee benefits including short term compensated absences and statutory bonus/performance bonus/incentives payable wholly within twelve months of rendering the service are classified as short term employee benefits and are charged to the statement of Profit and Loss of the year.

(b) Long Term Benefits

(i) Post Employment Benefits

(a) Defined Contribution Plans:- Retirement/Employee benefits in the form of Provident Fund, Employees State Insurance and labour welfare are considered as defined contribution plan and contributions to the respective funds administered by the Government are charged to the statement of Profit and Loss of the year when the contribution to the respective funds are due.

(b) Defined Benefit Plans:- Retirement benefits in the form of gratuity is considered as defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made as at the date of the Balance Sheet. The scheme is maintained and administered by an insurer to which the trustees make periodic contributions except in case of a subsidiary company where the gratuity plan is non-funded. Actuarial gain/loss, if any are immediately recognized in the statement of Profit and Loss.

(ii) *Other Long Term Benefits*

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

1.12 Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

1.13 Assets on Operating Leases

Lease payments under operating leases are recognized as expenses on accrual basis in accordance with the respective lease and license agreements.

1.14 Share Issue/Preliminary Expenses

In case of Parent, expenses incurred in connection with fresh issue of Share Capital are adjusted against Securities Premium Account in the year in which they are incurred and in case of Subsidiaries, Share Issue/Preliminary Expenses are recognized as an expense in the year in which they are incurred.

1.15 Taxation

Provision for taxation has been made in accordance with the Income Tax Laws prevailing for the relevant assessment years.

1.16 Deferred Taxation

Deferred tax assets and liabilities are recognized for timing differences between the accounting and taxable income measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each Balance Sheet date, the carrying amount of deferred tax assets is reviewed to reassure its realization.

1.17 Contingencies and Events Occurring After The Balance Sheet Date

Events occurring after the date of the Balance Sheet, which provide further evidence of conditions that existed at the Balance Sheet date or that arose subsequently, are considered up to the date of approval of accounts by the Board of Directors, where material.

1.18 Impairment

Where the recoverable amount of the fixed asset is lower than its carrying amount, a provision is made for the impairment loss. Post impairment, depreciation is provided for on the revised carrying value of the asset over its remaining useful life.

1.19 Provisions, Contingent Liabilities & Contingent Assets

A provision is recognized when an enterprise has a present obligation as a result of past event(s) and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation(s), in respect of which a reliable estimate can be made for the amount of obligation. Contingent Liabilities, if material, are disclosed by way of notes. Contingent Assets are not recognized or disclosed in the financial statements.

1.20 Foreign Currency Transactions

Foreign currency transactions are accounted at the exchange rates prevailing on the date of the transaction. Foreign currency monetary items outstanding as at the Balance Sheet date are reported using the closing rate. Gains and losses resulting from the settlement of such transactions and translation of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of Profit and Loss.

1.21 Employee Stock Compensation Cost

The Parent Company follows the intrinsic value method as prescribed by the Guidance note on "Accounting for Employee Share-based Payments" issued by the Institute of Chartered Accountants of India to account for the compensation cost of its Stock based employee compensation plans.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2014

1.22 Stock Lending and Borrowing

Borrowing/Lending fees paid/received on stocks borrowed/lent under Stock Lending and Borrowing Mechanism is recognized on accrual basis.

Amount deposited with Stock Exchanges for borrowed stocks has been shown as Current Assets under Short-Term Loans and Advances and the same is reversed on return of such borrowed stock.

Sale proceeds of borrowed stock has been shown as Current Liabilities under Other Current Liabilities and the same is reversed on squaring up of the transaction with resultant gain/loss being recognized in the Statement of Profit and Loss.

Provision is made for anticipated losses however anticipated profits are ignored for difference between sale price of borrowed stock and the price prevailing at the Balance Sheet date on such borrowed stock.

2.1 : Share Capital

Particulars	As at	
	31st March, 2014 (₹)	31st March, 2013 (₹)
Authorised		
40,000,000 Equity Shares of ₹10/- each	400,000,000	400,000,000
Issued, Subscribed and Paid Up		
244,37,750 Equity Shares of ₹10/-each fully paid up	244,377,500	244,377,500
	244,377,500	244,377,500

Notes:-

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

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	No of Shares	Amount (₹)	No of Shares	Amount (₹)
At the beginning of the period	24,437,750	244,377,500	24,437,750	244,377,500
Add: Shares issued on exercise of Employee Stock Options	-	-	-	-
Outstanding at the end of the period	24,437,750	244,377,500	24,437,750	244,377,500

(b) Shares Reserved for issue under options:

The Parent Company has reserved issuance of 23,66,325 (Previous Year 23,66,325) Equity Shares of ₹ 10/- each for offering to eligible employees of the Parent Company and its subsidiaries under Employees Stock Option Schemes. The Options would vest over a maximum period of four years or such other period as may be decided by the Board/Remuneration Committee subject to the applicable law.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2014

2.2 Reserves and Surplus

Particulars	As at	
	31st March, 2014 (₹)	31st March, 2013 (₹)
Securities Premium Account		
Balance as per last financial statements	691,353,584	691,353,584
Special Reserve (Refer Note no. 10)		
Balance as per Last financial Statements	20,988,806	20,988,806
Add: Transfer from Surplus balance in the statement of Profit and Loss	4,808,876	-
Closing Balance	25,797,682	20,988,806
Capital Redemption Reserve		
Balance as per Last financial Statements	50,000,000	50,000,000
General Reserve		
Balance as per last financial statements	180,361,128	180,361,128
Capital Reserve on Consolidation		
Balance as per last Financial Statement	102,723	102,723
Surplus in the Statement of Profit and Loss		
Balance as per last Financial Statements	148,336,355	296,126,614
Add : (Loss) for the year	(39,477,518)	(147,790,260)
Amount available for appropriations	108,858,837	148,336,355
Less: Appropriations:		
Transfer to Special Reserve	4,808,876	-
Total of appropriations	4,808,876	-
Net Surplus in the Statement of Profit and Loss	104,049,961	148,336,355
	1,051,665,078	1,091,142,595

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2014

2.3 Long-Term Borrowings

Particulars	Non-Current Portion		Current Maturities	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
Secured				
Term Loan from others *	-	-	-	1,005,111
		-	-	1,005,111

* Secured by Hypothecation of Motor Car and repayable over a period of three years.

2.4 Other Long-Term Liabilities

Particulars	As at	As at
	31st March, 2014 (₹)	31st March, 2013 (₹)
Others		
-Security Deposits	28,795,799	37,600,990
	28,795,799	37,600,990

Note: Represents received from Authorised Persons/Sub-Brokers and treated as long term as they are expected to remain with the company for a period of more than one year.

2.5 Long-Term Provisions

Particulars	As at	As at
	31st March, 2014 (₹)	31st March, 2013 (₹)
For Standard Assets *	1,076,877	924,696
For Gratuity	92,575	74,076
	1,169,452	998,772

* Provision for Standard Assets has been created of ₹ 10,76,877/- (P. Y. ₹ 924,696/-) being 0.25% of its Standard Assets amounting to ₹ 430,750,977/- (P. Y. ₹ 369,878,558/-) as per notification DNPS. 222/CGM (US)- 2011 issued by the Reserve Bank of India on January 17, 2011 in case of one of the subsidiary.

2.6 Short-Term Borrowings

Particulars	As at	As at
	31st March, 2014 (₹)	31st March, 2013 (₹)
Secured		
Loan repayable on demand:		
- Overdraft from a Bank	167,642,798	259,417,656
Unsecured		
Loan repayable on demand		
- Loan from related parties [Refer note no.18(B)(IV)(c)]	54,500,000	61,000,000
- From other Parties	122,500,000	90,200,000
	344,642,798	410,617,656

Note: Overdraft referred above to the extent of :

- ₹ 14,285,265/- (P. Y. ₹ 116,239,592/-) is secured by way of lien against term deposits with bank, and
- ₹ 153,357,533/- (P. Y. ₹ 143,178,064/-) is secured by equitable mortgage of office premises.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2014

2.7 Trade Payables

Particulars	As at	As at
	31st March, 2014 (₹)	31st March, 2013 (₹)
Trade Payables	531,998,260	479,983,915
	531,998,260	479,983,915

2.8 Other Current Liabilities

Particulars	As at	As at
	31st March, 2014 (₹)	31st March, 2013 (₹)
Current maturities of long term borrowing -Vehicle Loan (Refer note no.2.3)	-	1,005,111
Interest accrued and due on Short-Term Borrowings from a Director [Refer note no.18(B)(IV)(f)]	-	59,177
Income Received in advance	2,110,967	1,733,526
Unclaimed Dividend *	270,877	329,180
Unclaimed Share Application Money *	-	228,240
Others		
Advance Received from Clients	70,153,765	19,974,026
Payable for Expenses	34,958,697	61,621,279
Other Liabilities	3,039,903	2,194,239
Statutory Liabilities	26,457,386	19,189,770
Deposit towards Margin and other from Clients	397,883,831	325,830,143
Cheques Overdrawn	11,783	7,206,279
Equity Index/Stock Options Premium	-	79,050
	534,887,209	439,450,020

* Appropriate amount shall be transferred to "Investor Education & Protection Fund" as and when due.

2.9 Short-Term Provisions

Particulars	As at	As at
	31st March, 2014 (₹)	31st March, 2013 (₹)
For Gratuity (Refer Note : 6)	2,574,035	1,550,636
For Income Tax	156,663	223,157
For Wealth Tax (Net of Taxes paid)	-	29,090
	2,730,698	1,802,883

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2014

2.10 Fixed Assets

(a) Tangible Assets

Particulars	Office Premises	Air Conditioners	Computers	Motor Cars	Furniture & Fixtures	Office Equipments	Leasehold Improvement	Total
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
Gross Block (At Cost)								
At 1st April, 2012	379,521,179	11,910,935	109,319,792	7,678,383	42,667,125	39,019,495	61,250,175	651,367,084
Additions	954,552	164,100	1,513,075	-	238,694	898,640	2,124,186	5,893,247
Deductions	-	3,332,597	29,489,697	-	1,511,216	15,115,043	8,313,127	57,761,680
At 31st March, 2013	380,475,731	8,742,438	81,343,170	7,678,383	41,394,603	24,803,092	55,061,234	599,498,651
Additions	-	424,209	2,410,806	-	61,348	1,161,175	978,461	5,035,999
Deductions	-	1,170,668	3,202,258	567,118	715,939	2,006,220	16,934,727	24,596,930
At 31st March, 2014	380,475,731	7,995,979	80,551,718	7,111,265	40,740,012	23,958,047	39,104,968	579,937,720
Depreciation/Amortization								
At 1st April, 2012	10,412,264	4,810,064	88,439,871	3,108,263	9,466,273	16,605,836	49,165,901	182,008,472
Charge for the Year	18,529,560	921,256	8,405,579	1,183,204	6,209,875	2,978,095	7,994,850	46,222,419
Deductions	-	1,909,631	27,453,120	-	1,233,911	8,746,416	8,313,127	47,656,205
At 31st March, 2013	28,941,824	3,821,689	69,392,330	4,291,467	14,442,237	10,837,515	48,847,624	180,574,686
Charge for the Year	17,576,701	684,555	5,437,372	873,156	4,921,723	2,016,026	5,324,320	36,833,853
Deductions	-	654,683	3,026,556	514,872	651,164	1,126,194	16,697,741	22,671,210
At 31st March, 2014	46,518,525	3,851,561	71,803,146	4,649,751	18,712,796	11,727,347	37,474,203	194,737,329
Net Block								
At 31st March, 2013	351,533,907	4,920,749	11,950,840	3,386,916	26,952,366	13,965,577	6,213,610	418,923,965
At 31st March, 2014	333,957,206	4,144,418	8,748,572	2,461,514	22,027,216	12,230,700	1,630,765	385,200,391



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2014

(b) Intangible Assets

Particulars	Stock Exchanges Membership Rights	Software	Total
	₹	₹	₹
Gross Block (At Cost)			
At 1st April, 2012	28,255,000	53,701,662	81,956,662
Additions	-	5,624,962	5,624,962
At 31st March, 2013	28,255,000	59,326,624	87,581,624
Additions	-	3,312,680	3,312,680
At 31st March, 2014	28,255,000	62,639,304	90,894,304
Depreciation/Amortization			
At 1st April, 2012	28,255,000	44,584,692	72,839,692
Charge for the Year	-	8,316,526	8,316,526
At 31st March, 2013	28,255,000	52,901,218	81,156,218
Charge for the Year	-	5,654,646	5,654,646
At 31st March, 2014	28,255,000	58,555,864	86,810,864
Net Block			
At 31st March, 2013	-	6,425,406	6,425,406
At 31st March, 2014	-	4,083,440	4,083,440

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2014

2.11 (a) Non-Current Investments

Particulars	Face Value Per Share (₹)	No. of Shares		Amount	
		As At 31st March, 2014	As At 31st March, 2013	As At 31st March, 2014 (₹)	As At 31st March, 2013 (₹)
Non-Current Investments (Long-Term) (At Cost)					
(A) Trade Investments					
In Equity Shares - Unquoted, fully Paid-up					
Bombay Stock Exchange Limited	1	58,838	58,838	4,526	4,526
Total (A)				4,526	4,526
(B) Other Investments					
Investments in fully paid Equity Shares (Quoted)					
- AIA Engineering Ltd.	10	620	-	300,794	-
- Ajanta Pharma Ltd.	10	80	-	75,061	-
- Alembic Pharmaceuticals Ltd.	2	1180	-	137,867	-
- Bajaj Finance Ltd.	10	50	-	72,573	-
- Biocon Limited	5	1,525	1,525	417,020	417,020
- Cipla Limited	2	700	700	281,902	281,902
- Divi's Laboratories Limited	2	195	195	205,891	205,891
- Gujarat Pipavav Port Ltd.	10	4,025	-	205,075	-
- HDFC Bank Ltd.	2	675	675	422,243	422,428
- Hero Motocorp Ltd.	2	75	150	114,724	229,447
- Housing Development Finance Corporation Ltd.	2	150	-	123,370	-
- ICICI Bank limited	10	689	689	564,680	564,680
- IDFC Limited	10	4,802	4,802	562,075	562,075
- Infosys Ltd.	10	200	-	625,370	-
- Lakshmi Machine Works Ltd.	10	100	-	240,077	-
- Mahindra & Mahindra Limited	5	450	300	338,163	197,491
- Mahindra Holidays & Resorts India Ltd	10	950	700	261,890	200,495
- National Buildings Construction Corporation Limited	10	-	639	-	62,619
- NTPC Ltd.	10	-	1,350	-	200,161
- Oil India Ltd.	10	-	363	-	189,093
- Oil and Natural Gas Corporation Ltd.	5	-	625	-	207,874
- Pidilite Industries Ltd.	1	1,250	1,250	282,443	282,444
- Power Grid Corporation of India Ltd.	10	1,950	1,950	212,930	212,930
- PTC India Financial Services Ltd.	10	10,000	-	147,645	-
- PTC India Limited	10	3,401	3,401	188,917	188,917
- Sundaram Finance Limited	10	-	595	-	229,348
- Tata Communications Limited	10	1,065	-	297,512	-
- Tech Mahindra Ltd.	10	225	-	224,310	-
- The Jammu & Kashmir Bank Ltd.	10	150	150	196,950	196,950
- TV18 Broadcast Ltd.	2	5,000	5,000	134,743	134,743
- Wipro Ltd.	2	1,125	-	582,848	-
Total (B)				7,217,073	4,986,507
Total (A + B)				7,221,599	4,991,033
Note :					
Aggregate amount of Quoted Investments in Shares					
- Cost				7,217,073	4,986,507
- Market Value				8,917,829	5,366,880
Aggregate amount of Unquoted Investments in Shares				4,526	4,526

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2014

2.11 (b) Current Investments

Particulars	Face Value Per Unit (₹)	No. of Units		Amount	
		As At 31st March, 2014	As At 31st March, 2013	As At 31st March, 2014 (₹)	As At 31st March, 2013 (₹)
Non Trade (Other) Investments					
(Valued at lower of cost and fair value)					
Investments in fully paid units of Mutual Funds (Quoted)					
- Goldman Sachs Liquid Exchange Traded Scheme	1000	3,635.320	5,430.066	3,635,338	5,430,113
- UTI - Money Market Fund - Institutional Growth Plan	1000	8,477.522	-	12,100,000	-
- HDFC Liquid Fund - Growth	10	395,926.706	-	10,000,000	-
Total				25,735,338	5,430,113
Note:					
Aggregate of Quoted Investments in Mutual Funds					
- Cost				25,735,338	5,430,113
- Market Value				25,828,298	5,430,066

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2014

2.12 Deferred Tax Assets (Net)

Particulars	As at	As at
	31st March, 2014 (₹)	31st March, 2013 (₹)
Deferred Tax Assets		
Provisions	40,885,444	50,345,159
Expenses charged to Statement of Profit and Loss but not allowed for tax purpose	30,400	60,900
	40,915,844	50,406,059
Deferred Tax Liability		
Differences between book and tax depreciation	40,869	91,460
	40,869	91,460
Net Deferred Tax Assets	40,874,975	50,314,599

Note: Considering the principle of virtual certainty as stated in the "Accounting Standard AS-22-Accounting for Taxes on Income, the deferred tax assets for the year have not been recognised in case of the Parent Company and one of the subsidiaries. Further, during the previous year the carrying amount of deferred tax assets of ₹ 565,76,187/- as at 31st March, 2012 had been written down in case of the said companies.

2.13 Long-Term Loans and Advances

Particulars	As at	As at
	31st March, 2014 (₹)	31st March, 2013 (₹)
Unsecured, Considered Good		
Capital Advances	970,938	140,320
Deposits	42,736,859	51,232,295
Loan to ESOP Trust [Refer note no.3(ii)]	58,000,000	58,000,000
Other Loans and Advances		
Prepaid Expenses	416,474	277,742
Loan to Staff	471,596	877,150
Income Tax Paid (Net of Provisions)	66,902,093	51,747,886
Fringe Benefit Tax Refundable	148,022	148,022
Advance to Group Gratuity Trust	5,879	57,064
	169,651,861	162,480,479

2.14 Inventories

Particulars	As at	As at
	31st March, 2014 (₹)	31st March, 2013 (₹)
Stock in Trade (Valued at lower of cost or market value)		
- Shares and Securities	610	610
	610	610

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2014

2.15 Trade Receivables

Particulars	As at	As at
	31st March, 2014 (₹)	31st March, 2013 (₹)
Unsecured		
(Considered good unless otherwise stated)		
Outstanding for a period exceeding Six Months		
- Considered Good	7,999,002	11,304,122
- Considered Doubtful	151,900,252	167,739,367
	159,899,254	179,043,489
Less: Provision for Doubtful Debts	151,900,252	167,739,367
	7,999,002	11,304,122
Others		
- Considered Good	380,677,801	330,251,063
- Considered Doubtful	8,407,501	2,304,474
	389,085,302	332,555,537
Less: Provision for Doubtful Debts	8,407,501	2,304,474
	380,677,801	330,251,063
	388,676,803	341,555,185
Note: Above includes due from Directors [Refer note no.18(B)(IV)(d)]	31,733	100,905

2.16 Cash and Cash Equivalents

Particulars	As at	As at
	31st March, 2014 (₹)	31st March, 2013 (₹)
Cash and Cash Equivalents		
Balances with Banks		
- In Current Accounts	115,758,766	68,247,780
- In Deposit Accounts	590,122,526	719,791,351
- In IPO Refund Account	-	228,240
- In Unclaimed Dividend Account	270,877	329,180
Cheque on Hand	-	983,046
Cash on Hand	287,177	596,398
Foreign Currency on Hand	5,083	133,390
Others		
- Meal Coupons in Hand	166,837	190,073
- Gift Coupons on Hand	101,196	12,400
- Balance in Paydirect Card	3,761	15,446
	706,716,223	790,527,304

Note:-

- Deposits with banks includes deposits of ₹ 43,73,11,691/- (P. Y. ₹ 614,500,000/-) with maturity of more than 12 months.
- Deposits with banks includes
 - Deposit of ₹ 48,37,50,000/- (P. Y. ₹ 46,62,50,000/-) held as margin for bank guarantees.
 - Deposit of ₹ 725,00,000/- (P. Y. ₹ 8,50,00,000/-) held as security for bank overdraft facility.
 - Deposit of ₹ 338,72,526/- (P. Y. ₹ 85,41,351/-) lodged with exchanges/professional clearing member/regulatory authorities and other purposes.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2014

2.17 Short-Term Loans and Advances

Particulars	As at	As at
	31st March, 2014 (₹)	31st March, 2013 (₹)
Unsecured and Considered Good, Unless otherwise stated		
Deposits		
- Considered Good	130,632,768	83,808,910
- Considered Doubtful	126,830	784,562
	130,759,598	84,593,472
Less: Provision for Doubtful Deposits	126,830	784,562
	130,632,768	83,808,910
Loans Granted - Others		
- Secured	329,030,977	268,403,559
- Unsecured		
* Considered Good	1,220,000	1,475,000
* Considered Loss Asset	28,320	50,000,000
	330,279,297	319,878,559
Less: Provision for Loss Assets	28,320	50,000,000
	330,250,977	269,878,559
Advances recoverable in cash or kind for value to be received		
- Considered Good	521,245,492	521,936,715
- Considered Doubtful	1,456,510	1,456,510
	522,702,002	523,393,225
Less: Provision for Doubtful Advances	1,456,510	1,456,510
	521,245,492	521,936,715
Other Loans and Advances		
Prepaid Expenses	11,533,132	13,740,329
Loans to Staff		
- Considered Good	1,408,839	1,343,537
- Considered Doubtful	37,500	59,648
	1,446,339	1,403,185
Less: Provision for Doubtful Loans	37,500	59,648
	1,408,839	1,343,537
Service Tax Input Credit Available/Receivable	3,740,223	4,306,240
Equity Index/Stock Options Premium	796,861	18,356,288
Mark to Market Margin- Equity Index Stock Futures	2,313,559	-
Less: Provision for Loss on Equity Index Stock Futures	2,313,559	-
	-	-
	999,608,292	913,370,578

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2014

2.18 Other Current Assets

Particulars	As at	As at
	31st March, 2014 (₹)	31st March, 2013 (₹)
Interest Accrued but not due on deposit with banks	9,389,533	9,587,055
Dividend Receivable	-	6,856
Income Receivable	3,107,731	2,361,149
	12,497,264	11,955,060

2.19 Revenue from Operations

Particulars	For the Year Ended	
	31st March, 2014 (₹)	31st March, 2013 (₹)
Sale of Services		
Brokerage	637,896,418	708,955,296
Investment Banking Activities	9,852,454	3,395,271
Portfolio Management Fees	9,279,578	14,501,100
Depository Operations	11,912,521	6,113,001
Interest from Financing Activities	40,306,215	56,581,346
Insurance Commission	17,165,005	13,159,067
Consultancy & Advisory Fees	13,350	84,000
Placement Fees	11,250,000	20,661,800
Research Fees	11,207,734	13,881,590
Other Fees	1,138,532	2,142,133
	750,021,807	839,474,604
Other Operating Income		
Interest on Deposit* with		
- Banks	44,338,661	53,006,180
- Others	3,520,066	1,004,583
Interest on Corporate Bonds/Government Securities	-	16,918
Profit in Proprietary Trades in Securities/Derivatives Instruments (Net)	28,661,611	20,624,506
Less : Provision for Loss on Equity Index Futures	(2,313,559)	-
	26,348,052	20,624,506
Delayed Payments Charges	15,394,328	18,138,912
Liability no Longer Payable Written Back	602,848	12,432,775
Volume benefit in charges levied by Exchanges	43,329	120,021
Provision for Doubtful Debts Written Back	3,672,520	14,142,769
Provision for Standard Assets Written Back	-	428,464
Bad Debts Recovered	589,982	406,189
Miscellaneous Income	2,961,282	4,890,707
	97,471,068	125,212,024
Revenue from Operations	847,492,875	964,686,628

* Acquired/held for the purposes of Exchanges/Regulatory Authorities.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2014

2.20 Other Income

Particulars	For the Year Ended	
	31st March, 2014 (₹)	31st March, 2013 (₹)
Interest		
-On Deposit with Banks*	11,260,199	21,803,616
-Others	1,409,020	200,920
Dividend		
- On Current Investments	245,254	360,066
- On Non Current Investments	385,137	419,280
Insurance Claim Received	-	9,500,000
Net gain on Sale of Investments		
- On Current Investments	-	2,172,958
- On Non Current Investments	100,960	49,978
Miscellaneous Income	45,037	21,377
	13,445,607	34,528,195

* Acquired/held for purposes other than Exchanges/Regulatory Authorities.

2.21 Employee Benefits Expenses

Particulars	For the Year Ended	
	31st March, 2014 (₹)	31st March, 2013 (₹)
Salaries and Other Benefits	355,251,712	382,135,926
Contribution to Provident and Other Funds	9,888,065	9,941,277
Staff Welfare Expenses	4,381,036	8,091,605
	369,520,813	400,168,808

2.22 Finance Costs

Particulars	For the Year Ended	
	31st March, 2014 (₹)	31st March, 2013 (₹)
Interest Expense	35,351,869	23,894,550
Other Borrowing Cost	9,892,809	10,021,312
	45,244,678	33,915,862

2.23 Depreciation and Amortization Expense

Particulars	For the Year Ended	
	31st March, 2014 (₹)	31st March, 2013 (₹)
Depreciation of Tangible Assets	36,833,853	46,222,419
Amortization of Intangible Assets	5,654,646	8,316,526
	42,488,499	54,538,945

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2014

2.24 Other Expenses

Particulars	For the Year Ended	
	31st March, 2014 (₹)	31st March, 2013 (₹)
Brokerage & Commission	110,346,826	122,359,449
Communication, Postage and Courier Charges	28,157,848	31,623,884
Interest Expended for Financing Activities	9,538,735	22,544,082
Fees & Stamps	1,536,618	4,803,385
Contribution/Payments to Exchanges/Professional Clearing Member	37,665,248	41,679,177
Membership & Subscription	28,808,614	35,536,512
Registration Fees	2,578,923	2,986,933
Depository Charges	800,441	2,244,079
Consultancy Fees	6,938,647	10,285,371
Loss due to Execution of Error Trades	7,699,903	14,794,927
Claims/Compensation/Settlement Charges	176,385	6,075,000
Expens Attributable to Trades in Securities/Commodity/Derivative Instruments	4,125,715	5,532,052
Electricity Charges	19,431,991	20,801,074
Insurance	2,140,716	1,019,226
Repair & Maintenance - Own Premises	3,626,700	3,746,710
Repair & Maintenance - Other	12,850,082	12,337,331
Advertisement & Business Promotion Expenses	11,343,701	12,297,135
Printing & Stationery	5,244,255	6,380,792
Travelling, Conveyance & Vehicle Expenses	34,716,061	31,833,806
Provision for Doubtful Debts	10,556,539	68,991,108
Provision for Loss Assets	28,320	50,000,000
Provision for Standard Assets	152,181	-
Provision for Doubtful Deposits/Loans /Advances	164,330	64,000
Loss Assets Written off	50,000,000	14,022,189
Less: Provision Written Back	(50,000,000)	(6,522,189)
	-	7,500,000
Bad Debts Written off	18,182,683	13,603,739
Less : Provision Written Back	(16,620,108)	(10,582,658)
	1,562,575	3,021,081
Deposits & Advances Written off	1,009,669	170,001
Less: Provision Written Back	(844,210)	(21,116)
	165,459	148,885
Software Expenses	12,344,172	11,566,191
Legal & Professional Fees	19,956,400	19,468,856
Loss on Sale/Discard of Fixed Assets	1,150,155	8,481,555
Payment to Auditor		
As Auditor		
- Audit Fees	1,579,832	1,190,360
- Tax Audit Fees	228,708	177,090
In Other Capacity		
- Taxation Matter	281,500	348,400
- Other Matters	449,354	322,854
	2,539,394	2,038,704
Rent	28,874,460	36,420,564
Service Tax	7,512,330	8,756,133
Rates & Taxes	1,327,894	1,435,570
Miscellaneous Expenses	17,702,037	16,505,599
Foreign Exchange Rate Fluctuations Loss	60,100	87,678
Net Loss on Sale of Current Investment	37	-
Donation	60,000	344,000
	431,883,792	623,710,849

3 Employees Stock Option Schemes

(i) Disclosure required pursuant to "Guidance Note on Accounting for Employee Share- based payments" in connection with Parent Company's Employees Stock Option Schemes :-

a) The Parent Company has granted Employee Stock Options (ESOP) to its employees and employees of its subsidiaries. During the year ended 31st March, 2014, following schemes were in operation:

Particulars	ESOP – 2007		ESOP – 2010	
	Starting from			
Date of Grant	17.01.2008 to 21.01.2012		21.10.2010 to 21.01.2012	
Number of Options Granted*	2,805,000		647,000	
Method of Settlement	Equity			
Vesting period from the date of Grant	Graded Vesting – Over 3 years		Graded Vesting – Over 5 years	
Exercise period from the date of Vesting	3 Years from the date of each vesting			
	Ranging from			
Exercise Price (₹ per share) **	₹ 37.00 to ₹ 93.00		₹ 37.00 to ₹ 93.00	
	Ranging from			
Market Price at the date of grant (₹ per share)	₹ 36.95 to ₹ 92.75		₹ 37.00 to ₹ 92.50	

* Options granted under ESOP – 2007 includes 1,20,000 options to employees of Subsidiary Companies.

** Closing market price prior to the date of grant.

b) The Parent Company introduced ESOP-2010 Scheme during the year 2010-11 and set up "Emkay Employees Welfare Trust" to administer and implement this in accordance with recommendations of the Remuneration/Compensation Committee of the Parent Company. Consequent to various circulars issued by SEBI from January 2013 onwards, the Parent Company has modified its Employee Stock Option Plan 2010 on 20.12.2013 vide Members Resolution whereby the said ESOP Trust can only subscribe to the shares of the Parent Company and no secondary market purchases shall be allowed. The Parent Company may grant financial assistance to the ESOP Trust for this purpose with or without interest.

c) Details of activity under the ESOP Schemes have been summarized below:

Particulars	ESOP-2005		ESOP-2007		ESOP-2010	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Options Outstanding at the beginning of the year	-	6,750	1,671,000	2,030,500	567,500	639,500
Options Granted during the year	-	-	-	-	-	-
Options Forfeited during the year	-	-	-	-	-	-
Options Exercised during the year	-	-	-	-	-	-
Options Expired/Lapsed during the year	-	6,750	502,850	359,900	240,000	72,000
Options Outstanding at the end of the year	-	-	1,168,150	1,671,000	327,500	567,500
Options Exercisable at the end of the year	-	-	713,450	873,700	94,500	-
Weighted Average remaining contractual life (in years)	-	-	2.86	3.68	4.53	5.52

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2014

- d) The Parent Company has accounted compensation cost for the stock options granted using intrinsic value method. Had the company used the fair value method for calculating compensation cost for stock options granted, the impact on the Company's net profit and earning per share would have been as per the proforma amounts indicated below:-

Particulars	Year Ended 31 st March, 2014	Year Ended 31 st March, 2013
	Amount (₹)	Amount (₹)
Net Income as reported	(3,94,77,518)	(14,77,90,260)
Add: - Intrinsic Value Compensation Cost	Nil	Nil
Less :- Fair Value Compensation Cost	(7,98,99,509)	(2,78,58,965)
Adjusted Pro-forma Net Income	4,04,21,991	(11,99,31,295)
Earning per Share		
Basic		
- As reported	(1.62)	(6.05)
- Proforma	1.65	(4.91)
Diluted		
- As reported	(1.62)	(6.05)
- Proforma	1.65	(4.91)

- e) The fair value and other disclosures and assumptions have been determined by an independent Consultant and relied upon by the Auditors.

(ii) The Parent Company has provided interest free loan to "Emkay Employees Welfare Trust" an independent ESOP Trust which is administrating ESOP 2010 Scheme of the Parent Company. Against the said loan outstanding amount as at 31st March, 2014 is ₹ 580.00 lac (Previous Year ₹ 580.00 lac). As on 31st March, 2014, out of the said loan, the trust has purchased 7,54,648 equity shares of the Parent Company from the market during the period starting from September, 2010 to July, 2011 for stock options granted/to be granted from time to time to the eligible employees. Further as on 31st March, 2014, the trust hold 4,27,148 equity shares of the Parent Company for which options are yet to be granted for which it has time till 30.06.2014 to either grant options or sell in the secondary market. The repayment of the loan granted by the Parent Company to the trust is dependent on the exercise of the options by the eligible employees and the market price of the underlying shares of the unexercised options at the end of the respective exercise period. As on 31st March, 2014, 94,500 Options have vested to the eligible employees. The current market value of the shares held by the said trust is lower than the cost of acquisition by ₹ 487.02 lac which is on account of market volatility. The impact of fall in market value, if any would be appropriately considered by the Parent Company in its Statement of Profit and Loss at the time of exercise of options by the eligible employees

4. "Advances recoverable in cash or kind or for value to be received" under "Short Term Loans and Advances" includes ₹ 5194.04 lac (P.Y. ₹ 5194.04 lac) paid by the Parent Company to National Stock Exchange of India Limited (NSE) towards pay-in obligation raised by them. This pay-in obligation arose on account of loss which occurred due to a manifest material mistake occurred on October 5, 2012 while executing a sale order on Cash Segment of NSE and the same has been discharged wholly and exclusively for protecting and continuing the business of the Parent Company. The Parent Company made an application for annulment to NSE which subsequent to the balance sheet date was not accepted favourably by the relevant authority of NSE against which the Parent Company has preferred an appeal before Securities Appellate Tribunal (SAT) and the same is admitted and pending disposal.

The Parent Company has opinions of eminent legal experts to the effect that the issue under appeal is a fit case for annulment. In view of this, the Parent Company considers that there is no probability of outflow of resources and therefore the same has not been provided for.

5. Debit and Credit balances are subject to confirmation.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2014

6. Disclosure on retirement benefits as required in Accounting Standard 15 (AS – 15) on “Employee Benefits” are given below:

(a) Defined Contribution Plan

The group has recognized the following amounts in the Statement of Profit and Loss towards Contribution to Defined Contribution Plans which are included under “Contribution to Provident fund and other funds”:

Particulars	Year ended 31 st March, 2014 (₹)	Year ended 31 st March, 2013 (₹)
Provident Fund	65,47,866	72,87,930
Employees State Insurance Scheme	7,31,954	9,56,434
Labour Welfare Fund	1,396	1,179

(b) Defined Benefit Plan

The details of the group’s post retirement benefit plan for gratuity for its employees in conformity with the principles set out in AS – 15 which has been determined by an Actuary appointed for the purpose and relied upon by the Auditors are given below :

Sr. No.	Particulars	2013-14	2012-13
		(₹)	(₹)
I	Changes in Present Value of Obligations		
	Present Value of Obligations at beginning of the period	25,166,782	24,569,645
	Interest cost	1,884,046	1,922,389
	Current Service Cost	4,885,669	5,501,292
	Benefits Paid	(3,524,958)	(3,906,604)
	Actuarial (gain)/loss on obligations	(3,341,653)	(2,919,940)
	Present Value of Obligations at end of the period	25,069,886	25,166,782
II	Changes in Fair Value of Plan Assets		
	Fair Value of Plan Assets at beginning of the period	23,589,134	22,382,218
	Expected Return on Plan Assets	2,032,700	1,942,200
	Contributions	1,517,887	2,303,089
	Benefits Paid	(3,524,958)	(3,906,604)
	Actuarial gain/(loss) on Plan Assets	(1,211,487)	868,231
	Fair Value of Plan Assets at end of the period	22,403,276	23,589,134
III	Fair Value of Plan Assets		
	Fair Value of Plan Assets at beginning of the period	23,589,134	22,382,218
	Actual Return on Plan Asset	821,213	2,810,431
	Contributions	1,517,887	2,303,089
	Benefits Paid	(3,524,958)	(3,906,604)
	Fair Value of Plan Assets at end of the period	22,403,276	23,589,134
	Funded Status	(2,666,610)	(1,577,648)
	Excess of actual over estimated return on Plan Assets	(1,211,487)	868,231
IV	Actuarial Gain/(Loss) Recognized		
	Actuarial Gain/(Loss) for the period (Obligation)	3,341,653	2,919,940
	Actuarial Gain/(Loss) for the period (Plan Assets)	(1,211,487)	868,231
	Total Gain/(Loss) for the period	2,130,166	3,788,171
	Actuarial Gain/(Loss) recognized for the period	2,130,166	3,788,171
	Unrecognized Actuarial Gain/(Loss) at end of the period	--	--



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2014

Sr. No.	Particulars	2013-14	2012-13
		(₹)	(₹)
V	Amounts recognized in the Balance Sheet		
	Present Value of Obligations at end of the period	25,069,886	25,166,782
	Fair Value of Plan Assets at end of the period	22,403,276	23,589,134
	Funded Status	(2,666,610)	(1,577,648)
	Unrecognized Actuarial Gain/(Loss)	--	--
	Net Asset/(Liability) recognized in the Balance Sheet	(2,666,610)	(1,577,648)
	Under Short-Term Provisions – Gratuity		
VI	Expense recognized in Statement of Profit and Loss		
	Current Service Cost	4,885,669	5,501,292
	Interest cost	1,884,046	1,922,389
	Expected Return on Plan Assets	(2,032,700)	(1,942,200)
	Net Actuarial (Gain)/Loss recognized for the period	(2,130,166)	(3,788,171)
	Expense recognized in statement of Profit and Loss under	2,606,849	1,693,310
	Employee Benefits Expense		
VII	Movements in the Liability recognized in Balance Sheet		
	Opening Net Liability	1,577,648	2,187,427
	Expenses as above	2,606,849	1,693,310
	Contribution paid	(1,517,887)	(2,303,089)
	Closing Net Liability	2,666,610	1,577,648
VIII	Experience Analysis - Liabilities		
	Actuarial (Gain)/Loss due to change in bases	(1,053,020)	401,803
	Experience (Gain)/Loss due to Change in Experience	(2,288,633)	(3,321,743)
	Total	(3,341,653)	(2,919,940)
	Experience Analysis - Plan Assets		
	Experience (Gain)/Loss due to change in Plan Assets	1,211,487	(868,231)
IX	Investment pattern		
	Insurer Managed Funds	100.00%	100.00%
X	Principal Assumptions		
	Mortality	IALM(2006-08)Ult	LIC(1994-96)Ult
	Discount Rate	9.20%	8.05%
	Rate of increase in compensation	5.00%	5.00%
	Rate of return (expected) on plan assets	9.00%	9.00%
	Withdrawal Rate	Upto Age 45: 25%	Upto Age 45: 25%
		46 & above : 10%	46 & above : 10%

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2014

7. In the opinion of Board of Directors, the assets other than fixed assets and non-current investments have value on realization in ordinary course of business at least equal to the amount at which they are stated except as otherwise stated.

8. Details of Contingent Liabilities and Commitments:-

(a) Contingent Liabilities

Sr. No.	Particulars	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
(i)	Claims against the Group not acknowledged as debts	34,45,450	58,95,653
(ii)	Guarantees issued by the Banks	96,75,00,000	93,25,00,000
(iii)	Corporate guarantee issued by the Parent Company in favour of a bank to secure credit facilities sanctioned by the bank to Emkay Commotrade Limited (a Subsidiary Company)	20,00,00,000	20,00,00,000
(iv)	Income Tax matters in appeal (Net of taxes paid)	35,96,872	83,21,173
(v)	Towards occurrence of manifest material mistake while executing a sale order { Net of payment of ₹ 519,404,259/-, (P. Y. ₹ 519,404,259/-) }	-	-

(b) Capital Commitments

Sr. No.	Particulars	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
(i)	Estimated amounts of contracts remaining to be executed on capital account and not provided for	25,10,000	1,71,500

9. (a) Shares (i) received from clients/Remisiers/Sub-brokers as collateral for margins/security deposits, (ii) of clients, withheld against their outstanding balances, are held by the Parent Company and a Subsidiary in its own name in a fiduciary capacity. Depending upon business needs, some of these shares are lodged with the exchanges towards additional base capital/exposure. Further in case of another Subsidiary Company, securities received from clients are pledged to others for borrowings.
- (b) Fixed Deposits taken out from banks by the clients in the name of Parent Company and a Subsidiary Company as collateral for their margin requirements are lien marked directly in favor of exchanges through their custodians and are utilized towards additional base capital/exposure/margin requirements of the respective Company.
10. Special Reserve is created by transferring twenty percent of net profit for the year under review in accordance with provisions of Section 45-IC of the Reserve Bank of India Act, 1934 in case of Emkay Fincap Limited, a Non Banking Finance Subsidiary.
11. Provision for Sub-standard and Loss Assets are made as per the NBFC Prudential Norms (Reserve Bank of India) Directions, 1998 in respect of Loans & Advances, Trade Receivables and other assets as on 31.03.2014 taking into consideration all material events occurring after the year end till the date of approval of accounts in case of Emkay Fincap Limited, a Non Banking Finance Subsidiary. Details of provisions for Sub-Standard Assets, Loss Assets and Doubtful Debts made during the year are as below:

Particulars	For the Year Ended 31st March, 2014 (₹)	For the Year Ended 31st March, 2013 (₹)
Provision for Sub-Standard Assets	152,181	Nil
Provision for Loss Assets	28,320	50,000,000
Provision for Doubtful Debts	143,594	287,440
Total	324,095	50,287,440

12. The accumulated loss in case of a Subsidiary carrying on Direct Insurance Broking Business as at 31-3-2014 being ₹ 34,554,957 (P.Y. ₹ 35,499,262) exceed more than 50% of its net worth as at that date being ₹ 6,445,043 (P.Y. ₹ 4,500,738). The management of the said Subsidiary Company is however confident of raising adequate finance and receiving continued support from the holding Company in the coming years. Accordingly the financial statements of the said Subsidiary Company have been prepared on the basis that the Company is a going concern and that no adjustments are required to the carrying value of assets and liabilities.
13. Expenses includes Nil (P.Y. ₹ 343,806/-) pertaining to earlier years.
14. Other Current Liabilities includes ₹ 13,31,241/- (P.Y. ₹ 17,26,168/-) being aggregate amount of deposits in Group's bank accounts made directly by clients whose details are awaited. The liabilities are properly adjusted on receipt of information from branches.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2014

15. Assets taken on Operating Leases (on and after 1st April, 2003)

(a) The Parent Company and its subsidiaries have taken various commercial premises under operating leases. These lease arrangements are normally renewable on expiry. The rental expenses in respect of above operating leases was ₹ 2,88,74,460/- (P.Y. ₹ 3,64,20,564/-).

(b) The future minimum lease payments in respect of non-cancellable operating leases are as follows:

Particulars	Year Ended 31st March, 2014 (₹)	Year Ended 31st March, 2013 (₹)
a) Payments not later than one year	103,24,257	45,14,739
b) Payable later than one year and not later than five years	22,03,961	35,98,710
c) Payable later than five years	-	-
Total	125,28,218	81,13,449

16. Earnings Per Share

Particulars	Year Ended 31st March, 2014 (₹)	Year Ended March 31, 2013 (₹)
Profit/(Loss) available for Equity Shareholders (₹)	(3,94,77,518)	(14,77,90,260)
Weighted average number of Shares used in Computing Basic earning per share	2,44,37,750	2,44,37,750
Add : Potential number of Equity share that Could arise on exercise of Employee Stock Options	NIL	NIL
Weighted average number of Shares used in Computing Diluted earning per share	2,44,37,750	2,44,37,750
Nominal Value of Equity Shares (₹)	10	10
Basic Earnings Per Share (₹)	(1.62)	(6.05)
Diluted Earnings Per Share (₹)	(1.62)	(6.05)

17. Segment Information

(a) Primary Segment

The Group's operations relate to two reportable business segments namely "Advisory and Transactional Services" comprising of Broking & Distribution, Investment Banking and other related Financial Intermediation Services and "Non Banking Financing Activities".

(b) Secondary Segment

The Group operates in India and hence there are no reportable geographical segments.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2014

(c) Information about Business Segments

Sr. No.	Particulars	Advisory and Transactional Services		Non Banking Financing Activities		Eliminations		Consolidated for the Year ended 31st March, 2014	Consolidated for the Year ended 31st March, 2013
		Current Year 31.03.2014	Previous Year 31.03.2013	Current Year 31.03.2014	Previous Year 31.03.2013	Current Year 31.03.2014	Previous Year 31.03.2013		
A.	REVENUE								
1a	Income from External Clients	807,065,099	906,407,594	40,427,776	58,279,034			847,492,875	964,686,628
1b	Income from Intersegment Operations	258,265	239,965	11,921,589	498,459	(12,179,854)	(738,424)	-	-
	Total Revenue	807,323,364	906,647,559	52,349,365	58,777,493	(12,179,854)	(738,424)	847,492,875	964,686,628
B.	RESULTS								
1	Segment Results(PBIT)	(36,398,875)	(85,609,104)	39,998,646	(28,122,871)	-	-	3,599,771	(113,731,975)
	Segment Results(PBIT) - Intersegment								
	Total Segment Results (PBIT)	(36,398,875)	(85,609,104)	39,998,646	(28,122,871)	-	-	3,599,771	(113,731,975)
2	Finance Cost							45,244,678	33,915,862
3	Unallocated Income							13,445,607	34,528,196
4	Profit from Ordinary Activities							(28,199,300)	(113,119,641)
5	Exceptional Items							-	-
6	Profit Before Tax							(28,199,300)	(113,119,641)
7	Provision for Current Tax							1,130,000	5,440,000
8	Deferred Tax Charge/(Benefit)							9,439,624	29,169,974
9	Tax Provision of Earlier Years							708,594	60,645
10	Profit After Tax							(39,477,518)	(147,790,260)



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2014

Sr. No.	Particulars	Advisory and Transactional Services		Non Banking Financing Activities		Eliminations		Consolidated for the Year ended 31st March, 2014	Consolidated for the Year ended 31st March, 2013
		Current Year 31.03.2014	Previous Year 31.03.2013	Current Year 31.03.2014	Previous Year 31.03.2013	Current Year 31.03.2014	Previous Year 31.03.2013		
11	Less:- Minority Interest							-	-
12	Net Profit							(39,477,518)	(147,790,260)
C.	OTHER INFORMATION								
1	Segment Assets	2,118,099,054	2,067,707,455	349,715,637	280,577,507			2,467,814,691	2,348,284,962
2	Unallocated Corporate Assets							272,452,103	357,689,369
3	Total Assets							2,740,266,794	2,705,974,331
4	Segment Liabilities	1,096,342,326	955,663,627	125,311,552	92,498,999			1,221,653,878	1,048,162,626
5	Unallocated Corporate Liabilities							427,540	809,667
6	Total Liabilities							1,222,081,418	1,048,972,293
7	Capital Expenditure (Including Capital Work in Progress)	9,179,297	10,327,318	-	-			9,179,297	10,327,318
8	Depreciation & Amortization	42,485,386	54,533,756	3,113	5,189			42,488,499	54,538,945
9	Unallocated Depreciation & Amortization							-	-
10	Total Depreciation & Amortization							42,488,499	54,538,945
11	Non Cash Expenses Other than Depreciation & Amortization	14,040,989	77,249,223	324,095	50,287,440			14,365,084	127,536,663

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2014

18. Related Party Disclosures: (Where transactions have taken place)

(a) List of Related Parties

Sr. No.	Name of Related Party	Nature of Relationship
(i)	Key Management Personnel/Individuals having control or significant influence	
	a) Shri Krishna Kumar Karwa	Managing Director & CFO of Parent Company and Director in Subsidiaries
	b) Shri Prakash Kacholia	Managing Director of Parent Company and Director in Subsidiaries
(ii)	Relatives of Key Management Personnel	
	a) Priti Karwa	} Relatives of Managing Director & CFO of Parent Company
	b) Raunak Karwa	
	c) Soumya Karwa	
	d) Geetadevi Karwa	
	e) Murlidhar Karwa HUF	
	f) Krishna Kumar Karwa HUF	
	g) Preeti Kacholia	} Relatives of Managing Director of Parent Company
	h) Krishna R. Kacholia	
	i) Deepak Kacholia	
	j) Prakash Kacholia HUF	
k) Divya Kacholia		
(iii)	Enterprises owned/controlled by Key Management Personnel or their relatives	Enterprises owned/controlled by Key Management Personnel or their relatives
	a) Cambridge Securities	
	b) Synthetic Fibres Trading Company	
	c) Emkay Corporate Services Pvt. Ltd.	
	d) Krishna Investments	
(iv)	Others	Others
	a) Emkay Charitable Foundation	



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2014

(b) Transactions with Related Parties

Sr. No.	Nature of Related Party Transactions and name of related parties	Key Management Personnel/Individuals having control or significant influence		Relatives of Key Management Personnel		Enterprises owned/ Controlled by Key Management Personnel or their relatives		Others	
		2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
		₹	₹	₹	₹	₹	₹	₹	₹
I	Expenditure								
(a)	Salaries & Other Benefits *	12,000,000	12,880,000	-	-	-	-	-	-
	- Krishna Kumar Karwa	6,000,000	6,440,000	-	-	-	-	-	-
	- Prakash Kacholia	6,000,000	6,440,000	-	-	-	-	-	-
(b)	Brokerage & Commission	-	-	-	-	260,669	231,702	-	-
	- Krishna Investment	-	-	-	-	260,669	231,702	-	-
(c)	Donation / Contribution	-	-	-	-	-	-	45,000	25,000
	- Emkay Charitable Foundation	-	-	-	-	-	-	45,000	25,000
(d)	Interest Paid	5,450,001	2,644,657	-	-	603,700	1,156,301	-	-
	- Krishna Kumar Karwa	3,450,000	1,685,753	-	-	-	-	-	-
	- Prakash Kacholia	2,000,001	958,904	-	-	-	-	-	-
	- Emkay Corporate Services Pvt. Ltd.	-	-	-	-	603,700	327,260	-	-
	- Synthetic Fibres Trading Company	-	-	-	-	-	829,041	-	-
II	Income								
(a)	Brokerage	257,894	228,531	293,434	451,789	132,992	335,602	-	-
	- Krishna Kumar Karwa	244,970	221,663	-	-	-	-	-	-
	- Prakash Kacholia	12,924	6,868	-	-	-	-	-	-
	- Preeti Kacholia	-	-	135,264	341,625	-	-	-	-
	- Synthetic Fibre Trading Co.	-	-	-	-	132,992	335,602	-	-
	- Others	-	-	158,170	110,164	-	-	-	-
(b)	Depository Charges	3,835	3,632	6,750	2,452	2,205	1,130	-	-
	- Krishna Kumar Karwa	2,350	2,780	-	-	-	-	-	-
	- Prakash Kacholia	1,485	852	-	-	-	-	-	-
	- Preeti Kacholia	-	-	2,360	600	-	-	-	-
	- Emkay Corporate Services Private Limited	-	-	-	-	1,545	-	-	-
	- Others	-	-	4,390	1,852	660	1,130	-	-
(c)	Portfolio Management Fees	92,400	99,829	-	-	-	-	-	-
	Prakash Kacholia	92,400	99,829	-	-	-	-	-	-
III	Others								
(a)	Payments made on behalf								
	- Emkay Charitable Foundation	-	-	-	-	-	-	2,500	3,528
(b)	Short-term Borrowings	34,500,000	150,500,000	-	-	-	7,500,000	-	-
	- Krishna Kumar Karwa	34,500,000	130,500,000	-	-	-	-	-	-
	- Prakash Kacholia	-	20,000,000	-	-	-	-	-	-
	- Emkay Corporate Services Private Limited	-	-	-	-	-	7,500,000	-	-
(c)	Repayment of Short-Term Borrowings	34,500,000	96,000,000	-	-	-	6,500,000	-	-
	- Krishna Kumar Karwa	34,500,000	96,000,000	-	-	-	-	-	-
	- Emkay Corporate Services Private Limited	-	-	-	-	6,500,000	1,000,000	-	-

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2014

Sr. No.	Nature of Related Party Transactions and name of related parties	Key Management Personnel/ Individuals having control or significant influence		Relatives of Key Management Personnel		Enterprises owned/ Controlled by Key Management Personnel or their relatives		Others	
		2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
		₹	₹	₹	₹	₹	₹	₹	₹
(d)	Other Long Term Liabilities : Security/Margin Received/Refunded								
	- Priti Karwa	-	-	-	34,000,000	-	34,000,000	-	-
	- Synthetic Fibre Trading Co	-	-	-	34,000,000	-	34,000,000	-	-
IV	Outstandings								
(a)	Trade Payables	668,497			1,208,323		49,164		
	- Prakash Kacholia	668,497							
	- Preeti Kacholia	-			915,217				
	- Krishna Kacholia	-			292,853				
	- Others	-			253		49,164		
(b)	Other Current Liabilities : Salary Payable		544,158						
	- Krishna Kumar Karwa	-	272,079						
	- Prakash Kacholia	-	272,079						
(c)	Short Term Borrowings	54,500,000	54,500,000				6,500,000		
	- Krishna Kumar Karwa	34,500,000	34,500,000						
	- Prakash Kacholia	20,000,000	20,000,000						
	- Emkay Corporate Services Private Limited	-	-				6,500,000		
(d)	Trade Receivables	31,733	100,905	38,165	1,011,787	2,314,292	1,165,176		
	- Krishna Kumar Karwa	1,164	315						
	- Prakash Kacholia	30,569	100,590						
	- Krishna Kumar Karwa HUF	-	-	51	1,010,861				
	- Krishna Investments	-	-			2,313,854	1,165,176		
	- Others	-	-	38,114	926	438			
(e)	Other Long Term Liabilities								
	Security/Margin Deposits Received					200,000	200,000		
	- Krishna Investment	-	-	-	-	200,000	200,000		
(f)	Interest accrued and due on short-term borrowing		59,177						
	- Krishna Kumar Karwa	-	59,177						

* Contribution to Group Gratuity Scheme and Premium paid for Group Personal Accident Policy, Group Mediclaim Insurance Policy and Group Term Life Insurance Policy has not been considered, as employee-wise details are not available.

(c) Related Parties are identified by the management and relied upon by the Auditors.

(d) No balances in respect of Related Parties have been written off.



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2014

19. Figures pertaining to the Subsidiary Companies have been reclassified wherever necessary to bring them in line with the Parent Company's Financial Statements.
20. Figures in brackets indicates previous years figures.
21. Figures of previous year have been regrouped, recasted and rearranged wherever necessary to make them comparable with the figures of the current year.
22. Figures have been rounded off to the nearest rupees.

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

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

Place : Mumbai
Date : 22nd May, 2014

For and behalf of the Board of
EMKAY GLOBAL FINANCIAL SERVICES LIMITED

KRISHNA KUMAR KARWA
Managing Director & CFO

R. K. KRISHNAMURTHI
Director

S. K. SABOO
Director

Place : Mumbai
Date : 22nd May, 2014

PRAKASH KACHOLIA
Managing Director

G. C. VASUDEO
Director

VAIBHAV PUROHIT
Company Secretary &
Compliance Officer

STATEMENT REQUIRED TO BE INCLUDED IN THE CONSOLIDATED BALANCE SHEET PURSUANT TO APPROVAL GRANTED UNDER SECTION 212(8)

Sr.No.	Particulars	Emkay Fincap Limited (₹)	Emkay Commotrade Limited (₹)	Emkay Insurance Brokers Limited (₹)	Emkay Investment Managers Limited (₹)
1	Capital	220,000,000	60,000,000	40,000,000	25,000,000
2	Reserves & P&L Balance- Cr/(Dr)	110,108,575	(18,063,122)	(34,554,957)	12,179,503
3	Total Assets	455,447,030	217,018,802	8,198,537	38,305,762
4	Total Liabilities	455,447,030	217,018,802	8,198,537	38,305,762
5	Investments	-	-	-	-
6	Gross Income	52,355,365	81,375,714	17,354,761	12,191,415
7	Profit/(Loss) Before Taxation	40,004,646	(22,013,873)	1,067,812	4,164,805
8	Provision for Taxation (Current Year & Earlier Years)	(223,157)	169,819	123,507	1,076,511
9	Deferred Tax Charge/(Benefit)	16,183,424	(6,798,400)	-	54,600
10	Profit /(Loss) After Taxation	24,044,379	(15,385,292)	944,305	3,033,694
11	Proposed Dividend	-	-	-	-

1. Ministry of Company Affairs, Government of India New Delhi vide General Circular No.:5/12/2007-CL-III Dt:08/02/2011 has granted a general exemption u/s. 212(8) of the Companies Act, 1956, for not attaching the accounts of the Subsidiaries of the Company. However, annual accounts of the Subsidiary Companies and the related detailed information will be made available to investors of the Company and the Subsidiaries of the Company seeking information at any point of time. The annual accounts of the Subsidiary Companies are available for inspection by any investor at the Registered Office of the Company and of the concerned Subsidiary of the Company.

For and on behalf of the Board of Directors

Krishna Kumar Karwa
Managing Director & CFO

Prakash Kacholia
Managing Director

Place : Mumbai

Date : 22nd May, 2014

Emkay[®]

Your success is our success

Emkay Global Financial Services Limited

CIN - L67120MH1995PLC084899

Registered Office : The Ruby, 7th Floor, Senapati Bapat Marg, Dadar (W), Mumbai - 400 028

Tel: +91 22 6612 1212; Fax: +91 22 6612 1299

www.emkayglobal.com



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Emkay Global Financial Services Limited

CIN No. L67120MH1995PLC084899

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

Website: www.emkayglobal.com, T: 022-66121212, Email: compliance@emkayglobal.com

PROXY FORM

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

Name of the Member (s) : _____
Registered address: _____
E-mail Id: _____
Folio No./Client ID: _____ DP ID No. _____

I /We, being the member(s) of _____ equity shares of the above named company, 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:

as my /our proxy to attend and vote (on a poll) for me /us and on my /our behalf at the **20th Annual General Meeting** of the Company, to be held on the 13th day of August 2014 at 3.00 p.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th floor, 18/20 K. Dubhash Marg, Mumbai - 400 001, and at any adjournment thereof, in respect of such resolutions set out in the Notice convening the meeting, as are indicated below:

Sr. No.	Resolutions
1.	To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2014, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2.	Re-appointment of Mr. S.K. Saboo who retires by rotation.
3.	To reappoint statutory Auditors and to fix their remuneration.
4.	Reappointment of Independent Director- Mr. G. P. Gupta.
5.	Reappointment of Independent Director- Mr. R. K. Krishnamurthi.
6.	Reappointment of Independent Director- Mr. G. C. Vasudeo:
7.	Creation of charges on the assets of the company.
8.	To Approve the Borrowing Limits of the Company.
9.	Authorization for Issue of Equity shares of the Company and/or other securities in the form of Qualified institutional Placement (QIP)

Signed this ___ day of _____, 2014

Signature of Shareholder

Signature of Proxy Holder (s)

Affix Revenue Stamp of ₹ 1/-

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



Your success is our success

Emkay Global Financial Services Limited

Registered Office: The Ruby, 7th Floor,
Senapati Bapat Marg, Dadar (West), Mumbai-400028
CIN No. L67120MH1995PLC084899

ATTENDANCE SLIP

I hereby record my presence at the 20th Annual General Meeting of the Company held on Wednesday, the 13th August, 2014 at 3.00 p.m. at "Suryodaya Banquets" (M.C Ghia Hall), Bhogilal Hargovindas Building, 4th Floor, 18/20, K Dubash Marg, Next to Copper Chimney Grill, Mumbai – 400 001.

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

Name of Member

Name of Proxyholder.....

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

Signature of Member/Proxy.

NOTE:

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

FORM - A

Format of covering letter of the Annual Audit report to be filed with the Stock Exchanges

1	Name of the Company	Emkay Global Financial Services Limited
2	Annual Financial Statements for the Year ended	31 st March, 2014
3	Type of Audit observation	<p>Matter of Emphasis:</p> <p>We draw attention to Note No. 5 to the financial statements which describe the uncertainty related to the outcome of the appeal pending before Securities Appellate Tribunal (SAT) against rejection of Company's annulment application by NSE on account of occurrence of a mistake while executing a sale order on Cash Segment of the said exchange resulting in loss of Rs 5194.04 lac. The impact, if any, of the above said matter on the Company's financials is dependent upon the outcome of the said appeal. Our opinion is not qualified in respect of this matter.</p> <p>(The above emphasis is appearing in the Auditors Report)</p>
4	Frequency of observation	Whether appeared first time –No Repetitive –since last year ie 31 st March 2013

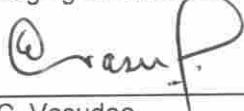
For and behalf of the Board of
Emkay Global Financial Services Limited



Prakash Kacholia
Managing Director




Krishna Kumar Karwa
Managing Director & CFO



G. C. Vasudeo
Chairman of the Audit Committee

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



B. L. Sarda
Partner
M. No. 014568

