

*Emkay*®

Your success is our success

*Celebrating*

# 20

**SUCCESSFUL  
YEARS**

Annual Report 2014-15



# Contents

Emkay@20 - a tête-à-tête with the MD's	2
20 Things that can shape India's future this fiscal	4
Facts at a glance	9
Corporate Information	10
AGM Notice	11
Directors' Report	20
Corporate Governance Report	44
Management Discussion and Analysis	60
Independent Auditor's Report on Standalone Financial Statements	66
Standalone Financial Statements	70
Independent Auditor's Report on Consolidated Financial Statements	102
Consolidated Financial Statements	107

# Emkay @ 20

## - a tête-à-tête with the MD's



**20 years of engineering success. How has the journey been for Emkay and both of you?**

The 20 year journey has been very enriching in all its facets. We have witnessed the transformation in Indian Capital markets across the board. Be it the outcry to online trading, physical to demat holding, 15 day settlement to 3 day settlement cycle, options trading, algo, index trading etc. As a company, to transform from a broking firm to a financial services firm. As individuals, to transform a 20 member organisation to a 500 member organisation and to lead it. And, to become a listed company along the way. It has been a highly transformational journey so far with a lot more to come in the future.

**What are the significant transformations you've seen in the industry that has helped shape your company - Emkay?**

The business has become more and more compliant and transparent which has enabled firms like us to grow. Our philosophy of client first - 'your success is our success' lends itself to be successfully executed in a compliance emphasised environment where it becomes a level playing field and everyone plays by the rule book. Stringent capital adequacy and strict enforcement of margins has made the market safe, and has enabled, adequately capitalised firms like us to execute substantial volumes for our clients.

**Any big challenges faced over the years? How did the firm evolve through it?**

The one constant challenge has been transformation in the capital market. The transformation has kept us on our toes, not only to be up-to-date with the changes but also anticipate them and be ahead of times. Human capital is the only machinery that this industry has. To meet expectations of the employees has been a herculean task. Various employee engagement programmes, increasing transparency on variable compensation and employee growth plans has been the cornerstone for achieving stability in the team.

The nature of the business is inherently cyclical --- the firm grew in every upcycle but held its position in subsequent downturn. Post the exponential growth of 2006-2008 and the subsequent meltdown - for the first time, the firm had to downsize its operations to curtail losses. This was a new experience and very much against the ethos of the firm. The October 5, 2012 error trade, where the firm was staring at a loss of ₹51 crore was the biggest existential threat. It was only because of the credit worthiness, integrity, honesty and reputation that the firm had, we sailed through.

**Key learning's from these challenging times?**

Every challenge successfully overcome brings along new learning's. The criticality of risk management, post the October 5, 2012 error trade was a key learning and so was the instance where we needed to let go of many employees in the slow-down of

2008-2009 to survive. One long term learning was that honest client servicing earns a lot of goodwill and relationships which serves you well when you need it the most. Long term thinking versus short term gains is the biggest learning from our biggest challenge - October 5, 2012 error trade.

**Any thoughts on the support you received from employees, stakeholders and industry during testing times?**

We have received tremendous support at all times from all our employees, stake holders and the industry. The support and confidence that the clients had in us during the October 2012 error trade period is overwhelming. Words of support from all our institutional clients to help us get back in action gave us a lot of confidence to bounce back. None of the employees left us in these testing times and were backing the firm with their presence at all times. The confidence that all constituents always had in us helped us overcome the challenging times.

**Which is the 1 key value system of Emkay that has kept you going ahead as a team over the years?**

Our tag line 'your success is our success' is not just a tag line, we mean and practice every word of it. We have steadily grown over the years because of our client first philosophy. We have always believed that cutting short a client does not help in the long run. Being honest and truthful at all times is what we have always practised.



**Over these 20 years, which according to you was the best phase of Emkay and why?**

Over the 20 years, every year has made us move a step forward. Every year has been a different phase which has made us what we are today. From a 20 member team in a 300 square feet office to a 500 member team spread across the country, it has been a steady progress. The best is yet to come. The foundations of strong growth have been laid. Building blocks are in place, learnings of what not to do are with us—it is up to us to build on our past to take the organisation to greater heights.

**Going forward, what would be Emkay's growth strategy? Where do you see Emkay a year down the line? What are the key strengths of your company that will ensure sustainable high-growth performance in the coming years?**

Public market equities is our strength and we will leverage that knowledge to grow our research, investment banking, asset management business as also our advisory and lending business. We see ourselves focused on doing quality business which is fully compliant from all regulatory angles. Concentrating on our expertise and becoming a niche player in the financial services space would be our focus area. Focussed approach and not getting distracted by what others are doing will be a key defining strategy to achieve sustained growth and success over the years. Willingness to invest in technology, people and processes, to be abreast of changes and to adapt to the same is the key to achieve sustainable growth.

**Are you planning to invest in Technology ? How do you think technology will help enhance operational productivity?**

Technology has become the backbone in all businesses. We recognize the importance of being up the curve in providing the best infrastructure and application technologies to our employees and clients across various segments. The firm has invested in the NSE / BSE collocation servers with a 10G network for best execution and operational efficiencies.

The year 2015 -17 would see a lot of investments in trading algorithms, network security, enterprise storage, unified messaging & communication platform, consolidation of servers & databases etc. A series of IT Governance projects are also in the pipeline.

**Emkay in the next 20 years - Your Vision.**

Emkay should be a respected leader in its chosen line of activities. Sustainable growth with no short cuts. To transform an Indian equities firm to a strong International financial services firm with key leadership in asset management, mid market investment banking and corporate finance is the vision.

**The Financial Space in India – how is Emkay placed vis-a-vis competition? Which are the businesses Emkay is focusing on and that you believe will drive the Indian financial space in the near future?**

We have a long way to go before we achieve leadership. Currently we are respected owing to the way we do business and not because of size. Public market equities and all its facets is what Emkay is focussing on. Technology and increasing compliance and transparency will drive the financial markets in India.

**India's economic resurgence - Which are the elements that you believe will play a vital role on this front?**

An enlightened political leadership with a very vigilante young population will drive India Growth. Young India is very restless and and if growth is not delivered --- can be disaster. Proper infrastructure—in all its facets and substantial drop in corruption are vital to achieve sustained economic growth.



# 20 THINGS

that can shape india's future this fiscal



## Economic revival

- Allocate resources efficiently to push development and asset creation
- Maintain fiscal discipline, encourage savings for driving investment
- Decline in inflation, credit-deposit ratio for banks and corporate deleveraging will further aid in reviving the economic growth



## Investment cycle

- Investment cycle recovery to be led by government spending on infrastructure
- Policy constraints, continuous & elevated inflation and benign demand conditions have together slackened the private investment cycle
- Whereas, in the tradeoff between maintaining the fiscal deficit target v/s pro-growth policies, public investment has suffered
- The conversion of projects from the announced stage to completion stage has dropped sharply to 2% in 2014-15 from nearly 6.0% during FY08-FY10



## Housing for all

- An ambitious project that will be a step towards urban infrastructure development
- Land acquisition issues would turn to be the main hurdle for this project



## Make in India

- An initiative to help revive the staggering Indian manufacturing sector and tilt the global export's share in favour of India
- Following the Chinese model on manufacturing in a service oriented Indian economy is daunting
- The challenge is to absorb a large section of semi-skilled labourers



## Banking sector reforms

- Steps to reduce NPAs in the banking sector
- Set up a strong regulatory framework for NBFCs to protect investors
- Alternative measures for recapitalization like disinvestment, consolidation of weak banks, external fund mobilisation will need to be explored



## Jan Dhan Yojna and Insurance scheme

- Implementation of this scheme is the key to financial inclusion
- Only 54.5% of rural population avail of banking services as against 67.9% in urban areas
- For effective penetration of this scheme, banking infrastructure in rural areas needs to be in place



## Fiscal rectitude

- It's important to maintain a fine balance between the path of fiscal consolidation & providing necessary push towards growth
- For demand to revive, government spending in productive asset creation is essential



## Implementation of GST

- GST implementation should help in improving supply chain management and rationalizing inflation in the longer term
- According to NCAER (National Council of Applied Economic Research) comprehensive application of GST is likely to boost GDP by 0.9 - 1.7% annually



## Improvement in governance

- a. Digitization of government records, performance review, social and environment audit would be mandated for all government schemes
- b. E-Governance: Easy, Efficient and Effective
- c. Institutional Reform – Central as well as state administrative reforms, judicial, police and electoral reforms needed



## Land acquisition

- a. Approximately ₹5.4 tn projects are stalled in last couple of years due to land acquisition issues
- b. Restructuring of land acquisition problem is a pre-requisite to prevent further stalling of projects



## Price stability

- a. Resolving the issue of demand supply mismatch in food products
- b. Unbundling FCI operations into procurement, storage & distribution for greater efficiency
- c. Hike in service tax and firming up of international crude prices could keep retail inflation high



## Employment generation

- a. Building up of 100 smart cities and 'Make in India' campaign will boost demand for skilled and semi-skilled labour
- b. Harness the opportunities in infrastructure and housing
- c. Encourage youth for self-employment
- d. Address the employability issue by initiating a multi-skills development programme in mission mode



## Eliminate corruption

- India is ranked 85th in Transparency International's corruption perception index
- Public awareness is important; for technology enabled e-Governance
- System-based, policy-driven governance - making it transparent



## Federalism

- Evolve a model of national development driven by states
- The government has passed on the onus of development to the states by increasing the share in tax revenue – this is a move towards federal fiscal structure



## Food security

- Implementation of this bill will free up resources for spending by below poverty line households on other goods and services - in particular health, education, and nutritious food
- Proper implementation requires adequate storage facility for managing the high level of procurement of foodgrains



## Creating Neo-Middle Class

- The Modi-led government is pitching to create opportunities for this class
- The development of urban infrastructure is a step towards development of this class



## Poor and marginalized

- a. Strengthen delivery of poverty alleviation programmes through convergence, transparency and efficiency
- b. Identify 100 most backward districts – bring them at par with other districts through integrated development
- c. Provide employment opportunities to the rural and also provision for their skill development



## Developing urban areas

- a. Rapid growth of urban population has resulted in a tremendous pressure on basic infrastructure and services
- b. Initiative to create 100 smart cities in the country will aid in reducing the urban clutter and will thus contribute to overall development in the country



## Women empowerment

- a. Invest in skill and entrepreneurship development for women
- b. Provide for micro-credit, vocational training and self-help group for economic empowerment of women
- c. Strengthening institutional framework for greater efficiency in support to women



## Healthcare reforms

- a. Healthcare spend in India is 4.1% of GDP
- b. Increase in healthcare infrastructure investment particularly in rural and semi-urban areas
- c. More resources must be allocated on an urgent basis to provide universal healthcare facilities



# Facts at a glance

Net Revenue  
(₹ in Lac) **11,686.86**

Employee Benefit  
Expenses (₹ in Lac) **4,306.64**

EBIDTA Margin **28.21%\***

EBIDTA  
(₹ in Lac) **3,296.60\***

PAT  
(₹ in Lac) **2,014.15\***

PBT  
(₹ in Lac) **2,532.17\***

Market Cap  
(₹ in Lac) **14,027.27**

Net Worth  
(₹ in Lac) **11,379.44**

Book Value  
(₹) **46.57**

\*Before taking into account exceptional item of ₹3,587.06 lac.

# 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
Preeti Kacholia	Woman Director

## Company Secretary & Compliance Officer

Vaibhav Purohit

## Corporate Identification Number (CIN) Website

L67120MH1995PLC084899  
www.emkayglobal.com

## STATUTORY AUDITORS SECRETARIAL AUDITORS INTERNAL AUDITORS

B. L. Sarda & Associates, Chartered Accountants  
Parikh & Associates, Practising Company Secretaries  
Lovi Mehrotra & 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 - 400013.

## REGISTRAR & TRANSFER AGENTS

Link Intime India Private Limited  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (West), Mumbai - 400078.

# AGM NOTICE

## NOTICE

**Notice** is hereby given that the Twenty First Annual General Meeting of the Members of Emkay Global Financial Services Limited will be held on Wednesday, 12th August, 2015 at 4.00 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 financial statements including audited consolidated financial statements of the Company for the financial year ended 31st March, 2015 together with 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 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 all other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Company hereby ratifies the appointment of M/s. B. L. Sarda & Associates, Chartered Accountants, bearing Firm Registration Number 109266W with the Institute of Chartered Accountants of India (ICAI), as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the Annual General Meeting to be held for the financial year 2015-16 on such remuneration as may be determined by the Board of Directors.”

### Special Business:

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

**“RESOLVED THAT** pursuant to the provisions of Section 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Clause 49 of Listing Agreement entered into with the Stock Exchanges (including any statutory modifications or amendments or re-enactments thereof for the time being in force) and Articles of Association of the Company and subject to such approvals as may be required, the consent of the members of the Company be and is hereby accorded for payment of commission to the Non-Executive Directors of the Company, in addition to sitting fees and reimbursement of expenses incurred for attending the meetings of the Board of Directors of the Company and its Committees thereof, upto a sum not exceeding 1% (one percent) per annum of the net profits (computed in the manner provided in Section 198 of the Act) of the Company for a period of five years beginning from 1st April, 2015, but subject to such ceiling and proportion, as the Board or its Committee may determine from time to time in that behalf.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things, as may be required to carry on the purpose of the above resolution.”

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

**“RESOLVED THAT** Ms. Preeti Kacholia (DIN: 03481747) who was appointed as an Additional Director of the Company with effect from 30th March, 2015 and in accordance with the provisions of Section 161(1) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and in accordance with the provisions of Articles of Association of the Company and in respect of whom the Company has received a notice in writing along with the requisite deposit from a member as required under Section 160 of the Companies Act, 2013 signifying his intention to propose candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things, as may be required to carry on the purpose of the above resolution.”

## AGM NOTICE

6. To consider and if thought fit, to pass the following resolution as a **Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modifications or amendments or re-enactments thereof for the time being in force), the new set of Articles of Association be and is hereby approved and adopted as new Articles of Association of the Company in place and in exclusion of the existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things, as may be required to carry on the purpose of the above resolution.”

7. To consider and if thought fit, to pass the following resolution as **Special Resolution:**

“**RESOLVED THAT** pursuant to Section 186 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modifications or amendments or re-enactments thereof for the time being in force) and the Articles of Association of the Company and subject to such approvals, sanctions and consents (hereinafter referred to as the “Approvals”) as maybe required from such authorities and institutions or bodies and such conditions as may be prescribed by any of them while granting such approval, which may be agreed to, in its sole discretion, by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee(s) constituted / to be constituted by the Board to exercise its powers including powers conferred by this resolution and / or by duly authorized persons thereof for the time being exercising the powers conferred on the Board by this resolution), consent of the members of the Company be and is hereby accorded to the Board to acquire by way of subscription, purchase or otherwise securities of any Body Corporate on such terms and conditions as the Board may, in its absolute discretion deem fit, notwithstanding the fact that the aggregate of the investments, so far made, or securities so far provided, loan / guarantee so far given by the Company along with the proposed investments which exceeds 60% of the paid up capital and free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is higher, provided that the maximum amount of investment made by the Company shall not exceed the sum of Rs.100 Crores (Rupees One Hundred Crores only) at any point of time.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things, as may be required to carry on the purpose of the above resolution.”

**Registered Office:**

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

Place: Mumbai

Date: 22nd June, 2015

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

**Vaibhav Purohit**  
Company Secretary & Compliance Officer

# AGM NOTICE

## Notes for Members' Attention:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) OF THE COMPANY MAY APPOINT A PROXY TO ATTEND AND VOTE, IN CASE OF POLL ONLY, INSTEAD OF HIMSELF / HERSELF.** A Proxy need not be a member of the Company. The instrument appointing the proxy should be deposited at the Registered Office of the Company not less than forty-eight hours before commencement of the AGM. Proxies submitted on behalf of companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person shall not act as a proxy for more than 50 (fifty) members and holding in aggregate not more than 10% (ten percent) of the total share capital of the Company. However, a single person may act as a proxy for a member holding more than 10% (ten percent) of the total share capital of the Company provided that such person shall not act as a proxy for any other person.
2. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting are requested to send a duly certified copy of Board Resolution authorizing their representatives to attend and vote at the forthcoming 21st Annual General Meeting. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall where the AGM is proposed to be held. Members who hold shares in electronic form are requested to bring their Client ID and DP ID numbers for identification.
3. Members / Proxies / Representatives should bring the enclosed Attendance Slip, duly filled in, for attending the Meeting. Copies of the Annual Report or Attendance Slips will not be distributed at the Meeting.
4. The Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ("the Act"), concerning the Special Business in the Notice is annexed hereto and forms part of this Notice.
5. The Register of Directors and Key Managerial Personnel and their Shareholdings, maintained under Section 170 and Register of Contract or Arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 will be open for inspection by the members during the Annual General Meeting.
6. Relevant documents referred to in the accompanying Notice and the statement pursuant to Section 102(1) of the Companies Act, 2013 are available for inspection at the Registered Office of the Company during business hours on all days except Saturdays, Sundays and Public Holidays upto the date of the AGM.
7. Profiles of the Directors seeking appointment / re-appointment, as required in terms of Clause 49 of the Listing Agreement entered into with the Stock Exchanges, are annexed to this notice.
8. The Register of Members and Share Transfer Books of the Company will remain closed from **Monday, 3rd August, 2015 to Wednesday, 12th August, 2015** (both days inclusive).
9. Members holding shares in physical form are requested to notify immediately about any change in their address or bank mandates to the Company / Registrar & Share Transfer Agents quoting their Folio Number and Bank Account Details along with self-attested documentary proofs. Members holding shares in the electronic form may update such details with their respective Depository Participants.
10. In case of joint holders attending the meeting, the joint holder with highest, in order of names will be entitled to vote.
11. Members desirous of getting any information about the accounts and operations of the Company are requested to address their queries to the Company Secretary & Compliance Officer at the Registered Office of the Company at least seven days in advance of the meeting so that the information required may be made readily available at the meeting.
12. Pursuant to the provision of Section 205A(5) and 205C of the Company Act, 1956 (which are still applicable as the relevant sections under the Companies Act, 2013 are yet to be notified), the Company has transferred on due dates, the unpaid or unclaimed dividends for the financial years 2006 – 07 to the Investor Education and Protection Fund (IEPF) established **by the Central Government. Pursuant to the provisions of** Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded on its website the details of unpaid and unclaimed amounts lying with the **Company for the financial year 2007-2008. The balance amount lying in Unpaid Dividend Account for the financial year 2007-2008 is due for transfer to the IEPF, during the month of November, 2015.**

## AGM NOTICE

The details of dividend due to be transferred to IEPF is given below:

Financial Year	Seven Years expiring on	Transfer to IEPF Account on or before
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	-	-
2013-2014	-	-

Members are requested to contact M/s. Link Intime India Private Limited, the Registrar & 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 at [www.emkayglobal.com](http://www.emkayglobal.com) and also Ministry of Corporate affairs at [www.mca.gov.in](http://www.mca.gov.in).

13. The Securities Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are requested to submit PAN to their Depository Participant(s) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agent.
14. 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.
15. Electronic copy of the Notice of the 21st Annual General Meeting of the Company inter alia indicating the process and manner of remote e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 21st 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. Members who have not registered their email address so far, are requested to register their email ids for receiving all communications including Annual Report, Notices, etc., from the Company electronically.
16. Members may also note that the Notice of the 21st Annual General Meeting and the Annual Report for 2014-2015 will also be available on the Company's website [www.emkayglobal.com](http://www.emkayglobal.com).
17. **Voting through electronic means:**

The Company has provided 'remote e-voting' (e-voting from a place other than venue of the AGM) facility through Central Depository Services (India) Limited (CDSL) as an alternative, for all members of the Company to enable them to cast their votes electronically, on the resolutions mentioned in the notice of the 21st Annual General Meeting of the Company (the AGM Notice).

The facility for voting, either through electronic voting system or through ballot / polling paper shall also be made available at the venue of the 21st AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

The Company has appointed Mr. Mitesh Dhabliwala, Partner, Parikh & Associates, Practicing Company Secretaries, Mumbai as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner. E-voting is optional. In terms of requirements of the Companies Act, 2013 and the relevant Rules, the Company has fixed 5th August, 2015 as the 'Cut-off Date'. The remote e-voting / voting rights of the shareholders / beneficial owners shall be reckoned on the equity shares held by them as on the Cut-off Date i.e. 5th August, 2015 only.



# AGM NOTICE

## A) The instructions for shareholders voting electronically are as under:

- (i) The remote e-voting period begins on 9th August, 2015 at 9.30 am and ends on 11th August, 2015 at 5.00 pm. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 5th August, 2015, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iii) Click on Shareholders.
- (iv) Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID.
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID.
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

### For Members holding shares in Demat Form and 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). * Members who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
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. • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach 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 can also be 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.
- (x) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Company name i.e Emkay Global Financial Services Limited on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.

## AGM NOTICE

- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print out of the voting page selecting the option - “Click here to print”.
- (xvii) If demat account holder has forgotten the password then they need to enter the User ID and image verification code and click on Forgot Password link & then enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details, a compliance user should be created using the admin login and password. The compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) 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.com](http://www.evotingindia.com) under ‘Help’ section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
18. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 5th August, 2015.
19. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 5th August, 2015, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
20. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
21. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
22. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
23. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
24. The results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited.
25. As the voting would be through electronic means, the members who do not have access to remote e-voting, may obtain 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 appointed by the Board of Directors of the Company at the Registered Office of the Company not later than 11th August, 2015 (5.00 p.m. IST). Ballot Form received after this date will be treated as invalid. Unsigned, incomplete or incorrectly ticked forms shall be rejected. A Member can opt for only one mode of voting, i.e., either through remote e-voting or by Ballot. If a Member casts votes by both modes, then voting done through remote e-voting shall prevail and Ballot shall be treated as invalid.

# AGM NOTICE

## Explanatory Statement:

### Statement pursuant to Section 102 of the Companies Act, 2013

#### Item No. 4

The Members of the Company had at the Annual General Meeting held on 30th August, 2010 approved the payment of commission to the Non-Executive Directors of the Company not exceeding in the aggregate 1% (One Percent) per annum of net profits of the Company to be computed in accordance with Section 198, 349 and 350 of the Companies Act, 1956, for each of the 5 (Five) financial years commencing from 1st April, 2010. Accordingly, the validity of the above mentioned resolution expired on 31st March, 2015.

In terms of the provisions of Section 197 of the Companies Act, 2013 ("the Act"), the approval of the Members is not required for the payment of commission to the Non-Executive Directors up to 1% of the net profits of the Company. However, as per the provisions of Clause 49(II)(c) of the Listing Agreement entered into with the Stock Exchanges (as may be in force from time to time) relating to Non-Executive Directors' compensation and disclosures, all fees / compensation, payable to Non-Executive Directors requires prior approval of the Members.

Under the Act, Directors have been entrusted with new responsibilities. Keeping in view the enhanced role, responsibilities and duties of Directors and in appreciation of their contribution and services they have rendered / will be rendering to the Company, it is proposed to seek fresh approval of the Members of the Company as required under the Listing Agreement by way of an Ordinary resolution for the payment of commission for all subsequent financial years commencing from 1st April, 2015 as set out at Item No. 4 of this Notice for a period of five years.

The Commission will be distributed amongst such of the Non-Executive Independent Directors and in such proportion as the Board of Directors may decide from time-to time.

The Board of Directors recommends the resolution as set out at Item No. 4 of the Notice for your approval.

Except Mr. G. P. Gupta, Mr. R. K. Krishnamurthi and Mr. G. C. Vasudeo being Independent Non-Executive Directors of the Company, none of the Directors and Key Managerial Personnel of the Company or relatives of Director/Key Managerial Personnel are in any way deemed to be concerned or interested in the said resolution.

#### Item No. 5

The Board of Directors appointed Ms. Preeti Kacholia (DIN: 03481747) as an Additional Director (Woman Director) of the Company with effect from 30th March, 2015. Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("the Act") and Articles of Association of the Company, Ms. Preeti Kacholia holds office as an Additional Director upto the date of this Annual General Meeting. The Company has received a notice along with requisite deposit pursuant to the Section 160 of the Act, from a Member signifying its intention to propose the appointment of Ms. Preeti Kacholia as a Director of the Company. Further, she is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given her consent to act as Director.

The Nomination & Remuneration Committee has also recommended the appointment of Ms. Preeti Kacholia as Director of the Company.

Brief profile of Ms. Preeti Kacholia in terms of Clause 49 of the Listing Agreement, is provided at the end of this Notice and in the Corporate Governance Report.

The Board of Directors recommends resolution set out at Item No. 5 of the Notice for your approval.

Except Mr. Prakash Kacholia, Managing Director of the Company, none of the Directors, Key Managerial Personnel of the Company or relatives of Director/Key Managerial Personnel are in any way deemed to be concerned or interested in the said resolution.

#### Item No. 6

The Articles of Association ("AoA") of the Company as presently in force are based on the Companies Act, 1956 and several regulations in the existing AoA contain reference to specific sections of the Companies Act, 1956. With the enforcement of the Companies Act, 2013, various provisions of the Companies Act, 1956 have become ineffective and in view of the same, the AoA of the Company needs to be realigned as per the provisions of the new Act.

## AGM NOTICE

The Board of Directors at its meeting held on 22nd May, 2015 decided to incorporate/substitute/alter certain provisions as per the latest amendments of the Companies Act, 2013. As this would result in a number of changes in the existing AoA of the Company, it decided to adopt a new set of AoA in place of and in exclusion to the existing AoA of the Company. The proposed articles are based on Table F of Schedule-I of the Act which provides the model Articles of Association for a Company limited by shares.

A copy of the proposed new set of Articles of Association of the Company would be available for inspection by the members at the Registered Office of the Company on all working days between 11.00 a.m. to 3.00 p.m. excluding Saturdays, upto and including the date of the Annual General Meeting.

The Directors recommend the Resolution at Item No. 6 of the Notice for the approval of the Members of the Company as a Special Resolution, in terms of Section 14 of the Companies Act, 2013.

None of the Directors and Key Managerial Personnel of the Company and relatives of Director/Key Managerial Personnel are in any way deemed to be concerned or interested in the said resolution.

### Item No. 7

As per the provisions of Section 186 of the Act read with the Rules framed there under, the Company is required to obtain the prior approval of the Members by way of a Special Resolution for giving any loan to any person or other body corporate or to give any guarantee or provide security in connection with a loan to any other body corporate or person or to invest/acquire the securities of any Body Corporate by way of subscription / purchase or otherwise, exceeding 60% of its paid-up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more.

The approval of the Members is being sought by way of a Special Resolution under Section 186 of the Act read with the Rules made thereunder, to enable the Company to invest / acquire the securities of anybody corporate by way of subscription / purchase or otherwise, exceeding the limits as prescribed in the Companies Act, 2013. The Board recommends the Resolution at Item No. 7 of the accompanying Notice for approval of the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or relatives of Director / Key Managerial are in any way deemed to be concerned or interested in the said resolution.

### Registered Office:

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

Place: Mumbai

Date: 22nd June, 2015

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

**Vaibhav Purohit**  
Company Secretary & Compliance Officer

## AGM NOTICE

**Profile of the Directors being re-appointed at the 21st Annual General Meeting in pursuance of Clause 49 of the Listing Agreement entered into with the Stock Exchanges:**

<b>Name of Director</b>	<b>Mr. S. K. Saboo</b>	<b>Ms. Preeti Kacholia</b>
DIN	00373201	03481747
Date of Birth	5th November, 1942	15th July, 1967
Age	72 years	47 years
Date of Appointment	15th September, 1995	30th March, 2015
Experience in Specified Functional Area	Rich and vast experience of over 47 years in the field of Management.	Having rich knowledge in the field of Business Management
Percentage of shares held in the Company	Nil	8.70 %
Qualification	B.Com	B.Com
List of other Companies in which associated as Director	1. Indophil Textile Mills Inc; Philippiness	
Chairman / Memberships of the Committee of the Board of other Companies in which associated as a Director	<b>Chairman/Member: NIL</b>	<b>Chairman/Member: NIL</b>

# DIRECTORS' REPORT

Dear Members,

Your Directors present the Twenty First Annual Report of your Company and the Audited Financial Statements for the year ended on 31st March, 2015.

## 1. FINANCIAL RESULTS

An overview of the financial performance of your Company along with its Subsidiaries for the year 2014-15 is as under:

Particulars	(₹ in Lac)					
	Standalone			Consolidated		
	Year ended		Growth (%)	Year ended		Growth (%)
31.03.2015	31.03.2014	31.03.2015		31.03.2014		
Total Income	10,380.32	6,828.41	52.02	11,686.86	8,267.43	41.36
EBITDA	2,690.97	316.74	749.58	3,296.60	595.34	453.73
Less : Depreciation and Amortization	427.61	415.83	-	432.00	424.88	-
Less : Finance Costs	283.43	415.09	-	332.43	452.45	-
Profit/(loss) Before Exceptional Item & Tax	1,979.93	(514.18)	(485.07)	2,532.17	(281.99)	(997.96)
Exceptional Items	3,587.06	-	-	3,587.06	-	-
Profit/(Loss) Before Tax	(1,607.13)	(514.18)	212.56	(1,054.89)	(281.99)	274.09
Less : Tax Expense/(Benefit)	(12.72)	6.92	-	518.02	112.78	-
Profit/(Loss) After Tax	(1,594.41)	(521.10)	205.97	(1,572.91)	(394.77)	298.44
Less : Minority Interest	-	-	-	-	-	-
Profit/(Loss) attributable to Shareholders of the Company	(1,594.41)	(521.10)	205.97	(1,572.91)	(394.77)	298.44
<b>Opening balance in Statement of Profit and Loss</b>	<b>1,144.95</b>	<b>1,666.05</b>	-	<b>1,040.50</b>	<b>1,483.36</b>	-
<b>AMOUNT AVAILABLE FOR APPROPRIATION</b>	<b>(449.46)</b>	<b>1,144.95</b>	-	<b>(532.41)</b>	<b>1,088.59</b>	-
Appropriations						
- Proposed Dividend	-	-	-	-	-	-
- Provision for Tax on Dividend	-	-	-	-	-	-
- Other Adjustments relating to Fixed Assets	7.40	-	-	7.72	-	-
- Transfer to Special Reserve u/s 45-IC of RBI Act	-	-	-	57.15	48.09	-
<b>Closing Balance in Statement of Profit and Loss</b>	<b>(456.86)</b>	<b>1,144.95</b>	-	<b>(597.28)</b>	<b>1,040.50</b>	-

## 2. DIVIDEND

The Company has incurred loss during the year and hence your Directors have decided not to recommend any Dividend for the year ended 31st March, 2015.

## 3. REVIEW OF OPERATIONS

During the year under review, your Company recorded a total income of Rs. 10,380.32 Lac as compared to Rs.6,828.41 Lac in the previous financial year, up by 52.02%. The Loss for the same period stands at Rs.1,594.41 Lac as compared to the Net Loss of Rs. 521.10 Lac in the previous financial year.

## 4. EXTRACT OF ANNUAL RETURN

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

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

During the Financial Year 2014-15, 4 meetings were held on 22nd May, 2014, 13th August, 2014, 31st October, 2014 and 23rd January, 2015.



## DIRECTORS' REPORT

Name of the Director	Category	Board Meetings during Financial Year 2014-15	
		Held	Attended
Mr. G. P. Gupta	NED (I)	4	2
Mr. S. K. Saboo	NED	4	4
Mr. R. K. Krishnamurthi	NED (I)	4	4
Mr. G. C. Vasudeo	NED (I)	4	4
Mr. Krishna Kumar Karwa	ED	4	4
Mr. Prakash Kacholia	ED	4	4
Ms. Preeti Kacholia (Appointed w.e.f. 30.03.2015 as Woman Director)	NED	4	-

### 6. DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year under review;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the annual accounts on a going concern basis;
- e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) The Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

### 7. AUDIT COMMITTEE

The details pertaining to composition of Audit Committee are included in the Corporate Governance Report, which forms part of this report.

### 8. NOMINATION, REMUNERATION AND COMPENSATION COMMITTEE

The Company has already constituted Remuneration and Compensation Committee. Pursuant to Section 178 of the Companies Act, 2013, the nomenclature of the Remuneration / Compensation Committee has been changed to Nomination, Remuneration and Compensation Committee at the Board Meeting held on 22.05.2014.

As per the Clause 49 (IV) of the Listing Agreement, Chairman of the Board shall not Chair the Nomination, Remuneration and Compensation Committee. Accordingly, Mr. G. C. Vasudeo, being Independent Director, has been appointed as a Chairman of the Committee in place of Mr. G. P. Gupta and Mr. Gupta will continue as a member of the said Committee.

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

In accordance with Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, during the year, on the recommendations and approval of the Nomination, Remuneration and Compensation Committee, the Nomination and Remuneration Policy of the Company was adopted by the Company.

The Company's Remuneration Policy is available on the Company's website i.e. [www.emkayglobal.com](http://www.emkayglobal.com).

## DIRECTORS' REPORT

com/Investorrelations. The details of composition, terms of reference of the Nomination, Remuneration and Compensation Committee, numbers and dates of meeting held, attendance of the, Directors and remuneration paid to them are given separately in the attached Corporate Governance Report forming part of the Boards' Report.

### 9. PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board at its meeting held on 23rd January, 2015 carried out an annual evaluation of its own performance, the Directors individually as well as the evaluation of the working of its committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

### 10. AUDITORS

Pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 ("the Act") read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Company appointed M/s. B. L. Sarda & Associates, Chartered Accountants, bearing Firm Registration Number 109266W with the Institute of Chartered Accountants of India (ICAI), as the Statutory Auditors of the Company to hold office from the conclusion of Twentieth Annual General Meeting held on 13th August, 2014 until the conclusion of Twenty Third Annual General Meeting of the Company to be held for the financial year 2016-17. However, such an appointment was subject to ratification at every AGM held after the Twentieth AGM. Hence, your Directors recommend for ratification of the appointment of M/s. B. L. Sarda & Associates, Chartered Accountant, Mumbai, as Statutory Auditor of the Company in the ensuing Annual General Meeting.

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.

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

### 11. SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed M/s. Parikh & Associates, Company Secretaries, Mumbai to undertake the Secretarial Audit of the Company. The Secretarial Audit Report received from them is appended as "Annexure B" and forms part of this report.

There are no qualifications or adverse comments made by the Secretarial Auditors in their report.

### 12. INTERNAL AUDIT

As per the requirements of Section 138 of the Companies Act, 2013 and rules made thereunder, during the year, your Company appointed M/s Lovi Mehrotra & Associates, Chartered Accountants, Mumbai as Internal Auditors of the Company.

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 audit periodically. The reports are deliberated and executive summary of the same along with action taken report (ATR) for 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

## DIRECTORS' REPORT

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.

### 13. 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.

### 14. PUBLIC DEPOSITS

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

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

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

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

The details of the related party transactions, as per requirement of Accounting Standards-18 are disclosed in notes to the financial statements of the Company for the financial year 2014-15. All the Directors have disclosed their interest in Form MBP-1 pursuant to Section 184 of the Companies Act, 2013 and as and when any changes in their interest take place, such changes are placed before the Board at its meetings. None of the transactions with any of the related parties was in conflict with the

interest of the Company. The particulars of contracts or arrangements with related parties referred to in Section 188(1), in prescribed Form AOC - 2 under Companies (Accounts) Rules, 2014 are appended as "Annexure F".

### 17. MATERIAL CHANGES AND COMMITMENTS BETWEEN THE END OF FINANCIAL YEAR AND DATE OF THE REPORT

With reference to the bonafide error trade executed on 5th October, 2012 and as per SAT order dated 26th March, 2015, the hon'ble SAT has disposed off the appeal by giving Order to National Stock Exchange of India Ltd. (NSE) to take on record the settlement proposed by the appellants and release the withheld payment to the parties in terms of the settlement.

Accordingly, your company has received from NSE, in compliance to the hon'ble SAT's Order dated 26th March, 2015, a sum of Rs. 16.06 Crores being 50% amount of the payout withheld and Rs. 3.08 Crores as interest post TDS, a total Rs. 19.14 Crores has been received by your Company.

### 18. INFORMATION UNDER THE SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has constituted an Internal Complaint Committee under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year no complaint was filed before the said Committee.

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

The prescribed particulars of Conservation of Energy, Technology, Absorption and Foreign Exchange Earning and Outgo required under Section 134(3)(m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is attached as "Annexure E" and forms part of this Report of Directors.

## DIRECTORS' REPORT

### 20. BUSINESS RISK MANAGEMENT

Pursuant to section 134(3)(n) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has adhered to the principles of sound risk management and already has a Risk Management Policy in place. A detailed exercise is being carried out to identify, evaluate, manage and monitor both business and non-business risk. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework. The details of the same are set out in the Corporate Governance Report forming part of the Boards' Report.

### 21. CORPORATE SOCIAL RESPONSIBILITY

As per the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014, your Company is not required to comply with CSR norms as per the threshold limits. However, the Company has evolved a Corporate Social Responsibility Policy and is actively practicing the same. The objectives of 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 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.

### 22. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has implemented a Vigil Mechanism Policy to deal with instance of fraud and mismanagement, if any. The policy also provides for adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in all cases. The details of the policy is posted on the website of the Company under

the link <http://www.emkayglobal.com/investorrelations>. There were no complaints during the year 2014-15.

### 23. DIRECTORS & KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014 and Articles of Association of the Company, Mr. S. K. Saboo (DIN 00373201), Non-Executive Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment and your Board recommends his re-appointment.

During the year, Ms. Preeti Kacholia has been appointed as an Additional Director (Woman Director) of the Company with effect from 30th March, 2015. As per provisions of Section 161 of the Companies Act, 2013 and Articles of Association of the Company, Ms. Kacholia holds office upto the date of the forthcoming 21st Annual General Meeting and is eligible for appointment. The Company has received a notice along with requisite deposit from a member of the Company under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director of the Company. Your Board recommends her appointment.

The above appointment / re-appointment forms part of the Notice of the forthcoming 21st Annual General Meeting and the respective resolution is recommended for your approval.

A brief profile of Directors as required under Clause 49 of the Listing Agreement is given in the Notice of the 21st Annual General Meeting.

All independent directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

## DIRECTORS' REPORT

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

- Mr. Krishna Kumar Karwa - Managing Director & CFO
- Mr. Prakash Kacholia - Managing Director
- Mr. Vaibhav Purohit - Company Secretary

### 24. PARTICULARS OF REMUNERATION:

Details of the ratio of remuneration of each Director to the median employee's remuneration is provided in "Annexure – D".

### 25. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Internal Auditors monitor and evaluate the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

Pursuant to the provisions of the Section 134(5)(f) of the Act, the Company during the year devised proper systems to ensure compliance with the provisions of all applicable laws. Each department of the organization ensured that it had complied with the applicable laws and furnished its report to the head of department who then along with the Company Secretary discussed on the compliance status of the department. Any matter that required attention was immediately dealt with. The Company Secretary reported to the Audit Committee and the Board on the overall compliance status of the Company. In effect, such compliance system was largely

found to be adequate and operating effectively. The Directors have in the Directors Responsibility Statement under paragraph (f) also confirmed the same to this effect.

### 26. SUBSIDIARY COMPANIES

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

Emkay Commotrade Limited offers commodity futures trading to its clients. It is a member of major commodity exchanges viz. Multi Commodity Exchange of India Limited (MCX), National Commodity and Derivatives Exchange Limited (NCDEX) and National Spot Exchange Limited (NSEL) and has a net worth of Rs. 44.25 Lac as on 31st March, 2015.

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

Emkay Fincap Limited is a RBI registered Non Deposit taking NBFC. EFL has a net worth of Rs.3,586.81 Lac as on 31st March, 2015.

#### **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 Rs. 100.69 Lac as on 31st March, 2015.

#### **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 Rs.446.28 Lac as on 31st March, 2015.

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



## DIRECTORS' REPORT

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 its 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.

### 27. 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 and another scheme Employee Stock Option Plan – 2010- through trust route to the employees of the Company and the Subsidiary Companies.

#### (a) ESOP 2005

During the year 2014-2015, ESOP Scheme-2005 has been exercised by the employees and whatever options remain unexercised have been lapsed and as on 31st March, 2015 the balance is nil.

#### Summary of ESOP 2005 as on 31st March 2015:

Total no. of stock options available under the Scheme	3,81,250
Exercise Price	Rs. 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	00
Stock Options exercised	2,27,500
Outstanding Stock Options	00

#### (b) ESOP 2007

The Company had granted 1,442,000 Options on 17th January, 2008 to the employees (each option carrying entitlement for one share of the face value of Rs. 10 each) at an exercise price of Rs. 363 per option which was later reprised at Rs. 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 Rs. 63, Rs. 61, Rs. 93, Rs. 77 and Rs. 37 per option respectively.

During the Financial Year 2014-15, the Nomination, Remuneration and Compensation Committee has not allotted any Equity Shares to the employees under the ESOP 2007.

#### Summary of ESOP 2007 as on 31st March 2015:

Total no. of stock options granted under the Scheme	24,26,575
Exercise Price:	
14,42,000 Options	Rs.63/- per option
2,44,000 Options	Rs.63/- per option
2,07,500 Options	Rs.61/- per option
1,00,000 Options	Rs.93/- per option
6,11,500 Options	Rs.77/- per option
2,00,000 Options	Rs.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	19,49,450
Stock Options vested but not exercised	6,29,100
Stock Options exercised	60,250
Outstanding Stock Options	7,95,300

The paid up Equity Capital of the Company is Rs.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 (Share Based Employee Benefits) Regulations, 2014 are contained in "Annexure C" forming part of the Directors' Report.

#### (c) EMPLOYEE STOCK OPTION PLAN - 2010 THROUGH TRUST ROUTE

On the recommendation of the Nomination, Remuneration and 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



## DIRECTORS' REPORT

entitlement for one share of the face value of Rs. 10 each) at an exercise price of Rs.93/- per option. Further, the Nomination, Remuneration and Compensation Committee/Emkay Employees Welfare Trust granted 27,000 Options on 2nd May, 2011, 15,000 Options on 22nd October, 2011 and 50,000 Options on 21st January, 2012 at an exercise price of Rs. 63, Rs. 48, and Rs. 37 respectively per option.

### Summary of ESOP 2010 (through trust route) as on 31st March 2015:

Total no. of stock options granted under the Scheme	24,41,995
Exercise Price:	
5,55,000 Options	Rs.93/- per option
27,000 Options	Rs. 63/- per option
15,000 Options	Rs. 48/- per option
50,000 Options	Rs. 37/- per option
Exercise Period	3 years
Total no. of stock options granted under the scheme	6,47,000
Stock Options lapsed	5,59,500
Stock Options vested but not exercised	48,750
Stock Options exercised	Nil
Outstanding Stock Options	87,500

Details required to be provided are set out in "Annexure C" to this report.

### 28. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 205C of the Companies Act, 1956, the 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).

In compliance with the provisions Companies Act, 2013, a sum of Rs. 38,605/- being the dividend lying unclaimed was transferred to the Investor Education and Protection Fund (IEPF) of the Central Government on 19th September, 2014 after giving notice to the concerned shareholders.

### 29. CORPORATE GOVERNANCE REPORT

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 49X 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.

### 30. PARTICULARS OF EMPLOYEES

The particulars of employees required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed hereto in "Annexure D".

### 31. LISTING WITH STOCK EXCHANGES

The Equity shares of the Company are listed on National Stock Exchange of India Ltd. and BSE Ltd.

### 32. ACKNOWLEDGEMENT

Your Directors would like to take this opportunity to express sincere gratitude to the customers, bankers and other business associates for the 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 June, 2015

# ANNEXURE “A”- EXTRACT OF THE ANNUAL RETURN

FORM NO. MGT-9, EXTRACT OF ANNUAL RETURN AS ON 31ST March, 2015

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

## I. REGISTRATION AND OTHER DETAILS

CIN	L67120MH1995PLC084899
i Registration Date	24th January, 1995
ii Name of the Company	Emkay Global Financial Services Limited
iii Category/ Sub-Category of the Company	Public Limited Company
iv Address of the Registered Office and contact details	The Ruby, 7th Floor, Senapati Bapat Marg, Dadar (West), Mumbai-400028  Tel. No. 022-66299299
v Whether Listed Company	Yes. Listed on BSE and NSE
vi Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Limited C-13 Pannalal Silk Mills Compound, L B S MARG, Bhandup (West), MUMBAI - 400078.  Tel No. 022-25963838

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of Main Products/Service	NIC Code of the Products / Service	% to total turnover of the Company
1	Stock Broking and Providing financial services and solutions like investment banking, institutional equities, private client broking, Depository Services.	67120 and 67190	86.56%

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN Nos	Holding / Subsidiary / Associates	% of shares held	Applicable Section
1	Emkay Fincap Ltd	U65990MH2005PLC153310	Subsidiary	100	2(87)
2	Emkay Commotrade Limited	U99999MH2006PLC158675	Subsidiary	100	2(87)
3	Emkay Insurance Brokers Ltd	U66030MH2007PLC168496	Subsidiary	100	2(87)
4	Emkay Investment Managers Limited	U67190MH2010PLC203819	Subsidiary	100	2(87)
5	Emkay Corporate Services P. Ltd	U67120MH1995PTC084911	Associates	-	2(6)

## ANNEXURE "A" - EXTRACT OF THE ANNUAL RETURN

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

## i) Category wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individuals/HUF	13747500	-	13747500	56.26	13747500	-	13747500	56.26	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt	-	-	-	-	-	-	-	-	--
d) Bodies Corp	4150000	-	4150000	16.98	4150000	-	4150000	16.98	-
e) Bank/FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub Total A-1	17897500	-	17897500	73.24	17897500	-	17897500	73.24	-
<b>(2) Foreign</b>									
(a) NRI-Individuals	-	-	-	-	-	-	-	-	-
(b) Others-Individuals	-	-	-	-	-	--	-	-	-
(c) Bodies Corp	-	-	-	-	-	-	-	-	-
(d) Bank/FI	-	-	-	-	--	-	-	-	-
(e) Any Others	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (2)</b>									
<b>Total Shareholding of Promoters A= A1+A2</b>	<b>17897500</b>	<b>-</b>	<b>17897500</b>	<b>73.24</b>	<b>17897500</b>	<b>-</b>	<b>17897500</b>	<b>73.24</b>	<b>-</b>
<b>B. Public Shareholding</b>									
1. Institution	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	314530	-	314530	1.29	-
b) Bank/FI	-	-	-	-	-	-	-	-	-
c) Cent. Govt	-	-	-	-	-	-	-	-	-
d) State Govt	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Comp	-	-	-	-	-	-	-	-	-

## ANNEXURE "A"- EXTRACT OF THE ANNUAL RETURN

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
g) FIIS	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub Total (B) (1)</b>	-	-	-	-	<b>314530</b>	-	<b>314530</b>	<b>1.29</b>	-
2. Non Institutions									
a) Bodies Corp									
i. Indian		656146	10000	666146	2.73	533759	10000	543759	2.23
ii. Overseas		-	-	-	-				
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1797782	17380	1815162	7.43	1468750	17380	1486130	6.08	
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	3177299	-	3177299	13.00	3334666	-	3334666	13.65	
c) State Govt	-	-	-	-	-	-	-	-	-
d) Venture Capital Funds	-	-	-	-	-	-	-	-	-
e). Insurance Comp	-	-	-	-	-	-	-	-	-
f) FIIS	-	-	-	-	-	-	-	-	-
g) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
h) Others (specify)									
a. Clearing member		15441	-	15441	0.06	15392	0	15392	0.06
b. Trust		754648	-	754648	3.09	754648	-	754648	3.09
c. NRIs		29778	--	29778	0.12	26690	0	26690	0.11
d. NRN		81776	-	81776	0.33	64435	0	64435	0.26
<b>Sub Total B-2</b>	<b>6512870</b>	<b>27380</b>	<b>6540250</b>	<b>26.76</b>	<b>6198340</b>	<b>27380</b>	<b>6225720</b>	<b>25.48</b>	
<b>Total Public Shareholding B=B1+B2</b>	<b>6512870</b>	<b>27380</b>	<b>6540250</b>	<b>26.76</b>	<b>6198340</b>	<b>27380</b>	<b>6225720</b>	<b>25.48</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>24410370</b>	<b>27380</b>	<b>24437750</b>	<b>100.00</b>	<b>24410370</b>	<b>27380</b>	<b>24437750</b>	<b>100.00</b>	<b>0</b>

## ANNEXURE "A" - EXTRACT OF THE ANNUAL RETURN

## ii. Shareholding of Promoters:

Sr. No.	Shareholders Name	Shareholding at the Beginning of the Year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of the total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of the total shares of the Company	% of Shares Pledged / Encumbered to total shares	
1.	Krishna Kumar Karwa	4922500	20.14	-	4922500	20.14	-	No Change in Shareholding during the year
2.	Prakash Kacholia	4750000	19.44	-	4750000	19.44	-	
3.	Emkay Corporate Services P. Ltd.	4150000	16.98	-	4150000	16.98	-	

## (iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year				
A	Krishna Kumar Karwa	4922500	20.14	4922500	20.14
B	Prakash Kacholia	4750000	19.44	4750000	19.44
C	Emkay Corporate Services P. Ltd.	4150000	16.98	4150000	16.98
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc)	-	-	-	-
A	Krishna Kumar Karwa	-	-	-	-
B	Prakash Kacholia	-	-	-	-
C	Emkay Corporate Services P. Ltd.	-	-	-	-
3	At the End of the year				
A	Krishna Kumar Karwa	4922500	20.14	4922500	20.14
B	Prakash Kacholia	4750000	19.44	4750000	19.44
C	Emkay Corporate Services P. Ltd.	4150000	16.98	4150000	16.98

## (iv) Shareholding pattern of top ten shareholders (other than Directors / Promoters and holders of GDRs and ADRs)

Sr. No.	For each of the Top Ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
1	Raunak Karwa	1750000	7.1611	1750000	7.1611
2	Emkay Employees Welfare Trust	754648	3.0880	754648	3.0880
3	Neeraj Batra	786491	3.2183	740733	3.0311
4	Rajiv P Shroff	809104	3.3109	602379	2.4650
5	Priyanka Nanda	165744	0.6782	164920	0.6749
6	Satyanarayan Karwa	160517	0.6568	164920	0.6749

## ANNEXURE "A"- EXTRACT OF THE ANNUAL RETURN

Sr. No.	For each of the Top Ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7	Ninja Securities Private Limited	138070	0.5650	-	-
8	Sameera Khanna Vasudeva	107364	0.4393	-	-
9	Satyanarayan Karwa	103500	0.4235	160517	0.6658
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):					

Sr. No.	For each of the Top Ten Shareholders	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the end of the year (or on the date of separation, if separated during the year)					
1	Preeti Kacholia	2125000	8.6956	2125000	8.6956
2	Raunak Karwa	1750000	7.1611	1750000	7.1611
3	Emkay Employees Welfare Trust	754648	3.0880	754648	3.0880
4	Neeraj Batra	786491	3.2183	740733	3.0311
5	Rajiv P Shroff	809104	3.3109	602379	2.4650
6	Priyanka Nanda	165744	0.6782	164920	0.6749
7	Satyanarayan Karwa	160517	0.6568	164920	0.6749
8	Satyanarayan Karwa	103500	0.4235	160517	0.6658
9	HDFC Trustee Company Limited - HDFC Infrastructure Fund	-	-	314530	1.2871
10	Atul Babubhai Chauhan (HUF)	-	-	161500	0.6609

## v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	For each of the Directors /KMP	Beginning of the year		During the year	
		No. of shares	% of total shares of the Company	No. of shares	% of the total shares of the Company
At the Beginning of the year					
1	Krishna Kumar Karwa	4922500	20.14	4922500	20.14
2	Prakash Kacholia	4750000	19.44	4750000	19.44
3	Preeti Kacholia	2125000	8.6956	2125000	8.6956
4	G. P. Gupta	-	-	-	-
5	S. K. Saboo	-	-	-	-
6	R. K. Krishnamurthi	-	-	-	-
7	G. C. Vasudeo	-	-	-	-
8	Vaibhav Purohit - KMP (CS)	-	-	-	-
Date wise Increase / Decrease in Share Holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):					
		-	-	-	-

## ANNEXURE "A" - EXTRACT OF THE ANNUAL RETURN

Sr. No.	For each of the Directors /KMP	Beginning of the year		During the year	
		No. of shares	% of total shares of the Company	No. of shares	% of the total shares of the Company
	At the end of the year				
1	Krishna Kumar Karwa	4922500	20.14	4922500	20.14
2	Prakash Kacholia	4750000	19.44	4750000	19.44
3	Preeti Kacholia	2125000	8.6956	2125000	8.6956
4	G. P. Gupta	-	-	-	-
5	S. K. Saboo	-	-	-	-
6	R. K. Krishnamurthi	-	-	-	-
7	G. C. Vasudeo	-	-	-	-
8	Vaibhav Purohit - KMP (CS)	-	-	-	-

## V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	153,357,533	11,95,00,000	-	272,857,533
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>153,357,533</b>	<b>11,95,00,000</b>	<b>-</b>	<b>272,857,533</b>
Change in Indebtedness during the financial year				
Addition		87,50,00,000		
Reduction		(90,95,00,000)		
Net Change	(3,21,39,597)	(3,45,00,000)	-	(6,66,39,597)
Indebtedness at the end of the financial year				
i) Principal Amount	12,12,17,936	8,50,00,000		20,62,17,936
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>12,12,17,936</b>	<b>8,50,00,000</b>	<b>-</b>	<b>20,62,17,936</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of Managing Director		Total (Amount ₹)
		Krishna Kumar Karwa- MD & CFO	Prakash Kacholia-MD	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60,00,000	60,00,000	120,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961			
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5.	Others, please specify	-	-	-
	<b>Total (A)</b>			
	Ceiling as per the Act	5% of the Net Profit	5% of the Net Profit	



## ANNEXURE "A"- EXTRACT OF THE ANNUAL RETURN

**B. Remuneration to other Directors:**

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		G. P. Gupta	S. K. Saboo	R. K. Krishnamurthi	G. C. Vasudeo	
1.	Independent Directors					
	- Fee for attending board / committee meetings	50,000	50,000	90,000	90,000	280,000
	- Commission					
	Total (1)	50,000	50,000	90,000	90,000	280,000
2.	Other Non-Executive Directors					
	- Fee for attending board committee meetings					
	- Commission					
	- Others, please specify					
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	50,000	50,000	90,000	90,000	280,000

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

(In Rupees)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel Company Secretary	Total
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of Profit - others, specify...	-	-
5.	Others, please specify	-	-
	Total	14,88,000	14,88,000

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCE**

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

# ANNEXURE “B” - SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2015

FORM No. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2015  
[Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

EMKAY GLOBAL FINANCIAL SERVICES LIMITED

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

Based on our verification of the Emkay Global Financial Services Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by Emkay Global Financial Services Limited for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and
- (vi) Other laws applicable to the Company as per the representation made by the Company.

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

- (i) Secretarial Standards of The Institute of Company Secretaries of India with respect to board and general meetings are not in force as on the date of this report
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review and subject to the explanations and clarifications given to us and the representations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

## ANNEXURE “B” - SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2015

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Decisions at the Board Meetings were taken unanimously.

We further report that as represented by the Company and relied upon by us there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines etc:

We further report that during the audit period the Company had the following event which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc-

The board of directors of the company at the meeting held on 22nd May, 2014 as well as shareholders at the AGM held on 13th August, 2014 approved to issue equity shares of Rs.10/- each to qualified institutional buyers in accordance with chapter VIII of the SEBI ICDR Regulations and under section 62 of the companies act, 2013 and rules made thereunder for an aggregate amount not exceeding Rs. 150 crores on preferential allotment basis. However no further action on the same is being taken and no allotment is made during the year.

**For Parikh & Associates**  
Company Secretaries

Place: Mumbai  
Date: 22nd June, 2015

**Mitesh Dhaliwala**  
Partner  
ACS No: 24539 CP No: 9511

Report is to be read with our letter of even date which is annexed as “Annexure A” and forms an integral part of this report.

# ANNEXURE "B" - SECRETARIAL AUDIT REPORT

## FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2015

### 'Annexure A'

To,

The Members

Emkay Global Financial Services Limited

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

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

**For Parikh & Associates**

Company Secretaries

Place: Mumbai

Date: 22nd June, 2015

**Mitesh Dhaliwala**

Partner

ACS No: 24539 CP No: 9511

## ANNEXURE "C" - FORMING PART OF THE DIRECTORS' REPORT

## Disclosures with respect to Employees Stock Option Scheme of the Company

Disclosures in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, 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.
4	Options vested (during the year)	2,59,500	26,250
5	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)	3,72,850	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.	795300	87500
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)	Rs.(6.52)	Rs. (6.52)
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 Rs. (7,62,27,311) with consequent lower losses. On account of the same, the basic and diluted Earnings (being in negative) per share would have been less by Rs. (3.1192) per share and Rs. (3.1155) 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 Rs. (2,02,39,911) 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."

## ANNEXURE “C” - FORMING PART OF THE DIRECTORS’ REPORT

Sr. No.	Particulars	ESOP Scheme-2007	ESOP Scheme-2010 (Through Trust Route)
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: 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 "D" - FORMING PART OF THE DIRECTORS' REPORT

## A) PARTICULARS OF EMPLOYEES FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2015.

STATEMENT CONTAINING THE PARTICULARS OF EMPLOYEES THROUGHOUT THE FINANCIAL YEARS AND PART OF THE FINANCIAL YEARS AND AS PER THE RULES 5 (2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND FORMING PART OF DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2015

List of Employees of the Company employed throughout the financial year and part of the Financial year and were paid remuneration not less than Rs. 60 lakhs per annum.

Sr. No.	Name	Designation	Gross Remuneration (₹)	Nature of Employment, whether contractual or otherwise	Qualification	Experience (Years)	Joining Date	Age (years)	Previous Employment	Relative of Directors or Managers and if so name of the Director or Manager
1	Mr. Kenin Jain	Head - Institutional Equity Sales	75,00,000	Permanent	CA & MBA	10	12/03/2012	34	Voyager Investment	-
2	Mr. Rahul Rege	Business Head - Retail	75,00,000	Permanent	B. Com	20	15/07/2009	46	Centrum Wealth Management Ltd.	-
3	Mr. Dhananjay Sinha	Head of Research and Strategist	85,00,000	Permanent	PG in Economics	20	24/10/2011	47	Centrum Broking Ltd.	-

**Note:**

- Gross Remuneration includes Salary, House Rent Allowance, Other Allowances, Contribution to Provident Fund and Value of Perquisites computed as per Income Tax Rules, 1962.
- The nature of employment in case of Managing Directors are contractual. Other terms and conditions are as per the Company's Rules.
- In compiling the above details, contribution made as per actuarial valuation to Gratuity Fund has not been taken in to account as separate figures are not available for individual employee.
- No employee is a relative of any Director of the Company.



## ANNEXURE “D” - FORMING PART OF THE DIRECTORS' REPORT

## B) RATIO/MEDIAN

## Disclosure pursuant to Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Disclosure Requirement	Disclosure Details		
		Directors	Title	Ratio
1.	Ratio of the remuneration of each director to the median remuneration of the employees for the financial year	Krishna Kumar Karwa	Managing Director and CFO	15.56x
		Prakash Kacholia	Managing Director	15.56x
2.	Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Directors/KMP		% increase in remuneration
		Krishna Kumar Karwa	Managing Director and CFO	0.00%
		Prakash Kacholia	Managing Director	0.00%
		Vaibhav Purohit	Company Secretary and Compliance Officer	20.00%
3.	Percentage increase in the median remuneration of employees in the financial year	0.72%		
4.	Number of permanent employees on the rolls of Company at the end of the year	404		
5.	Explanation on the relationship between average increase in remuneration and Company performance	<p>Increase in remuneration is based on the following factors:-</p> <p>a) Benchmarking with the Industry  b) Market Conditions  c) Company's expected turnover and profitability  d) Employees likely attrition rate  e) Business requirements  f) Applicable regulatory guidelines, if any</p> <p>Employees who were in employment in FY 13-14 and FY 14-15, average increase in remuneration was 7.82 %.</p>		
6.	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	For FY 14-15, KMP's which includes two Directors and one Company Secretary & Compliance Officer, were paid 1.26 % of the Total Income of the Company on Standalone basis.		
7.	Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the public offer	The market capitalization of the Company has increased from 35.65 crs as of 31.03.2014 to 140.27 crs as of 31.03.2015. As Earnings Per Share (EPS) of the company is negative, movement in price earnings ratio is not ascertainable. Company's share price as at 31.03.2015 has decreased by 47.83% to Rs 57.40 since the last public offering in April 2006 at the price of Rs 120/- per share.		
8.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	<p>For employees other than managerial personnel who were in employment in FY13-14 and FY 14-15, the average increase is 7.82 %.</p> <p>Average increase in remuneration of managerial personnel is 0.40% in FY 14-15 as compared to FY 13-14.</p>		
9.	Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company	Directors		Remuneration of FY 14-15 as % to PBT& Exceptional Items on Standalone basis
			Title	
		Krishna Kumar Karwa	Managing Director and CFO	3.03%
		Prakash Kacholia	Managing Director	3.03%
10.	Key Parameters for any variable component of remuneration availed by the Directors	No variable component of remuneration has been availed by the Directors during the financial year		
11.	Ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year	<p>There are three (3) employees who are not Directors but received remuneration in excess of the highest paid directors during the year.</p> <p>Considering the average remuneration of these employees, the ratio works out to 1:1.31 approx</p>		
12.	Affirmation that the remuneration is as per the remuneration policy of the Company	The Company's Directors and Employees are paid remuneration as per the Remuneration Policy		

## ANNEXURE “E” - FORMING PART OF THE DIRECTORS’ REPORT

### Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

**a) 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:

1. Installation of capacitors to save power.
2. Installation of power saving TFT monitors.
3. Enabled automatic power off modes on idle monitors.
4. Installation of Blade Servers in Data Centre which consume optimum power & space.
5. Minimal air-conditioning usage.
6. Fixed time schedules (timers enabled) for operating air-conditioners.
7. Shutting off electronic devices when not in use.
8. Installation of power saving electrical equipments like CFL.
9. Preventive maintenance of all electrical equipments for better efficiency and power consumption.
10. Educating employees on ways to conserve electricity and other natural resources and a strict adherence to the same is ensured.

**b) 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.

**c) Details of Foreign Exchange Earnings and Outgo:**

- i) The foreign exchange inflows were Rs.87.66 Lac
- ii) The foreign exchange outflows were Rs.118.32 Lac

# ANNEXURE “F” - FORMING PART OF THE DIRECTORS’ REPORT

## Form No. AOC-2

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

### **Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms’ length transactions under third proviso there to**

1. Details of contracts or arrangements or transactions not at arm’s length basis
  - (a) Name(s) of the related party and nature of relationship - N.A
  - (b) Nature of contracts / arrangements / transactions - N.A
  - (c) Duration of the contracts / arrangements / transactions - N.A
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any-
  - (e) Justification for entering into such contracts or arrangements or transactions - N.A
  - (f) Date(s) of approval by the Board - N.A
  - (g) Amount paid as advances, if any: N.A
  - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 - N.A

Your Company enters into various transactions with related parties as per the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Audit Committee and the Board of Directors of the Company have formulated the Policy on dealing with RPTs and a Policy on materiality of RPTs which is uploaded on the website of the Company and can be accessed through the following link: [www.emkayglobal.com/investorrelations](http://www.emkayglobal.com/investorrelations).

During the financial year ended 31st March, 2015, there are no transactions with related parties which qualify as a material transaction in terms of the applicable provisions of Clause 49 of the Listing Agreement. There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large.

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

# CORPORATE GOVERNANCE REPORT

(As per amended clause 49 of the listing agreement entered into with the Stock Exchanges)

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company has set itself the objective of achieving excellence in its business. As a part of its growth strategy, the Company believes in adopting the 'best practices' that are followed in the area of Corporate Governance. The Company emphasizes the need for full transparency and accountability and conducting its business in a highly professional and ethical manner, thereby enhancing trust and confidence of all its stakeholders. The Company continuously monitors its governance practices and benchmarks itself to the best governed companies across the industry. The Company believes in pursuing holistic growth and realizes its responsibility towards its stakeholders and environment. The Board considers itself as a Trustee of its Shareholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth. 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.

## 2. BOARD OF DIRECTORS (BOARD)

### • Composition of Board

The Company has an optimum combination of Executive and Non-Executive Directors in its Board and comprises of seven Directors, each having expertise in their field of operation including one Woman Director. The total number of Non-Executive 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, and there is optimum combination of more that one third of board as independent directors as per clause 49 of the Listing Agreement with the Stock Exchanges.

No Director is, inter se, related to any other Director on the Board, except Mr. Krishna Kumar Karwa and

Mr. S. K. Saboo who are related to each other and Mr. Prakash Kacholia and Ms. Preeti Kacholia who are related to each other. None of the Directors is a Director in more than 20 public 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 Stakeholders' Relationship Committee alone have been considered as specified in Clause 49 of the Listing Agreement).

The brief profile of each Director is given below:

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

Mr. Gian Prakash Gupta has over 41 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., and Aditya Birla Retail Limited.

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

Mr. Sushil Kumar Saboo has more than 47 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 42 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.

# CORPORATE GOVERNANCE REPORT

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

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 36 years. He is presently Whole Time Director and Country Manager 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 27 years in all aspects of the Equity Capital Markets. He is also the Director in West Coast Paper Mills Limited and Titagarh Agrico Private Limited.

## 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 26 years in the capital markets with a focus on the derivative segment.

## Ms. Preeti Kacholia (Non-Executive Woman Director)

Ms. Preeti Kacholia has been appointed as woman Director w.e.f. 30.03.2015 by the board vide circular resolution as per provisions 149 of the Companies Act, 2013 and amended clause 49 of the Listing Agreement of the Stock Exchanges. She is wife of Mr. Prakash Kacholia- Managing Director of the Company. She is holding 8.70 % shares in the Company.

The Composition of the Board, Directorship/Committee positions in other companies as on 31st March, 2015 and number of Meetings held and attended during the year is as follows:

Name of the Director	Category	Board Meetings during Financial Year 2014-15		Attendance at last AGM held on 13.08.2014	Other Directorships		Other Committee positions	
		Held	Attended		Private Companies	Public Companies	Chairman	Member
Mr. G. P. Gupta	NED (I)	4	2	N	1	4	1	6
Mr. S. K. Saboo	NED	4	4	Y	-	1	-	-
Mr. R. K. Krishnamurthi	NED (I)	4	4	Y	-	4	1	1
Mr. G. C. Vasudeo	NED (I)	4	4	Y	-	2	1	1
Mr. Krishna Kumar Karwa	ED	4	4	Y	2	4	-	4
Mr. Prakash Kacholia	ED	4	4	Y	1	3	-	-
Ms. Preeti Kacholia (Appointed w.e.f. 30.03.2015 as woman director)	NED	4	N.A	N.A	-	-	-	-

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

# CORPORATE GOVERNANCE REPORT

## Independent Directors

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/profession, and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination, Remuneration and Compensation Committee, for appointment, as Independent Directors on the Board. The Committee, inter alia, considers qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such persons. The Board considers the Committee's recommendation, and takes appropriate decision. Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under law. The Non-Executive Directors, including Independent Directors on the Board, possess requisite experience and specialization in diverse fields such as legal, finance, banking, administration etc.

Company has issued a letter of appointment to independent directors which also covers the code for Independent Directors as per schedule IV as provided in the Companies Act, 2013 and the Company has disclosed the terms and conditions of appointment of Independent Director on the website of the Company. Company has also informed to the BSE Limited and National Stock Exchange of India Limited regarding appointment of Independent Directors. Company has also received a declaration from them in the manner as provided in the Companies Act, 2013.

A sample of the letter of appointment is available on the website of the Company and can be accessed through the following link: [www.emkayglobal.com/investorrelations](http://www.emkayglobal.com/investorrelations).

## Familiarization Programme

Your Company has put in place a structured induction and familiarization programme for all its Directors

including the Independent Directors. The Company through such programme familiarizes not only the Independent Directors but any new appointee on the Board, with a brief background of the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model, operations of the Company, etc. They are also informed of the important policies of the Company including the Code of Conduct for Board Members and Senior Management Personnel and the Code of Conduct to Regulate, Monitor and Report, Trading by Insiders, etc.

The familiarization programme for Independent Directors in terms of provisions of Clause 49 of the Listing Agreement is uploaded on the website of the Company and can be accessed through the following link: [www.emkayglobal.com/investorrelations/disclosures](http://www.emkayglobal.com/investorrelations/disclosures).

## Evaluation of Board Effectiveness

In terms of provisions of the Companies Act, 2013 read with Rules issued there under and Clause 49 of the Listing Agreement, the Board of Directors, on recommendation of the Nomination, Remuneration and compensation Committee, have evaluated the effectiveness of the Board. Accordingly, the performance evaluation of the Board, each Director and the Committees was carried out for the financial year ended 31st March, 2015. The evaluation of the Directors was based on various aspects which, inter alia, included the level of participation in the Board Meetings, understanding of their roles and responsibilities, business of the Company along with the effectiveness of their contribution

## Meetings of Independent Directors

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a meeting of the Independent Directors of the Company was held on 23rd January 2015, without the attendance of Non-Independent Directors and members of the management.



# CORPORATE GOVERNANCE REPORT

## Board Meetings

During the Financial Year 2014-2015, 4 board meetings were held on 22nd May, 2014, 13th August, 2014, 31st October, 2014 and 23rd January, 2015. The gap between any two Meetings did not exceed one hundred twenty days.

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 (However the list mentioned below is only indicative and not exhaustive):

- 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 and every year.
- 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, if any.
- 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. AUDIT COMMITTEE

### A. Qualified and Independent Committee

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 is a Non-Executive Independent Director having expertise in the field of accounting and related financial management. All the members of the Committee are financially literate. The Statutory Auditors, Internal Auditors and Vice President Accounts & Finance are permanent invitees to



# CORPORATE GOVERNANCE REPORT

the Meetings. Mr. Vaibhav Purohit, Company Secretary, acted as the Secretary of the various Committees of the Board of Directors.

## Meetings

During the Financial Year 2014-15, four meetings were held on 22nd May, 2014, 13th August, 2014, 31st October, 2014 and 23rd January, 2015. The gap between any two meetings did not exceed one hundred twenty days. The attendance of each Committee member was as under:

Name	No. of Meetings attended
Mr. G. P. Gupta	2
Mr. G. C. Vasudeo	4
Mr. R. K. Krishnamurthi	4
Mr. Prakash Kacholia	4

## Terms of Reference

The terms of reference of Audit Committee are described below:

- a. Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
  - b. 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.
  - c. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
  - d. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
    - i. Matters required to be included in the Directors' Responsibility Statement, to be included in the Board's report in terms of provisions of the Companies Act, 2013.
    - ii. Changes, if any, in accounting policies and practices and reasons for the same.
  - e. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
  - f. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
  - g. 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.
  - h. Discussion with internal auditors on any significant findings and follow up there on.
  - i. 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.
  - j. 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.
  - k. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
  - l. To review the functioning of the Whistle Blower / Vigil Mechanism, in case the same exists.
- iii. Major accounting entries involving estimates based on the exercise of judgment by management.
  - iv. Significant adjustments made in the financial statements arising out of audit findings.
  - v. Compliance with listing and other legal requirements to financial statements.
  - vi. Disclosure of any related party transactions.
  - vii. Qualifications in the draft audit report.

# CORPORATE GOVERNANCE REPORT

- m. 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. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- p. Approval or any subsequent modification of transactions of the company with related parties;
- q. Scrutiny of inter-corporate loans and investments;
- r. Valuation of undertakings or assets of the Company, wherever it is necessary;
- s. Evaluation of internal financial controls and risk management systems;
- t. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- u. Committee will also function terms of reference as amended from time to time by SEBI.
- v. The Committee also reviews the following matters:
- Management Discussions and Analysis of Company's Operations.
  - Periodical Internal Audit Reports.
  - Letters of Statutory Auditors to management on internal control weakness, if any.
  - Appointment, removal and terms of remuneration of Internal Auditors.
  - Significant related party transactions.
- vi. Quarterly and Annual Financial Statements including investments made by the Subsidiary Companies.

## 4. NOMINATION, REMUNERATION AND COMPENSATION COMMITTEE.

The nomenclature of the "Remuneration / Compensation Committee" was changed to "Nomination, Remuneration and Compensation" at the Board Meeting held on 22.05.2014.

As per the clause 49 (IV) of the Listing agreement, Chairman of the Board shall not chair the Nomination, Remuneration and Compensation Committee. Hence during the year, Mr. G. C. Vasudeo, being Independent Director, has been appointed as a Chairman of the Committee in place of Mr. G. P. Gupta and Mr Gupta will continue as a member of the said committee.

The present composition of the Nomination, Remuneration and Compensation Committee is as follows:

Mr. G. C. Vasudeo	Chairman
Mr. S. K. Saboo	Member
Mr. R. K. Krishnamurthi	Member
Mr. G. P. Gupta	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 2014-15, One Meetings was held on 31st October, 2014. The attendance of each Committee member was as under:

Name	No. of Meetings attended
Mr. G. P. Gupta	1
Mr. G. C. Vasudeo	1
Mr. R. K. Krishnamurthi	1
Mr. S. K. Saboo	1

# CORPORATE GOVERNANCE REPORT

## Terms of Reference

The Nomination, Remuneration and Compensation Committee determines 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 as under.

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

The Chairman of the Nomination, Remuneration and Compensation Committee remains present at the Annual General Meeting, to answer the shareholders' queries. However, it would be up to the Chairman to decide who should answer the queries.

The Nomination, Remuneration and Compensation Committee also meets 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 includes 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 and (b) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995;
- j) Frame any other byelaws, rules or procedures as it may deem fit for administering ESOP.

## Remuneration Policy

The Remuneration policy of your Company is a comprehensive policy which is competitive, in consonance with the industry practices and rewards good performance of the employees of the Company. The policy ensures equality, fairness and consistency in rewarding the employees on the basis of performance against set objectives.

The Board of Directors and Nomination, Remuneration and Compensation Committee of Directors are authorized to decide the remuneration of Executive Directors

## CORPORATE GOVERNANCE REPORT

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 Nomination, Remuneration and Compensation Committee and the Shareholders. The remuneration structure comprises of salary, perquisites, retirement benefits and performance linked bonus. No stock options are granted to the executive directors of the Company.

### Remuneration to Non-Executive / Independent Director:

The remuneration / commission is fixed as per the slabs and conditions mentioned in the Companies Act, 2013. Commission to Non Executive Independent Directors may be paid within the monetary limit approved by shareholders, subject to the limit of 1% of the profits of the Company computed as per the applicable provisions of the Act.

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed per meeting of the Board or Committee as may be prescribed in the Companies Act, 2013 and also subject to approval of the Board of Directors and Members.

Sitting fees for Board / Committees paid to all non executive directors including Independent Directors fixed by the Board of Directors was within the limit as prescribed in the Companies Act, 2013. An Independent Director is not entitled to any stock option of the Company.

### Details of Remuneration paid to Managing Director(s) for the Financial Year 2014-15

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 and the Members of the Company at their meeting held on 5th August, 2013 approved re-appointment and payment of remuneration to Mr. Krishna Kumar Karwa- Managing Director & CFO and Mr. Prakash Kacholia- Managing Director for a period of three years with effect from 1st October, 2013 subject to approval of the Central Government due to inadequacy of profits.

Ministry of Corporate Affairs had approved their reappointment and payment of Remuneration of Rs. 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 Rs. 1,57,08,000/- per annum each, approved by the Members of the Company on 5th August, 2013.

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 a salary of Rs. 60,00,000/- p.a. w.e.f. 1st October, 2013.

The Basic Salary may be reinstated whenever the Board and / or Nomination, Remuneration and Compensation Committee feels it appropriate and fit after considering the business environment from the new financial year starting 1st April, 2015.

### Remuneration paid to Managing Directors for the Financial Year 2014-2015

	(Amt in Rs.)	
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
<b>Total</b>	<b>60,00,000</b>	<b>60,00,000</b>

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

# CORPORATE GOVERNANCE REPORT

## Details of Remuneration paid by way of Sitting Fees to Non-Executive Directors during the Financial Year 2014-2015

(Amt in Rs.)

Name	Sitting Fees for Board/ Committee Meetings attended
Mr. G. P. Gupta	50,000
Mr. S. K. Saboo	50,000
Mr. R. K. Krishnamurthi	90,000
Mr. G. C. Vasudeo	90,000
Ms. Preeti Kacholia	NIL
Total	2,80,000

## 5. STAKEHOLDERS RELATIONSHIP COMMITTEE

During the year, the nomenclature of the “Investor Grievance and Share Transfer Committee” was changed to “Stakeholders Relationship Committee” pursuant to section 178 of the Companies Act, 2013.

The present composition of the Stakeholders Relationship 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. The Company Secretary acts 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 2014-15, the Committee had 4 meetings. These meetings were held on 22nd May, 2014, 13th August, 2014, 31st October, 2014 and 23rd January, 2015. All the Members of the Committee were present at all the meetings. The Stakeholders Relationship Committee looks into the redressal of shareholder and investor grievances, 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.

Mr. Vaibhav Purohit, Company Secretary & Compliance Officer appointed by the 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 2014-15:

Number received during the year	7
Number resolved to the satisfaction of complainant	7
Number pending redressal	Nil
Number pending transfers	Nil

## 6. GENERAL BODY MEETINGS

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

Financial Year	AGM No.	Venue	Date	Time
2013-2014	20 <sup>th</sup>	M. C. Ghia Hall, Fort, Mumbai.	13th August, 2014	3.00 p.m.
2012-2013	19 <sup>th</sup>		5th August, 2013	4.00 p.m.
2011-2012	18 <sup>th</sup>		08th August, 2012	2.00 p.m.

### Special Resolutions passed at the last three AGM:

- At the 20th AGM held on 13th August, 2014.
  - Resolution Passed under section 180 (1) (a) of the Companies Act, 2013 for creation of charges on assets of the Company.
  - Resolution passed under section 180 (1) (c) of the Companies Act, 2013 for approving the borrowing limits of the Company.
  - Resolution passed under section 62 (1) (c) of the Companies Act, 2013 for authorization for issue of equity shares of the Company and / or other securities in the form of Qualified Institutional Placement (QIP)
- At 19th AGM held on 5th August, 2013
  - Re-appointment of and Payment of Remuneration to Managing Directors.

**Postal Ballot:** During the last year, no special resolution was passed by the Company through postal ballot and no resolution is proposed to be passed through postal ballot.

# CORPORATE GOVERNANCE REPORT

## 7. DISCLOSURES

### A. Related Party Transactions (RPT)

- a) The Audit Committee and the Board of Directors of the Company have formulated the Policy on dealing with RPTs and a Policy on materiality of RPTs which is uploaded on the website of the Company and can be accessed through the following link: [www.emkayglobal.com/investor-relations](http://www.emkayglobal.com/investor-relations).
- b) Your Company enters into various transactions with related parties as per the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement.
- c) During the financial year ended 31st March, 2015, there are no transactions with related parties which qualify as materially significant transaction in terms of the applicable provisions of Clause 49 of the Listing Agreement.
- d) There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large.
- e) During the financial year ended 31st March, 2015, the Company entered into some RPTs which were not considered in the ordinary course of business but were on arms length basis. However such transactions were identified as not crossing the threshold limits as stipulated under the Companies Act, 2013 and rules made thereunder, Clause 49 of the Listing Agreement and the Policy of the Company on dealing with RPTs. Accordingly, no shareholders approval was required for the same and the Company obtained the requisite approvals of the Audit Committee and the Board.
- f) A statement in summary form of all the transactions with related parties is placed periodically before the audit committee.
- g) Transactions with related parties, as per requirements of Accounting standard 18, are disclosed elsewhere in this annual report.

- B. There was no non compliance and no penalties or strictures were imposed by the stock exchanges or by the 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.

### C. Whistleblower Policy/Vigil Mechanism

The Company is committed to provide an open, honest and transparent working environment and seeks to eliminate fraudulent activities in its operations. To maintain high level of legal, ethical and moral standards and to provide a gateway for employees to report unethical behaviour and actual or suspected frauds, the Company has adopted the Whistleblower Policy/vigil Mechanism with effect from 1st April, 2014, in line with Clause 49 (II) (F) of the Listing Agreement. No personnel have been denied access to the Audit Committee.

The Whistleblower Policy /Vigil Mechanism broadly covers a detailed process for reporting, handling and investigation of fraudulent activities and providing necessary protection to the employees who report such fraudulent activities / unethical behaviour. The Whistleblower Policy is available on the Company's website i.e. [www.emkayglobal.com/investor-relations](http://www.emkayglobal.com/investor-relations)

### D. Details of compliance with mandatory and non-mandatory requirements of Clause 49 of the Listing Agreement

Your Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement.

Following is the status of the compliance with the non-mandatory requirements:

#### a) Audit qualifications:

During the year under review, there was no audit qualification on the Company's financial statements.

#### b) Separate posts of Chairman and Managing Director:

The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director & CEO.



# CORPORATE GOVERNANCE REPORT

## 8. MEANS OF COMMUNICATION

- The Quarterly/Annual Financial Results of the Company are normally published in the Free Press Journal and Navshakti.
- The Quarterly/Annual Financial Results were promptly displayed on the Company's website [www.emkayglobal.com](http://www.emkayglobal.com).
- Policies made by the Company as per Companies Act, 2013 and Pursuant to Clause 49 of the Listing

agreement were displayed on the Company's website [www.emkayglobal.com](http://www.emkayglobal.com).

- All the official news releases are regularly sent to the Stock Exchanges and are promptly displayed on the Company's website.
- The presentations made to the institutional investors or to the analysts, if any have been posted on website of the Company.

## 9. GENERAL SHAREHOLDER INFORMATION

AGM: Date, time and venue	Wednesday, 12th August, 2015 at 4.00 P.M. at M. C. Ghia Hall, Fort, Mumbai – 400001.
Financial Year	1st April, 2014 to 31st March, 2015
Date of Book Closure	Monday, 3rd August, 2015 to Wednesday, 12th August, 2015 (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 a Stakeholder Relationship 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 Stakeholders Relationship Committee for its approval/ confirmation.
Dematerialization of Shares and liquidity	As on 31.03.2015, 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 into financial services business and does not have any plant locations.
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.



# CORPORATE GOVERNANCE REPORT

## Market Price Data

During the year, the BSE Sensex increased from 22,386.27 to 27,957.49

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, 2014 to 31st March, 2015 is as follows:

Month	BSE		NSE	
	High Rs.	Low Rs.	High Rs.	Low Rs.
April, 2014	20.50	12.67	20.85	12.25
May, 2014	26.70	15.35	26.00	14.60
June, 2014	32.35	20.70	22.95	20.50
July, 2014	51.20	32.40	No Trades	No Trades
August, 2014	52.50	39.65	No Trades	No Trades
September, 2014	47.00	40.00	46.45	39.80
October, 2014	56.00	40.20	55.90	39.45
November, 2014	57.45	45.85	57.40	45.00
December, 2014	58.00	49.00	56.90	48.60
January, 2015	67.90	48.10	68.00	47.70
February, 2015	63.00	54.25	63.80	51.75
March, 2015	61.75	50.15	61.00	49.30

## Categories of Share Holding as on 31st March, 2015

The Shareholding of different categories of the shareholders as on 31st March, 2015 is given below:

Category	No. of Shareholders	No. of Shares	% of total
Promoters	3	1,38,22,500	56.56
Directors/Relatives of Directors	4	40,75,000	16.68
Other Bodies Corporate	122	5,43,759	2.23
NRI (including Non Repatriable)	46	91,125	0.37
Trusts	1	7,54,648	3.09
Mutual Fund	1	3,14,530	1.29
Public	5069	48,36,188	19.78
<b>Total</b>	<b>5246</b>	<b>2,44,37,750</b>	<b>100.0000</b>

## Distribution of Shareholding as on 31st March, 2015

The Shareholding distribution of the equity shares as on 31st March, 2015 is given below:

Number of Shares held (Face value of Rs. 10 each)	Shareholders		Shares	
	Number	% of total	Number	% of total
1-500	4696	89.5158	452198	1.8504
501-1000	196	3.7362	164399	0.6727
1001-2000	117	2.2303	176454	0.7221
2001-3000	54	1.0294	138915	0.5684
3001-4000	36	0.6862	129941	0.5317
4001-5000	24	0.4575	113927	0.4662
5001-10000	50	0.9531	369441	1.5118
10001 & above	73	1.3915	22892475	93.6767
<b>Total</b>	<b>5246</b>	<b>100.0000</b>	<b>24437750</b>	<b>100.0000</b>

## 10. OTHERS

### a) Code of Conduct

Your Company has adopted a Code of Conduct for all the employees including Board Members and Senior Management Personnel of the Company in accordance with the requirement under Clause 49 of the Listing Agreement. The Code of Conduct has been posted on the website of the Company. All the Board Members and the Senior Management Personnel have affirmed their compliance with the said Code of Conduct for the financial year ended 31st March, 2015. A certificate signed by the Managing Director(s)/CFO is annexed to this report as "Annexure 1".

### b) Code of Conduct for Prevention of Insider Trading

The Board of Directors at its meeting held on 22nd May, 2015, approved and adopted the Code of Conduct to Regulate, Monitor and Report Trading by Insiders' in line with SEBI (Prohibition of Insider Trading) Regulation, 2015. The Board at its aforesaid meeting also approved the 'Code for Fair Disclosure' and the same can be accessed through the following link: [www.emkayglobal.com/investor relations](http://www.emkayglobal.com/investor%20relations).

### c) CEO / CFO Certification

The certificate required under Clause 49(IX) 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".

## CORPORATE GOVERNANCE REPORT

### d) IPO Unclaimed Shares Demat Suspense Account.

As per the 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 2015, a total of 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, 2015, an amount of Rs. 6325/- is lying in the said bank account.

### e) 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, 2014. As required under Clause 49, an Independent Director of the Company has been placed on the Board of Emkay Fincap Limited.

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

1. 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.
2. The Minutes of Board and Audit Committee Meetings of the subsidiaries are placed at the Board Meetings of the Company.
3. 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.

### f) Risk Management Framework

The Company has in place a mechanism to inform the Board about the risk assessment and minimization procedures and periodical review to ensure that management controls risk through means of a properly defined framework.

### g) Listing Fees

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.

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 June, 2015

# CERTIFICATE OF CORPORATE GOVERNANCE

To the Members of

M/s. 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, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in 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  
M. No. 14568

Place: Mumbai  
Date: 22<sup>nd</sup> June, 2015

# CODE OF CONDUCT

## Annexure-1

In accordance with Sub-Clause II (E) 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, 2015.

### For EMKAY GLOBAL FINANCIAL SERVICES LIMITED

**Krishna Kumar Karwa**  
Managing Director & CFO

**Prakash Kacholia**  
Managing Director

Place: Mumbai

Date: 22<sup>nd</sup> June, 2015

# CEO/CFO CERTIFICATE

Annexure-2

We hereby certify that -

- (a) We have reviewed Financial Statements and the Cash Flow Statement 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 and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee;
- i) Significant changes, if any in internal control over financial reporting during the year;
  - ii) Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) Instances of significant fraud, if any, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Krishna Kumar Karwa**  
Managing Director & CFO

**Prakash Kacholia**  
Managing Director

Place: Mumbai

Date: 22<sup>nd</sup> June, 2015

# MANAGEMENT DISCUSSION AND ANALYSIS

## 1. ECONOMIC OVERVIEW

Amidst the gloomy mood of pessimism and uncertainties in the emerging and developed economies, India reemerged with the most promising growth outlook. Global macro fundamentals have also unfolded in favour of India, the bust in the commodity super cycle has placed India on a stronger footing compared to its peers. India's growth phase started at a leisure pace. Domestic structural impediments continued to pose a hurdle to sustainable growth story. However, structural and geopolitical uncertainties are looming large on the peers making India as the most preferred investment destination for investors. Lower commodity prices have aided in bringing down the current account deficit to favourable levels, slowing down of inflation and narrowing down of government's revenue deficit. The sustained disinflationary pressures in the economy enabled RBI to shift its tight monetary policy stance to accommodative stance. The new GDP series has been quite confounding. The new GDP series suggests that India is likely to have outpaced the fastest growing economy, China, in FY15 by growing at a pace of 7.4%. Breaking down the growth dynamics, growth will largely be contributed by amelioration in performance of basic infrastructure industries while sluggishness has persisted in consumer and infrastructure oriented industries. Agriculture sector which depends largely on the weather conditions, remained a drag to the growth. Demand conditions continued to remain weak likely driven by subdued rural as reflected by the sustained drop in rural core inflation.

Despite augmenting foreign investment inflows and favourable current account deficit, INR continued to remain under pressure which was largely due to sharp upswing in US dollar. INR in comparison to its major trading partners leaving aside US reflected a sizeable appreciation.

## 2. INDUSTRY OVERVIEW

Exuberance witnessed in equity markets is due to renewed foreign and domestic investors' interests turned favourable for the domestic brokerage industry. Ample liquidity and limited global investment opportunities coupled with optimism spurring from change in domestic political scenario have channelized the huge quantum of foreign inflows into the Indian capital markets. FII's have invested USD 46 billion in Indian markets of which USD 18 billion have been in equities and rest have been in debt markets. This year has witnessed highest ever FII investment in debt markets. Overall AUMs have expanded by nearly 35% to INR 12 trillion in FY15. Retail Investors' interests have also revived as investor accounts in mutual funds have resurged to over 42 million in Mar'15 from 40 million in Sep'14.

## 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.).

### Equity

Emkay is an INR 113.80 crore net worth group with over 300 retail outlets across the country. It caters to both institutional and non-institutional clients. Backed by one of the strongest equity 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

## MANAGEMENT DISCUSSION AND ANALYSIS

contributed 58% of the total equity broking business, while the non-institutional segment accounted for the remaining. The total number of institutional clients increased from 248 in FY14 to 261 in FY15 while the number of non-institutional clients stood at 1,29,677. The AUM went up from Rs. 1,584 crore to Rs. 7,403 crore and the number of active DP accounts was 87,247.

### 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 34 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 covers 250 stocks across various sectors like Agri Input & Chemicals, Auto & Auto Ancillaries, Banks & Financial Services, Cement, Construction & Infrastructure, Consumers, Engineering & Capital Goods, IT Services, Media & Entertainment, Metals & Mining, Oil & Gas, Paper, Pharmaceuticals, Power and Telecommunications. During the year, the team released numerous industry and thematic reports. It also organized many national and international road shows, conducted many meetings and conference calls with corporate and industry experts.

### Investment Banking

The capital market has been buoyant during FY14-15 with the new NDA Govt taking charge with full majority. The activity in the IPO market is picking up and many existing listed companies have raised money through QIP or rights issues. We believe that the investment cycle will kick-in during FY15-16 that would give further boost to the fund raising exercise of corporate India. During the year, 46 IPOs (including SME IPOs), 51 QIPs and 18 Rights Issues have successfully raising Rs. 3,039 crore, Rs. 29,102 crore

and Rs. 6,750 crore respectively. Emkay's Investment Banking division is focused on the small to mid-market segment and has been fairly successful in raising money for quality companies. Majority of the fund raising was by way of QIPs and will remain same in the next year. During the year, the investment banking team completed 8 transactions including QIPs of Dynamatic Technologies Limited, Mold-Tek Packaging Limited, MPS Limited & IRB Infrastructure Developers Limited. The clients who subscribed to the issues are top mutual funds and FIIs in India. Emkay also provided advisory services on others products to Mandhana Industries Limited & Shaily Engineering Plastics Limited and also completed EICL delisting offer during the year.

### PMS & Distribution Services

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 its 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. Emkay PMS also offers highly customized & personalized advisory services to large HNI / NRI & corporate investors. All of EIML's PMS strategies have consistently out-performed the index over the years, thereby building substantial wealth for its clients. Below is the performance for last two years of Emkay PMS's flagship product – Emkay Capital Builder.

#### Emkay PMS - Capital Builder \* as on 31st March, 2015

Period	Portfolio	S&P CNX 500	Nifty
FY15 (12 M)	54.41%	34.33%	27.52%
FY14 (Prev 12M)	23.82%	16.76%	17.79%
FY15 + FY14 (Last 24 M)	89.28%	56.33%	49.78%

\*XIRR for all clients



## MANAGEMENT DISCUSSION AND ANALYSIS

### Commodity

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.

### Currency

Foreign exchange is the world's largest and most traded market, with an average daily global turnover of nearly \$4.3 trillion (Rs. 200 Lac crore). This is more than 12 times the average daily turnover of the global equity markets. India's daily forex turnover is around \$60 billion of which nearly \$4.5 billion is contributed through Exchange traded derivatives. As per RBI, India's foreign exchange (Forex) reserves have moved to its highest levels ever in this FY to touch \$351 billion. India's average CAD was 1.3% of the GDP as against 1.7% of the GDP in the previous fiscal – CAD dropped on sharp contraction in imports, particularly gold imports. In FY15, the total turnover of the currency market in India decreased by 23% yoy to Rs. 49,12,370 crore. Emkay's turnover in the currency fell ~27% yoy to Rs. 10,421 crore. Market share dropped to 0.22% from 0.27% in FY13.

### Insurance

Emkay services 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 FY15, The non-life insurance business contributed 91% of total revenue while the life segment brought in the remaining 9%.

### 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 Rs. 3,290 Lac in FY14 to Rs. 4,493 Lac in FY15. The Profit/Loss After Tax from this business was reported at Rs. 286 Lac as against Rs. 240 Lac in the previous year.

## 4. OPPORTUNITIES & THREATS

Renewed optimism riding on back of promises made by Modi government and favourable outcome of global dynamics have scaled the domestic markets to its new peaks in FY15. Sentimental optimism has been riding high on the markets, however going forward it would depend a lot on delivery of these expectations. Near term growth outlook remains subdued in case government bites the bullet to bring about sustainable growth. Channelizing foreign liquidity into creating productive assets is currently essential else it might lead to creation of a fresh bubble. Policy constraints, continuous & elevated inflation and weak demand conditions have together slackened the private investment cycle. Whereas in the trade-off between maintaining the fiscal deficit target v/s pro-growth policies, public investment suffered. The conversion of projects from the announced stage to completion stage has dropped sharply from nearly 6.0% during FY08-FY10 to less than 2.0% in FY15. Cost overruns of these projects have already augmented in the last couple of years, which was not only contributed by escalation in land prices but also by commodity super-cycle. Now with China slowing down, this year augmentation in input cost has been miniscule. However, the projects which have been stalled in the last couple of years have lost their sheen due to sharp buildup in, input cost. Renewal of these projects is a daunting challenge, the blockage of funds and past experience is likely to deter any further private investment activity atleast for some time now. For confidence buildup in the private segment, basic infrastructure needs to be in place along with pro-investment policies.

## 5. FUTURE OUTLOOK

A year has passed post the decisive victory of the new government. The year 2016, is expected to be the year



## MANAGEMENT DISCUSSION AND ANALYSIS

of implementation of these promises made by the new government. Channelizing the input prices and foreign liquidity to the productive assets will aid in providing the right support to the growth. Government's intention of tackling fiscal deficit by compromising on the pro-growth expenditure has adversely impacted the recovery cycle. However, the future growth is impeded on the government reforms, declining trend in oil prices, further monetary easing and normal monsoon. Government reforms such as shifting of expenditure focus from consumption oriented to capital intensive, passage of land acquisition bill, implementation of GST are required to boost the growth. Long term job creation is critical for sustainable and overall progress of the economy. Private investment climate is still sentimentally frail. Weak corporate balance sheets, impaired banking system, volatility in currency & international commodities, deficiencies of PPP model and insignificant pickup in government investment activity are some of the concerns that has and will hold back the private investment activity. Government's prudent management of its finances on the backdrop of sharp fall in international crude oil prices has to some extent offset the shortfall in tax revenue collection. Drop in crude oil prices by nearly 50% in FY15 of which 34% has been passed on to the consumers while government has retained the rest 66%. The rationale behind government retaining a larger portion is to provide for the cushion to absorb the future volatility of oil prices. This prudent decision is likely to augur well in reducing the government's subsidy burden in the next few years. 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 show a further improvement from a penciled in number of 7.4% in FY15. The twin deficits concerns have been curtailed and contained and the next investment boom seems to be underway. During the year, broad based inflation tapered off from its peak on account of sharp correction in global commodity prices mainly energy inflation. Retail

inflation tapered down sharply from a peak of 8.5% in Apr'14 to 5.3% towards the fiscal year end. With these comfortable inflation numbers, RBI reduced the interest rates twice this year to the extent of 50bps that too in between the scheduled policy meets. Notwithstanding the weather vagaries, inflation continued to remain soft. Also, despite the forecast of a below-normal monsoon by the IMD, the current inflation trajectory provides the RBI with the room to cut Repo rate by another 25-50bps from the current levels of 7.5% during FY16.

### 6. RISKS & CONCERNS

#### Economic Risk

Volatility in the Indian and global markets may affect the Company's results - 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.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 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 / 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

'Your Success is our Success' is the guiding principle of our organization work culture. We partner our people in realizing their personal goals and in giving wings to their dreams. We provide them tools needed to reach their full potential, hone their skills and develop new ones through training programs and continuous mentoring. In the year 2014 -15, we have taken various initiatives towards this like we -

- Introduced Induction Program with a walk through for all New Joinees at Head Office that included Head HR Welcome Speech, MD Message, Video of Departments, Employee Speak, Web Meeting and Interactive Chat Software with all the New Joinees on a Conference at the branches.
- Streamlined HR Processes through an in-house online HR Software for Recruitment, New Joinee On-boarding, Induction and Exits to provide accurate real time status report for all employees.

- Revamped the content of Newsletter for engaging all employees to contribute articles at Branches and Head Office, introduced Employee Connect, Industry Connect, Book Review and Employee Appreciation section.
- Recruited Management Trainees and Summer Trainees through various B-School campuses across India.
- Conducted around 50 training workshops across the various verticals covering more than 300 man days of training of employees across all locations giving emphasis to our employee growth and development strategy.
- Online Peer Review to increase inter-functional coordination and give feedback to peers.

We believe in making work an enjoyable experience by providing right balance between fun and work. To fuse our talented people and synergize their sparkling energies, we organized the annual Emkay Diwali Bash "Emkay Fusion". We also presented Awards to employees who have put in long years of service (10 years plus) at a special function organized during our annual Diwali Bash. To promote employee bonding and a sense of belonging and pride in working for the organization, we organized multi-facet events such as Emkay's Master Chef, Independence Day, Secret Santa, Carom Championship, Women's Day and Maharashtra Day.

We believe that people are our greatest assets and continuous efforts are made to invest in people by providing ample learning and growth opportunities. In our endeavor to recognize and give recognition to the hidden talents of our people, training programs and workshops towards the development of our employees were organized to chisel them into masterpieces. Programs were customized for various departments right from the back office operations teams to the top management. We organized training programs on Leadership Development, Coaching, Planning & Organizing, Effective Communication Skills, Advanced Excel and Research Report Writing.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 8. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACIES

The Company's internal control systems are adequate, operating effectively and are commensurate with the size of business and the same is provided 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 periodically. The reports are deliberated and executive summary of the same along with action taken report (ATR) for 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 Rs. 11,687 Lac in FY15, as against Rs. 8,267 Lac in FY14, an increase of 41.37%. EBIDTA: The Company's EBIDTA stood at Rs. 3,297 Lac compared to Rs. 595 Lac in FY14, an increase of 454.12%. PAT: The Profit/(Loss) after tax stood at Rs. (1,573) Lac as against Rs. (395) Lac in FY14, an increase of 298.23% due to exceptional item of Rs. 3,587.06 Lac.

### Standalone:

Income: The Company recorded a total income of Rs. 10,380 Lac, as against Rs. 6,828 Lac in FY14, a increase of 52.02%. EBIDTA: The Company's EBIDTA stood at Rs. 2,691 Lac, as against Rs. 317 Lac in FY14, an increase of 748.90%. PAT: The Profit/(Loss) after tax stood at Rs. (1,594) Lac, as against Rs. (521) Lac in FY14, an increase of 205.95%. due to exceptional item of Rs. 3,587.06 Lac.

## 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.

# INDEPENDENT AUDITOR'S REPORT

## To the Members of EMKAY GLOBAL FINANCIAL SERVICES LIMITED, Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of EMKAY GLOBAL FINANCIAL SERVICES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of

## INDEPENDENT AUDITOR'S REPORT

affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section(11) of section 143 of the Companies Act, 2015, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule

11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 8(A) to the financial statements;
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

**(CA B. L. Sarda)**

Partner

Place : Mumbai

Date : 22nd May, 2015

Membership No. 014568

# INDEPENDENT AUDITOR'S REPORT

## 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) (a) In our opinion, 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.
- (ii) (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 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 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.
- (iii) The company has not granted any secured or unsecured loan to companies, firms and other parties covered in the register maintained under section 189 of the Act. Therefore, comments under clause 3(iii)(a) and 3(iii)(b) of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of securities and 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.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.
- (vi) In our opinion and according to the information and explanations given to us, the Company is not required to maintain cost records pursuant to the rules made by the Central Government under Section 148 (1) of the Act.
- (vii) (a) According to the records of the Company and the information and explanations given to us, the company is generally



## INDEPENDENT AUDITOR'S REPORT

regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid statutory dues were in arrears, as at 31st March, 2015 for a period of more than six months from the date they became payable. As explained to us, the Company did not have any dues on account of sales tax, wealth tax, duty of custom and duty of excise.

(b) As at 31st March, 2015, 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, service tax, value added tax and cess matters that have not been deposited:

Nature of dues	Amount (Rs. in Lac)	Period to which the amount relates	Forum where pending
Tax Deducted at Source and Interest	0.35	F.Y.2005-2006	Appeal effects
Income Tax and Interest	9.60	F.Y.2010-2011	Commissioner of Income Tax (Appeals)

(c) The amount required to be transferred by the Company to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under has been transferred to such fund within time.

(viii) The Company has accumulated losses as at 31st March, 2015 which are not more

than fifty percent of its net worth. It has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

- (ix) 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.
- (x) Based on our examination of the records, we are of the opinion that 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.
- (xi) 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.
- (xii) Based on the audit procedures performed and according to the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year ended 31st March, 2015 nor have we been informed of such case by the management.

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

**(CA B. L. Sarda)**

Partner

Membership No. 014568

Place: Mumbai

Date : 22nd May, 2015

# BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2015

	Note No.	As at 31st March, 2015 (₹)	As at 31st March, 2014 (₹)
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDER'S FUNDS</b>			
Share Capital	3.1	244,377,500	244,377,500
Reserves and Surplus	3.2	821,818,537	981,999,926
		<b>1,066,196,037</b>	<b>1,226,377,426</b>
<b>NON-CURRENT LIABILITIES</b>			
Other Long-Term Liabilities	3.3	20,534,945	24,627,942
		<b>20,534,945</b>	<b>24,627,942</b>
<b>CURRENT LIABILITIES</b>			
Short-Term Borrowings	3.4	206,217,936	272,857,533
Trade Payables	3.5	420,604,459	510,312,642
Other Current Liabilities	3.6	388,331,937	431,385,498
Short-Term Provisions	3.7	2,517,482	2,370,060
		<b>1,017,671,814</b>	<b>1,216,925,733</b>
		<b>2,104,402,796</b>	<b>2,467,931,101</b>
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
<b>Fixed Assets</b>			
- Tangible Assets	3.8 (a)	355,160,385	384,213,163
- Intangible Assets	3.8 (b)	3,599,411	4,067,784
Non-Current Investments	3.9	346,004,526	346,004,526
Long-Term Loans and Advances	3.10	159,253,868	150,579,701
		<b>864,018,190</b>	<b>884,865,174</b>
<b>CURRENT ASSETS</b>			
Inventories	3.11	24,232,145	610
Trade Receivables	3.12	403,559,723	372,006,654
Cash and Cash Equivalents	3.13	587,023,904	542,400,551
Short-Term Loans and Advances	3.14	181,903,639	658,251,617
Other Current Assets	3.15	43,665,195	10,406,495
		<b>1,240,384,606</b>	<b>1,583,065,927</b>
		<b>2,104,402,796</b>	<b>2,467,931,101</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	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  
Dated: 22nd May, 2015

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

G. P. Gupta  
Chairman

Krishna Kumar Karwa  
Managing Director & CFO

Prakash Kacholia  
Managing Director

Vaibhav Purohit  
Company Secretary & Compliance Officer

Place: Mumbai  
Dated: 22nd May, 2015



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

	Note No.	For the Year Ended 31st March, 2015 (₹)	For the Year Ended 31st March, 2014 (₹)
<b>Income</b>			
Revenue from Operations	3.16	998,921,435	674,028,495
Other Income	3.17	39,110,671	8,812,478
<b>Total Revenue</b>		<b>1,038,032,106</b>	<b>682,840,973</b>
<b>Expenses</b>			
Employee Benefits Expense	3.18	404,350,249	320,386,326
Finance Costs	3.19	28,343,065	41,509,341
Depreciation and Amortization Expense	3.20	42,761,152	41,582,673
Other Expenses	3.21	364,585,197	330,780,475
<b>Total Expenses</b>		<b>840,039,663</b>	<b>734,258,815</b>
<b>Profit/(Loss) for the year before exceptional item and tax</b>		<b>197,992,443</b>	<b>(51,417,842)</b>
Less : Exceptional item (Refer note no. 5)		358,705,815	-
<b>Profit/(Loss) before tax</b>		<b>(160,713,372)</b>	<b>(51,417,842)</b>
<b>Tax Expense:</b>			
<b>Income-Tax</b>			
- (Excess)/Short Provision for Taxation for Earlier Years		(1,272,254)	691,914
<b>Profit/(Loss) for the year</b>		<b>(159,441,118)</b>	<b>(52,109,756)</b>
<b>Earnings per Equity Shares of nominal value of Rs.10/- each</b>			
-Basic		(6.52)	(2.13)
-Diluted		(6.52)	(2.13)
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	2		
<b>The accompanying notes are an integral part of the financial statements.</b>			

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

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

Place: Mumbai  
Dated: 22nd May, 2015

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

G. P. Gupta  
Chairman

Krishna Kumar Karwa  
Managing Director & CFO

Prakash Kacholia  
Managing Director

Vaibhav Purohit  
Company Secretary & Compliance Officer

Place: Mumbai  
Dated: 22nd May, 2015

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	Year ended 31st March, 2015		Year ended 31st March, 2014	
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before tax, Exceptional / Extraordinary items		197,992,443		(51,417,842)
Adjustment for :				
Finance Costs	28,343,065		41,509,341	
Depreciation and Amortization	42,761,152		41,582,673	
Loss on Sale/Discard of Fixed Assets	198,521		1,150,155	
Interest Received	(38,534,819)		(8,517,966)	
Dividend Received	(575,852)		(265,422)	
Provision for Doubtful Debts /Deposits / Advances (Net off write back)	(38,344,715)		(13,113,400)	
Provision for loss on equity index futures	(2,229,599)	(8,382,247)	2,313,559	64,658,940
Operating profit before working capital changes		189,610,196		13,241,098
Adjustment for :				
Trade and other receivables	454,746,747		(226,056,488)	
Deposits with Banks and Other items not considered as cash equivalents ( Refer Note 3 below )	(87,878,255)		69,204,118	
Inventories	(24,231,535)		-	
Trade and other payables	(136,668,428)	205,968,529	356,774,625	199,922,255
<b>Cash Generated from operations</b>		<b>395,578,725</b>		<b>213,163,353</b>
Direct taxes (Paid)/Refund		(10,038,140)		(8,962,365)
<b>Cash flow before Exceptional / Extraordinary items</b>		<b>385,540,585</b>		<b>204,200,988</b>
Exceptional / Extraordinary items		(358,705,815)		-
<b>Net Cash from/ (used in) Operating Activities</b>		<b>26,834,770</b>		<b>204,200,988</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets & Capital Work in Progress	(15,332,431)		(8,204,513)	
Sale of Fixed Assets	1,153,641		775,565	
Acquisition of Non-current Investments	-		(1,000,000)	
Interest received	38,534,819		8,517,966	
Loans (given)/received back to/from related parties	-		2,000,000	
Dividend received	575,852	24,931,881	265,422	2,354,440
<b>Net Cash from/ (used in) Investing Activities</b>		<b>24,931,881</b>		<b>2,354,440</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds/(Repayment) of Long-Term Borrowings	-		(1,005,111)	
Proceeds/(Repayment) of Short-Term Borrowings	(66,639,597)		(116,364,830)	
Finance Costs	(28,343,065)		(41,509,341)	
Dividend paid (including dividend tax)	(38,891)	(95,021,553)	(58,303)	(158,937,585)
<b>Net Cash from/ (used in) financing activities</b>		<b>(95,021,553)</b>		<b>(158,937,585)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>		<b>(43,254,902)</b>		<b>47,617,843</b>

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

	Year ended 31st March, 2015		Year ended 31st March, 2014	
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
<b>Net increase in cash and cash equivalents (A+B+C)</b>		<b>(43,254,902)</b>		<b>47,617,843</b>
Cash and cash equivalents at the beginning of the year		96,847,426		49,229,583
Cash and cash equivalents at the close of the year		53,592,524		96,847,426
<b>Notes :</b>				
1. Cash and cash equivalents comprise of :				
Cash		319,331		267,753
Cheque on hand		2,316,520		-
Balances with Scheduled Banks				
- In Current Accounts		50,871,409		96,570,829
Balances in Pay Direct Card		80,513		3,761
Foreign Currency on Hand		4,751		5,083
		<b>53,592,524</b>		<b>96,847,426</b>

- 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  
Dated: 22nd May, 2015

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

**G. P. Gupta**  
Chairman

**Krishna Kumar Karwa**  
Managing Director & CFO

**Prakash Kacholia**  
Managing Director

**Vaibhav Purohit**  
Company Secretary & Compliance Officer

Place: Mumbai  
Dated: 22nd May, 2015

# NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

## 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 have been prepared in accordance with Generally Accepted Accounting Principles in India to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The Financial Statements have been prepared 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 are 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-

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

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

- i. 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.
- ii. As on the Balance Sheet date, Profit/(Loss) on open positions in Equity Index/Stock Futures is accounted for as follows:
  - a) 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.
  - b) 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.
- iii. 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.

### 2.5 Equity Index/Stock - Options

- (i) “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.
- (ii) 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.
- (iii) At the time of squaring off
 

Difference between the premium paid and received on squared off transactions is treated as Profit or Loss.

# NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(iv) 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 and computed with reference to the useful life of respective assets specified and in the manner prescribed in Schedule II of the Companies Act, 2013 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.

# NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

## 2.10 Employee Benefits

### *(i) 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.

### *(ii) Long Term Benefits*

#### (a) Post Employment Benefits

- (i) 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.
- (ii) 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 insurers to which the trustees make periodic contributions. Actuarial gain/loss, if any are immediately recognized in the Statement of Profit and Loss.

#### (b) 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.



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

### 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 Occuring 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, 2015

## 3.1 Share Capital

Particulars	As at	
	31st March, 2015 (₹)	31st March, 2014 (₹)
<b>Authorised</b>		
40,000,000 Equity Shares of Rs.10/- each	400,000,000	400,000,000
<b>Issued, Subscribed and Paid Up</b>		
244,37,750 Equity Shares of Rs.10/- each fully paid up	244,377,500	244,377,500
	<b>244,377,500</b>	<b>244,377,500</b>

### a: Reconciliation of the shares outstanding at the beginning and end of the year:

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	No of shares	Amount (₹)	No of shares	Amount (₹)
At the beginning of the year	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 year	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 Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pay dividends in Indian Rupees. The dividend proposed if any, by the Board of Directors is subject to the approval of shareholders in the 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, 2015		As at 31st March, 2014	
	No of shares	% Held	No of shares	% Held
Equity shares of Rs.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

# NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

## d: Shares Reserved for issue under options:

The Company has reserved issuance of 23,66,325 (Previous Year 23,66,325) Equity Shares of Rs.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.

## 3.2 Reserves and Surplus

Particulars	As at	
	31st March, 2015 (₹)	31st March, 2014 (₹)
<b>Securities Premium Account</b>		
Balance as per last financial statements	691,353,584	691,353,584
<b>General Reserve</b>		
Balance as per last financial statements	176,150,794	176,150,794
<b>Surplus in the Statement of Profit and Loss</b>		
Balance as per last Financial Statements	114,495,548	166,605,304
Less : Profit/(Loss) for the year	(159,441,118)	(52,109,756)
Amount available for appropriations	(44,945,570)	114,495,548
<b>Less: Appropriation</b>		
Adjustment relating to Fixed Assets (Refer note no.22)	740,271	-
<b>Net Surplus/(Deficit) in the Statement of Profit and Loss</b>	<b>(45,685,841)</b>	<b>114,495,548</b>
	<b>821,818,537</b>	<b>981,999,926</b>

## 3.3 Other Long Term Liabilities

Particulars	As at	
	31st March, 2015 (₹)	31st March, 2014 (₹)
<b>Others</b>		
-Security Deposits	20,534,945	24,627,942
	<b>20,534,945</b>	<b>24,627,942</b>

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.

## 3.4 Short-Term Borrowings

Particulars	As at	
	31st March, 2015 (₹)	31st March, 2014 (₹)
<b>Secured</b>		
Loan repayable on demand:		
- Overdraft from a Bank	121,217,936	153,357,533
<b>Unsecured</b>		
- Loan from Directors [Refer note no.17(B)(IV)(b)]	-	54,500,000
- Loan from Subsidiary Companies [Refer note no.17(B)(IV)(b)]	85,000,000	65,000,000
	<b>206,217,936</b>	<b>272,857,533</b>

Note: Overdraft referred above to the extent of :

- Rs.118,360,038/- (P.Y.15,33,57,533/-) is secured by equitable mortgage of office premises and
- Rs.2,857,898/- (P.Y.NIL) is secured by way of lien against term deposits with banks

# NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

## 3.5 Trade Payables

Particulars	As at	
	31st March, 2015 (₹)	31st March, 2014 (₹)
Trade Payables	420,604,459	510,312,642
	<b>420,604,459</b>	<b>510,312,642</b>

## 3.6 Other Current Liabilities

Particulars	As at	
	31st March, 2015 (₹)	31st March, 2014 (₹)
Income Received in advance	2,408,317	2,110,967
Unclaimed Dividend *	231,986	270,877
<b>Others</b>		
Advance Received from Clients	4,038,729	60,786,569
Payable for Expenses	108,013,533	31,382,666
Other Liabilities	1,902,408	2,852,737
Statutory Liabilities	23,744,656	24,097,902
Deposit towards Margin and other from Clients	247,992,308	309,883,780
	<b>388,331,937</b>	<b>431,385,498</b>

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

## 3.7 Short-Term Provisions

Particulars	As at	
	31st March, 2015 (₹)	31st March, 2014 (₹)
For Gratuity (Refer note no.6)	2,517,482	2,370,060
	<b>2,517,482</b>	<b>2,370,060</b>

# NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

## 3.8 Fixed Assets

### (A) Tangible Assets

Description	Office Premises	Air Conditioners	Computers	Motor Cars	Furniture & Fixtures	Office Equipments	Leasehold Improvements	Total
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
<b>Gross Block (At Cost)</b>								
At 1 April 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
<b>At 31 March 2014</b>	<b>380,475,731</b>	<b>7,963,379</b>	<b>75,499,838</b>	<b>7,111,265</b>	<b>40,721,699</b>	<b>23,675,703</b>	<b>39,104,968</b>	<b>574,552,583</b>
Additions	-	319,306	8,276,605	-	179,068	1,522,593	1,292,081	11,589,653
Deductions	-	1,145,365	5,132,589	-	723,507	2,152,848	5,150,842	14,305,151
<b>At 31 March 2015</b>	<b>380,475,731</b>	<b>7,137,320</b>	<b>78,643,854</b>	<b>7,111,265</b>	<b>40,177,260</b>	<b>23,045,448</b>	<b>35,246,207</b>	<b>571,837,085</b>
<b>Depreciation/ Amortization</b>								
At 1 April 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 Year	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
<b>At 31 March 2014</b>	<b>46,518,525</b>	<b>3,841,648</b>	<b>67,606,304</b>	<b>4,649,751</b>	<b>18,698,445</b>	<b>11,550,544</b>	<b>37,474,203</b>	<b>190,339,420</b>
Charge for the Year	16,229,895	800,853	4,234,781	870,724	6,306,021	8,822,645	1,285,082	38,550,001
Adjustments (Refer note no.22)	-	265	740,006	-	-	-	-	740,271
Deductions	-	664,876	4,969,925	-	671,793	1,495,556	5,150,842	12,952,992
<b>At 31 March 2015</b>	<b>62,748,420</b>	<b>3,977,890</b>	<b>67,611,166</b>	<b>5,520,475</b>	<b>24,332,673</b>	<b>18,877,633</b>	<b>33,608,443</b>	<b>216,676,700</b>
<b>Net Block</b>								
<b>At 31 March 2014</b>	<b>333,957,206</b>	<b>4,121,731</b>	<b>7,893,534</b>	<b>2,461,514</b>	<b>22,023,254</b>	<b>12,125,159</b>	<b>1,630,765</b>	<b>384,213,163</b>
<b>At 31 March 2015</b>	<b>317,727,311</b>	<b>3,159,430</b>	<b>11,032,688</b>	<b>1,590,790</b>	<b>15,844,587</b>	<b>4,167,815</b>	<b>1,637,764</b>	<b>355,160,385</b>

# NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

## 3.8 Fixed Assets

### (b) Intangible Assets

Description	Stock Exchanges Membership Rights	Software	Total
	(₹)	(₹)	(₹)
Gross Block (At Cost)			
At 1 April 2013	28,255,000	54,245,861	82,500,861
Additions	-	3,312,680	3,312,680
<b>At 31 March 2014</b>	<b>28,255,000</b>	<b>57,558,541</b>	<b>85,813,541</b>
Additions	-	3,742,778	3,742,778
<b>At 31 March 2015</b>	<b>28,255,000</b>	<b>61,301,319</b>	<b>89,556,319</b>
Depreciation/ Amortization			
At 1 April 2013	28,255,000	48,167,177	76,422,177
Charge for the Year	-	5,323,580	5,323,580
<b>At 31 March 2014</b>	<b>28,255,000</b>	<b>53,490,757</b>	<b>81,745,757</b>
Charge for the Year	-	4,211,151	4,211,151
<b>At 31 March 2015</b>	<b>28,255,000</b>	<b>57,701,908</b>	<b>85,956,908</b>
Net Block			
At 31 March 2014	-	4,067,784	4,067,784
At 31 March 2015	-	3,599,411	3,599,411

## 3.9 Non-Current Investments

Particulars	Face Value Per Share	No. of Shares As at		Amount As at	
	(₹)	31 <sup>st</sup> March, 2015	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2015	31 <sup>st</sup> March, 2014
		(₹)	(₹)	(₹)	(₹)
<b>Non Current Investments (Long-Term) (At Cost)</b>					
<b>(A) Trade Investments</b>					
<b>In Equity Shares - Unquoted, fully Paid-up</b>					
Bombay Stock Exchange Limited	1	58,838	58,838	4,526	4,526
<b>Total Trade Investments (A)</b>				<b>4,526</b>	<b>4,526</b>
<b>(B) Other Investments</b>					
<b>In Wholly Owned Subsidiaries:</b>					
<b>In Equity Shares - Unquoted, fully Paid-up</b>					
- Emkay Fincap Limited	10	22,000,000	22,000,000	220,000,000	220,000,000
- Emkay Commotrade Limited	10	6,000,000	6,000,000	60,000,000	60,000,000
- Emkay Insurance Brokers Limited	10	4,100,000	4,100,000	41,000,000	41,000,000
- Emkay Investment Managers Limited	10	2,500,000	2,500,000	25,000,000	25,000,000
<b>Total Other Investments (B)</b>				<b>346,000,000</b>	<b>346,000,000</b>
<b>Total Non-Current Investments ( A + B )</b>				<b>346,004,526</b>	<b>346,004,526</b>
<b>Aggregate Cost of Un-Quoted Investments</b>				<b>346,004,526</b>	<b>346,004,526</b>

# NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

## 3.10 Long-Term Loans and Advances

Particulars	As at	
	31 <sup>st</sup> March, 2015 (₹)	31 <sup>st</sup> March, 2014 (₹)
<b>Unsecured, Considered Good</b>		
Capital Advances	217,978	970,938
Deposits	37,346,776	39,056,611
Loan to ESOP Trust [ Refer note no.4(ii) ]	58,000,000	58,000,000
<b>Other Loans and Advances</b>		
Income Tax Paid (Net of Provisions)	62,826,454	51,516,060
Prepaid Expenses	437,693	416,474
Loans to Staff	276,945	471,596
Fringe Benefit Tax Refundable	148,022	148,022
	<b>159,253,868</b>	<b>150,579,701</b>

## 3.11 Inventories

Particulars	As at	
	31 <sup>st</sup> March, 2015 (₹)	31 <sup>st</sup> March, 2014 (₹)
<b>Stock in Trade (Valued at lower of cost or market value)</b>		
- Shares and Securities	24,232,145	610
	<b>24,232,145</b>	<b>610</b>

## 3.12 Trade Receivables

Particulars	As at	
	31 <sup>st</sup> March, 2015 (₹)	31 <sup>st</sup> March, 2014 (₹)
<b>Unsecured</b>		
(Considered good unless otherwise stated)		
Outstanding for a period exceeding six months		
- Considered Good	9,730,711	6,331,421
- Considered Doubtful	2,993,953	40,803,515
	<b>12,724,664</b>	<b>47,134,936</b>
Less: Provision for Doubtful Debts	2,993,953	40,803,515
	<b>9,730,711</b>	<b>6,331,421</b>
<b>Others</b>		
- Considered Good	393,829,012	365,675,233
- Considered Doubtful	4,845,440	5,396,654
	<b>398,674,452</b>	<b>371,071,887</b>
Less: Provision for Doubtful Debts	4,845,440	5,396,654
	<b>393,829,012</b>	<b>365,675,233</b>
	<b>403,559,723</b>	<b>372,006,654</b>
Note: Above includes due from Directors [Refer note no.17(B)(IV)(c)]	398	579



# NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

## 3.13 Cash and Cash Equivalents

Particulars	As at	
	31 <sup>st</sup> March, 2015 (₹)	31 <sup>st</sup> March, 2014 (₹)
<b>Cash and Cash Equivalents</b>		
Balances with Banks		
- In Current Accounts	50,871,409	96,570,829
- In Deposit Accounts	533,080,921	445,060,835
- In Unclaimed Dividend Account	231,986	270,877
Cheque on Hand	2,316,520	-
Cash on Hand	319,331	267,753
Foreign Currency on Hand	4,751	5,083
Others		
- Meal Coupons on Hand	118,473	139,193
- Gift Coupons/Cards in Hand	-	82,220
- Balance in Paydirect Card	80,513	3,761
	<b>587,023,904</b>	<b>542,400,551</b>

### Note:-

- Deposits with banks includes deposits of Rs.296,250,000/- (P.Y. Rs.292,250,000/-) with maturity of more than 12 months.
- Deposits with banks includes
  - Deposit of Rs.45,87,50,000/- (P.Y. Rs.38,37,50,000/-) held as margin for bank guarantee.
  - Deposit of Rs.3,00,00,000/- (P.Y. Rs.3,00,00,000/-) held as security for bank overdraft facility
  - Deposit of Rs.4,43,30,921/- (P.Y. Rs.3,13,10,835/-) lodged with exchanges/professional clearing member towards base/additional base capital.

## 3.14 Short Term Loans and Advances

Particulars	As at	
	31 <sup>st</sup> March, 2015 (₹)	31 <sup>st</sup> March, 2014 (₹)
<b>Unsecured, Considered Good unless otherwise stated</b>		
Deposits		
- Considered Good	3,250,472	124,182,768
- Considered Doubtful	1,625,169	126,830
	<b>4,875,641</b>	<b>124,309,598</b>
Less: Provision for Doubtful Deposits	1,625,169	126,830
	<b>3,250,472</b>	<b>124,182,768</b>
Loans and Advances to related parties		
- Recoverable towards expenses [ Refer note no.17(B)(IV)(d) ]	49,928	96,721

# NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

## 3.14 Short Term Loans and Advances

Particulars	As at	
	31 <sup>st</sup> March, 2015 (₹)	31 <sup>st</sup> March, 2014 (₹)
Advances recoverable in cash or kind or for value to be received (Refer note no. 5)		
- Considered Good	162,024,098	521,135,440
- Considered Doubtful	-	1,456,510
	<b>162,024,098</b>	<b>522,591,950</b>
Less: Provision for Doubtful Advances	-	1,456,510
	<b>162,024,098</b>	<b>521,135,440</b>
Other Loans and Advances		
Prepaid Expenses	7,906,968	8,848,427
Loans to Staff		
- Considered Good	1,136,635	1,254,504
- Considered Doubtful	11,732	37,500
	<b>1,148,367</b>	<b>1,292,004</b>
Less: Provision for Doubtful Loans	11,732	37,500
	<b>1,136,635</b>	<b>1,254,504</b>
Service Tax Input Credit Available/Receivable	3,507,662	1,936,896
Equity Index/Stock Options Premium	4,106,725	796,861
Less: Provision for Loss on Equity Index/Stock Options	78,849	-
	<b>4,027,876</b>	<b>796,861</b>
Mark to Market Margin- Equity Index/Stock Futures	5,111	2,313,559
Less: Provision for Loss on Equity Index/Stock Futures	5,111	2,313,559
	-	-
	<b>16,579,141</b>	<b>12,836,688</b>
	<b>181,903,639</b>	<b>658,251,617</b>

## 3.15 Other Current Assets

Particulars	As at	
	31 <sup>st</sup> March, 2015 (₹)	31 <sup>st</sup> March, 2014 (₹)
Interest Receivable on advances recoverable (Refer note no.5)	35,607,111	-
Interest Accrued on fixed deposits with banks	7,088,118	7,735,618
Income Receivable	969,966	2,670,877
	<b>43,665,195</b>	<b>10,406,495</b>

# NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

## 3.16 Revenue from Operations

Particulars	For The Year Ended 31 <sup>st</sup> March, 2015 (₹)	For The Year Ended 31 <sup>st</sup> March, 2014 (₹)
<b>Sale of Services</b>		
Brokerage	808,023,842	545,432,144
Investment Banking Activities	52,845,614	9,852,454
Depository Operations	12,238,103	12,335,756
Placement Fees	14,766,369	11,250,000
Research Fees	8,853,315	11,207,734
Other Fees	1,792,659	933,532
	<b>898,519,902</b>	<b>591,011,620</b>
<b>Other Operating Income</b>		
Interest on Deposit* with		
- Banks	43,863,529	33,579,053
- Others	9,000	33,411
Profit in Prop. Trades in Securities/Derivatives Instruments (Net)	16,988,423	28,740,260
Less : Provision for Loss on Equity Index Futures	(83,960)	(2,313,559)
Add : Provision for Loss on Equity Index/Stock Futures written back	2,313,559	-
	<b>19,218,022</b>	<b>26,426,701</b>
Delayed Payments Charges	30,219,885	14,642,515
Liability No Longer Payable Written Back	252,858	577,497
Provision for Doubtful Debts Written Back	1,588,676	679,321
Bad Debts Recovered	1,835,585	589,766
Deposits written off earlier Recovered	35,274	-
Miscellaneous Income	3,378,704	6,488,611
	<b>100,401,533</b>	<b>83,016,875</b>
	<b>998,921,435</b>	<b>674,028,495</b>

\* Acquired/held for the purposes of Stock/Currency Exchanges.

# NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

## 3.17 Other Income

Particulars	For The Year Ended 31 <sup>st</sup> March, 2015 (₹)	For The Year Ended 31 <sup>st</sup> March, 2014 (₹)
<b>Interest</b>		
-On Fixed Deposit with Banks*	2,676,371	7,014,365
-On Unsecured Loans granted	-	257,193
-Others (Refer note no. 5)	35,858,448	1,246,408
<b>Dividend</b>		
- On Non-Current Investment	235,352	235,352
- On Stock in Trade	340,500	30,070
Others	-	29,090
*Acquired/held for purposes other than stock/currency exchanges		
	<b>39,110,671</b>	<b>8,812,478</b>

## 3.18 Employee Benefits Expenses

Particulars	For The Year Ended 31 <sup>st</sup> March, 2015 (₹)	For The Year Ended 31 <sup>st</sup> March, 2014 (₹)
Salaries and Other Benefits	391,527,920	307,406,226
Contribution to Provident and Other funds	8,900,806	8,890,706
Staff Welfare Expenses	3,921,523	4,089,394
	<b>404,350,249</b>	<b>320,386,326</b>

## 3.19 Finance Costs

Particulars	For The Year Ended 31 <sup>st</sup> March, 2015 (₹)	For The Year Ended 31 <sup>st</sup> March, 2014 (₹)
Interest Expense	19,502,984	34,308,989
Other Borrowing Costs	8,840,081	7,200,352
	<b>28,343,065</b>	<b>41,509,341</b>

## 3.20 Depreciation and Amortization Expense

Particulars	For The Year Ended 31 <sup>st</sup> March, 2015 (₹)	For The Year Ended 31 <sup>st</sup> March, 2014 (₹)
Depreciation of Tangible assets	38,550,001	36,259,093
Amortization of Intangible assets	4,211,151	5,323,580
	<b>42,761,152</b>	<b>41,582,673</b>

# NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

## 3.21 Other Expenses

Particulars	For The Year Ended 31 <sup>st</sup> March, 2015 (₹)	For The Year Ended 31 <sup>st</sup> March, 2014 (₹)
Brokerage & Commission	127,292,305	90,153,794
Communication, Postage and Courier Charges	22,906,309	25,901,693
Fees & Stamps	859,547	1,363,217
Contribution/Payments to Stock Exchanges/Professional Clearing Member	4,303,389	2,800,428
Membership & Subscription	19,874,986	24,518,420
Registration Fees	5,424,865	2,245,590
Depository Charges	299,621	664,163
Consultancy Fees	3,145,000	5,375,000
Loss due to Execution of Error Trades	10,520,367	7,686,577
Claims/ Compensation/ Settlement Charges	50,000	176,385
Expenses Attributable to Proprietary trades in Securities/Derivative Instruments	3,373,824	4,052,106
Electricity Charges	19,229,244	16,794,517
Insurance	1,084,400	1,902,802
Repair & Maintenance - Own Premises	3,658,200	3,626,700
Repair & Maintenance - Others	9,203,439	12,029,221
Advertisement & Business Promotion	13,702,195	11,231,021
Printing & Stationery	4,544,376	4,548,757
Travelling, Conveyance & Vehicle	33,641,897	31,551,445
Provision for Doubtful Debts	1,522,930	3,569,064
Provision for Doubtful Deposits / Loans /Advances	1,627,001	164,330
Bad Debts Written off	38,511,496	16,748,525
Less : Provision Written Back	(38,295,030)	(15,323,263)
	<b>216,466</b>	<b>1,425,262</b>
Deposits & Advances Written off	1,791,011	919,669
Less : Provision Written Back	(1,610,940)	(844,210)
	<b>180,071</b>	<b>75,459</b>
Software Expenses	8,693,049	11,148,994
Legal & Professional Fees	26,119,158	18,016,310
Loss on Sale/ Discard of Fixed Assets	198,521	1,150,155
Auditor's Remuneration (Net of Service Tax)		
As Auditor		
- Audit Fees	1,150,000	1,150,000
- Tax Audit Fees	100,000	100,000
In Other Capacity		
- Taxation Matter	152,000	223,500
- Other Services	373,500	365,000
	<b>1,775,500</b>	<b>1,838,500</b>
Rent	19,049,239	22,658,402
Service Tax	4,818,970	7,250,577
Rates & Taxes	1,291,014	1,327,894
Miscellaneous Expenses	15,958,539	15,476,450
Foreign Exchange Rate Fluctuation Loss	20,775	22,242
Donation	-	35,000
	<b>364,585,197</b>	<b>330,780,475</b>

# NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

## 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, 2015, 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 (Rs. per share) **	Rs.37.00 to Rs.93.00		Rs.37.00 to Rs.93.00	
	Ranging from			
Market Price at the date of grant (Rs. per share)	Rs.36.95 to Rs.92.75		Rs.37.00 to Rs.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 Nomination, Remuneration and 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-2007		ESOP-2010	
	2014-15	2013-14	2014-15	2013-14
Options Outstanding at the beginning of the year	1,168,150	1,671,000	327,500	567,500
Options Granted during the year	-	-	-	-
Options Forfeited during the year	-	-	-	-
Options Exercised during the year	-	-	-	-
Options Expired/ Lapsed during the year	372,850	502,850	240,000	240,000
Options Outstanding at the end of the year	795,300	1,168,150	87,500	327,500
Options Exercisable at the end of the year	629,100	713,450	48,750	94,500
Weighted Average remaining contractual life (in years)	2.41	2.86	3.59	4.53

# NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

- 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 2015	Year Ended 31st March 2014
	Amount (₹)	Amount (₹)
Net Income as reported	(15,94,41,118)	(5,21,09,756)
Add: - Intrinsic Value Compensation Cost	NIL	NIL
Less :- Fair Value Compensation Cost	(9,64,67,222)	(7,98,99,509)
<b>Adjusted Pro-forma Net Income</b>	<b>(6,29,73,896)</b>	<b>2,77,89,753</b>
<b>Earning per Share</b>		
<b>Basic</b>		
- As reported	(6.52)	(2.13)
- Proforma	(2.58)	1.14
<b>Diluted</b>		
- As reported	(6.52)	(2.13)
- Proforma	(2.57)	1.14

- 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, 2015 is Rs.580.00 Lac (Previous Year Rs.580.00 Lac). As on 31st March, 2015, 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, 2015, the trust hold 6,67,148 equity shares of the company for which options are yet to be granted for which it has time till 31.03.2016 to either grant options or sell in the secondary market by 27.10.2019 being end of five years from the notification of SEBI (Share based Employee Benefits) Regulations, 2014. 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, 2015, 48,750 Options have vested to the eligible employees and 38,750 Options are yet to be vested. The current market value of the shares held by the said trust is lower than the cost of acquisition by Rs.155.68 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.



# NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

5. Out of “Advances Recoverable” as on March 31, 2014 of Rs.5194.04 Lac from National Stock Exchange of India Limited (NSE) which was paid to them on account of loss occurred due to a manifest material mistake on October 5, 2012 while executing a sale order on Cash Segment of NSE, Rs.3587.06 Lac has been accounted for as loss during the year under the head “Exceptional Items” net of recovery of Rs.1606.98 Lac subsequent to balance sheet date as per the SAT orders and settlement with counter party brokers. Interest accrued of Rs.356.07 Lac till March 31, 2015 on the said recovery has been included in “Other Income”.
6. 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, 2015	Year ended 31st March, 2014
	Amount (₹)	Amount (₹)
Provident Fund	58,59,557	59,62,496
Employees State Insurance Scheme	4,58,759	5,56,754
Labour Welfare Fund	1,008	1,396

## (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	2014-15 (₹)	2013-14 (₹)
<b>I</b>	<b>Changes in present value of obligations</b>		
	Present Value of Obligations at beginning of the period	23,371,811	23,585,431
	Interest cost	1,988,184	1,763,254
	Current Service Cost	4,446,927	4,206,173
	Benefits Paid	(3,522,232)	(3,363,305)
	Actuarial (gain)/loss on obligations	(223,830)	(2,819,742)
	Present Value of Obligations at end of the period	26,060,860	23,371,811
<b>II</b>	<b>Changes in fair value of Plan Assets</b>		
	Fair Value of Plan Assets at beginning of the period	21,001,751	22,147,174
	Adjustment to Opening Fair Value of Plan Assets	-	-
	Expected Return on Plan Assets	1,841,200	1,906,600
	Contributions	2,434,060	1,438,257
	Benefits Paid	(3,522,232)	(3,363,305)
	Actuarial gain/(loss) on plan assets	1,788,599	(1,126,975)
	Fair Value of Plan Assets at end of the period	23,543,378	21,001,751

# NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Sr. No.	Particulars	2014-15 (₹)	2013-14 (₹)
<b>III</b>	<b>Fair Value of Plan Assets</b>		
	Fair Value of Plan Assets at beginning of the period	21,001,751	22,147,174
	Adjustment to Opening Fair Value of Plan Assets	-	-
	Actual Return on Plan Asset	3,629,799	779,625
	Contributions	2,434,060	1,438,257
	Benefits Paid	(3,522,232)	(3,363,305)
	Fair Value of Plan Assets at end of the period	23,543,378	21,001,751
	Funded Status	(2,517,482)	(2,370,060)
	Excess of actual over estimated return on Plan Assets	1,788,599	(1,126,975)
<b>IV</b>	<b>Actuarial Gain/(Loss) Recognized</b>		
	Actuarial Gain/(Loss) for the period (Obligation)	223,830	2,819,742
	Actuarial Gain/(Loss) for the period (Plan Assets)	1,788,599	(1,126,975)
	Total Gain/(Loss) for the period	2,012,429	1,692,767
	Actuarial Gain/(Loss) recognized for the period	2,012,429	1,692,767
	Unrecognized Actuarial Gain/(Loss) at end of the period	-	-
<b>V</b>	<b>Amounts recognized in the Balance Sheet</b>		
	Present Value of Obligations at end of the period	26,060,860	23,371,811
	Fair Value of Plan Assets at end of the period	23,543,378	21,001,751
	Funded Status	(2,517,482)	(2,370,060)
	Unrecognized Actuarial Gain/(Loss)	-	-
	Net Asset/(Liability) recognized in the balance sheet under Short-Term Provisions – Gratuity	(2,517,482)	(2,370,060)
<b>VI</b>	<b>Expense recognized in Statement of Profit and Loss</b>		
	Current Service Cost	4,446,927	4,206,173
	Interest cost	1,988,184	1,763,254
	Expected Return on Plan Assets	(1,841,200)	(1,906,600)
	Net Actuarial (Gain)/Loss recognized for the period	(2,012,429)	(1,692,767)
	Expense recognized in statement Profit and Loss under Employee Benefits Expense	2,581,482	2,370,060
<b>VII</b>	<b>Movements in the Liability recognized in Balance Sheet</b>		
	Opening Net Liability	2,370,060	1,438,257
	Adjustment to Opening Fair Value of Plan Assets	-	-
	Expenses as above	2,581,482	2,370,060
	Contribution paid	(2,434,060)	(1,438,257)
	Closing Net Liability	2,517,482	2,370,060

# NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2015

Sr. No.	Particulars	2014-15 (₹)	2013-14 (₹)
<b>VIII</b>	<b>Experience Anyalasis – Liabilities</b>		
	Actuarial (Gain)/Loss due to change in bases	1,299,633	(980,919)
	Experience (Gain)/Loss due to Change in Experience	(1,523,463)	(1,838,823)
	<b>Total</b>	<b>(223,830)</b>	<b>(2,819,742)</b>
	<b>Experience Anyalasis - Plan Assets</b>		
	Experience (Gain)/Loss due to change in Plan Assets	(1,788,599)	1,126,975
<b>IX</b>	<b>Investment pattern</b>		
	Insurer Managed Funds	100.00%	100.00%
<b>X</b>	<b>Principal Assumptions</b>		
	Mortality	ILAM (2006-08) Ult	ILAM (2006-08) Ult
	Discount Rate	7.80%	9.20%
	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%

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

## 8. Contingent Liabilities and Commitments:-

### (A) Contingent Liabilities:-

Particulars	As at 31st March, 2015	As at 31st March, 2014
	Amount (₹)	Amount (₹)
(i) Claims against the company not acknowledged as debts	634,728	30,70,450
(ii) Guarantees issued by the Banks	917,500,000	767,500,000
(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)	9,95,510	35,96,872
(v) Towards occurrence of manifest material mistake while executing a sale order as at 31st March, 2014 (Net of payment of Rs.519,404,259/-)	Not Applicable	Nil

### (B) Commitments:-

Particulars	As at 31st March, 2015	As at 31st March, 2014
	Amount (₹)	Amount (₹)
(i) Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)	392,022	15,39,062

# NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

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 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.

10. 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.

11. Other current liabilities includes Rs.18,59,884/- (P.Y. Rs.11,44,075/-) 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.

12. Considering the principle of virtual certainty as stated in the "Accounting Standard AS-22 –Accounting for Taxes on Income", the deferred tax assets have not been recognized.

13. Disclosure in respect of Loans and Advances in the nature of Loans pursuant to clause 32 of Listing Agreement:-

Particulars	As at 31st March 2015 Amount (₹)		As at 31st March 2014 Amount (₹)	
	Outstanding Balance	Maximum Balance during the year	Outstanding Balance	Maximum Balance during the year
<b>To Others</b>				
- Emkay Employees Welfare Trust*	58,000,000	58,000,000	58,000,000	58,000,000

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

14. **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 Rs.1,90,49,329/- (P.Y. Rs.2,26,58,402/-)

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

Particulars	For the year ended 31st March, 2015 (₹)	For the year ended 31st March, 2014 (₹)
a) Payments not later than one year	20,38,000	103,24,257
b) Payable later than one year and not later than five years	7,09,677	22,03,961
c) Payable later than five years	-	-
<b>Total</b>	<b>27,48,477</b>	<b>125,28,218</b>

# NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

## 15. Earnings Per Share

Particulars	For the year ended 31st March, 2015 (₹)	For the year ended 31st March, 2014 (₹)
Loss available for Equity Shareholders (Rs.)	(15,94,41,118)	(5,21,09,756)
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	29,132	-
Weighted average number of Shares used in Computing Diluted earning per share	24,466,882	24,437,750
Nominal Value of Equity Shares (Rs.)	10	10
Basic Earnings Per Share (Rs.)	(6.52)	(2.13)
Diluted Earnings Per Share (Rs.)	(6.52)	(2.13)

## 16. 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.

## 17. Related Party Disclosures:

### (A) List of Related Parties (where transactions have taken place)

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

# NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2015

## (B) Related Party Transactions for the year ended 31st March, 2015

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	
		2014-15 (₹)	2013-14 (₹)	2014-15 (₹)	2013-14 (₹)	2014-15 (₹)	2013-14 (₹)	2014-15 (₹)	2013-14 (₹)	2014-15 (₹)	2013-14 (₹)
<b>I Expenditure</b>											
<b>(a) Salaries &amp; Other Benefits *</b>		<b>12,000,000</b>	<b>12,000,000</b>	-	-	-	-	-	-	-	-
- Krishna Kumar Karwa		6,000,000	6,000,000	-	-	-	-	-	-	-	-
- Prakash Kacholia		6,000,000	6,000,000	-	-	-	-	-	-	-	-
<b>(b) Brokerage &amp; Commission</b>		-	-	-	-	-	-	<b>271,538</b>	<b>260,669</b>	-	-
- Krishna Investments		-	-	-	-	-	-	271,538	260,669	-	-
<b>(c) Donation/Contribution</b>		-	-	-	-	-	-	-	-	-	<b>20,000</b>
- Emkay Charitable Foundation		-	-	-	-	-	-	-	-	-	20,000
<b>(c) Interest Paid</b>		<b>2,136,437</b>	<b>2,576,576</b>	-	-	<b>4,981,645</b>	<b>13,942,193</b>	-	-	-	-
- Krishna Kumar Karwa		1,247,396	576,575	-	-	-	-	-	-	-	-
- Prakash Kacholia		889,041	2,000,001	-	-	-	-	-	-	-	-
- Emkay Fincap Limited		-	-	-	-	4,981,645	11,335,069	-	-	-	-
- Emkay Investment Managers Ltd.		-	-	-	-	-	2,360,549	-	-	-	-
- Others		-	-	-	-	-	246,575	-	-	-	-
<b>II Income</b>											
<b>(a) Brokerage</b>		<b>399,097</b>	<b>250,223</b>	<b>631,028</b>	<b>276,982</b>	<b>120,785</b>	<b>7,362</b>	<b>875,776</b>	<b>132,992</b>	-	-
- Krishna Kumar Karwa		378,083	244,970	-	-	-	-	-	-	-	-
- Preeti Kacholia		-	-	274,665	120,839	-	-	-	-	-	-
- Synthetic Fibres Trading Co.		-	-	-	-	-	-	816,776	132,992	-	-
- Others		21,014	5,253	356,363	156,143	120,785	7,362	59,000	-	-	-
<b>(b) Depository Charges</b>		<b>4,625</b>	<b>3,835</b>	<b>9,645</b>	<b>6,750</b>	<b>431,910</b>	<b>423,235</b>	<b>4,295</b>	<b>2,205</b>	-	-
- Emkay Fincap Ltd		-	-	-	-	325,395	258,265	-	-	-	-
- Emkay Comtrade Ltd		-	-	-	-	55,990	92,465	-	-	-	-
- Emkay Investment Managers Ltd		-	-	-	-	50,525	72,505	-	-	-	-
- Others		4,625	3,835	9,645	6,750	-	-	4,295	2,205	-	-
<b>(c) Infrastructure Maintenance Charges</b>		-	-	-	-	<b>600,000</b>	<b>4,000,000</b>	-	-	-	-
- Emkay Comtrade Ltd		-	-	-	-	600,000	4,000,000	-	-	-	-
<b>(d) Interest Received</b>		-	-	-	-	-	<b>257,193</b>	-	-	-	-
- Emkay Comtrade Ltd		-	-	-	-	-	80,876	-	-	-	-
- Emkay Insurance Brokers Ltd		-	-	-	-	-	176,317	-	-	-	-

# NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

## (B) Related Party Transactions for the year ended 31st March, 2015

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											
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14						
		(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)						
III	Others																		
(a)	<b>Expenses Recovered</b>	-	-	-	-	-	-	<b>6,865,025</b>	<b>8,856,539</b>	-	-	-	-	-	-	-	-	-	-
	- Emkay Fincap Limited	-	-	-	-	-	-	1,657,500	702,000	-	-	-	-	-	-	-	-	-	-
	- Emkay Comtrade Limited	-	-	-	-	-	-	1,230,000	6,773,898	-	-	-	-	-	-	-	-	-	-
	- Emkay Investment Managers Limited	-	-	-	-	-	-	1,424,900	1,143,096	-	-	-	-	-	-	-	-	-	-
	- Emkay Insurance Brokers Limited	-	-	-	-	-	-	2,552,625	237,545	-	-	-	-	-	-	-	-	-	-
(b)	<b>Payments made on behalf of</b>	-	-	-	-	-	-	<b>1,783</b>	-	-	-	-	-	-	-	-	-	-	<b>2,500</b>
	- Emkay Comtrade Ltd.	-	-	-	-	-	-	1,783	-	-	-	-	-	-	-	-	-	-	-
	- Emkay Charitable Foundation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,500
(c)	<b>Payments received on behalf of Clients</b>	-	-	-	-	-	-	<b>1,594,838</b>	<b>1,082,850</b>	-	-	-	-	-	-	-	-	-	-
	- Emkay Comtrade Limited	-	-	-	-	-	-	1,594,838	1,082,850	-	-	-	-	-	-	-	-	-	-
(d)	<b>Loans Granted</b>	-	-	-	-	-	-	-	<b>97,300,000</b>	-	-	-	-	-	-	-	-	-	-
	- Emkay Comtrade Limited	-	-	-	-	-	-	-	95,500,000	-	-	-	-	-	-	-	-	-	-
	- Others	-	-	-	-	-	-	-	1,800,000	-	-	-	-	-	-	-	-	-	-
(e)	<b>Loans Granted - Received Back</b>	-	-	-	-	-	-	-	<b>99,300,000</b>	-	-	-	-	-	-	-	-	-	-
	- Emkay Comtrade Limited	-	-	-	-	-	-	-	95,500,000	-	-	-	-	-	-	-	-	-	-
	- Others	-	-	-	-	-	-	-	3,800,000	-	-	-	-	-	-	-	-	-	-
(f)	<b>Short-Term Borrowings</b>	<b>30,000,000</b>	<b>34,500,000</b>	-	-	-	-	<b>845,000,000</b>	<b>277,500,000</b>	-	-	-	-	-	-	-	-	-	-
	- Krishna Kumar Karwa	30,000,000	34,500,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	- Emkay Fincap Ltd.	-	-	-	-	-	-	845,000,000	227,500,000	-	-	-	-	-	-	-	-	-	-
	- Emkay Comtrade Ltd.	-	-	-	-	-	-	-	50,000,000	-	-	-	-	-	-	-	-	-	-
(g)	<b>Repayment of Short-Term Borrowings</b>	<b>84,500,000</b>	-	-	-	-	-	<b>825,000,000</b>	<b>332,500,000</b>	-	-	-	-	-	-	-	-	-	-
	- Krishna Kumar Karwa	64,500,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	- Prakash Kacholia	20,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	- Emkay Fincap Ltd.	-	-	-	-	-	-	825,000,000	262,500,000	-	-	-	-	-	-	-	-	-	-
	- Emkay Comtrade Ltd.	-	-	-	-	-	-	-	50,000,000	-	-	-	-	-	-	-	-	-	-
	- Emkay Investment Managers Ltd	-	-	-	-	-	-	-	20,000,000	-	-	-	-	-	-	-	-	-	-
(h)	<b>Other Long Term Liabilities : Security/ Margin Money Received / Refunded</b>	-	-	-	-	-	-	-	<b>20,000,000</b>	-	-	-	-	-	-	-	-	-	-
	- Emkay Comtrade Limited	-	-	-	-	-	-	-	20,000,000	-	-	-	-	-	-	-	-	-	-
(i)	<b>Investment made</b>	-	-	-	-	-	-	-	<b>1,000,000</b>	-	-	-	-	-	-	-	-	-	-
	- Emkay Insurance Brokers Limited	-	-	-	-	-	-	-	1,000,000	-	-	-	-	-	-	-	-	-	-



# NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

## (B) Related Party Transactions for the year ended 31st March, 2015

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	
		2014-15 (₹)	2013-14 (₹)	2014-15 (₹)	2013-14 (₹)	2014-15 (₹)	2013-14 (₹)	2014-15 (₹)	2013-14 (₹)	2014-15 (₹)	2013-14 (₹)
<b>III</b>	<b>Others</b>										
<b>(j)</b>	<b>Purchase of Fixed Assets</b>										
	- Emkay Comtrade Ltd	-	-	-	-	321,282	-	-	-	-	-
<b>(k)</b>	<b>Purchase of Gift Coupon</b>										
	- Emkay Fincap Ltd.	-	-	-	-	24,755	-	-	-	-	-
	- Emkay Comtrade Ltd.	-	-	-	-	6,500	-	-	-	-	-
	- Emkay Investment Managers Ltd	-	-	-	-	10,800	-	-	-	-	-
	- Emkay Insurance Brokers Ltd	-	-	-	-	2,500	-	-	-	-	-
		-	-	-	-	4,955	-	-	-	-	-
<b>IV</b>	<b>Outstandings</b>										
<b>(a)</b>	<b>Trade Payables</b>										
	- Prakash Kacholia	-	668,497	-	1,991,888	-	-	-	-	-	-
	- Preeti Kacholia	-	668,497	-	1,991,888	-	-	-	-	-	-
<b>(b)</b>	<b>Short Term Borrowings</b>										
	- Prakash Kacholia	-	54,500,000	-	-	85,000,000	65,000,000	-	-	-	-
	- Krishna Kumar Karwa	-	20,000,000	-	-	-	-	-	-	-	-
	- Emkay Fincap Limited	-	34,500,000	-	-	-	-	-	-	-	-
<b>(c)</b>	<b>Trade Receivables</b>										
	- Krishna Investments	398	579	2,919	38,165	20,813	32,870	2,923,990	2,314,292	-	-
	- Synthetic Fibres Trading	-	-	-	-	-	-	2,096,976	2,313,854	-	-
	- Others	398	579	2,919	38,165	20,813	32,870	826,542	404	-	-
<b>(d)</b>	<b>Recoverable towards expenses</b>										
	- Emkay Investment Managers Ltd	-	-	-	-	49,928	96,721	-	-	-	-
	- Emkay Comtrade Limited	-	-	-	-	44,783	43,969	-	-	-	-
<b>(e)</b>	<b>Security / Margin Deposits</b>										
	- Krishna Investments	-	-	-	-	5,145	52,752	-	-	-	-
	- Krishna Investments	-	-	-	-	-	-	200,000	200,000	-	-
<b>(f)</b>	<b>Non-Current Investments</b>										
	- Emkay Fincap Ltd - Equity Shares	-	-	-	-	346,000,000	346,000,000	-	-	-	-
	- Emkay Comtrade Ltd - Equity Shares	-	-	-	-	220,000,000	220,000,000	-	-	-	-
	- Emkay Insurance Brokers Ltd - Equity Shares	-	-	-	-	60,000,000	60,000,000	-	-	-	-
	- Emkay Investment Managers Ltd - Equity Shares	-	-	-	-	41,000,000	41,000,000	-	-	-	-
		-	-	-	-	25,000,000	25,000,000	-	-	-	-

\* Contribution to Group Gratuity Scheme 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 31<sup>ST</sup> MARCH, 2015

## 18. Detailed information in respect of Securities traded in :-

Particulars	Purchase (₹)		Sales (₹)	
	2014-15	2013-14	2014-15	2013-14
Shares & Securities	3,33,33,523	-	1,12,25,105	-

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

Name of Equity Index / Stock Futures	As at 31 <sup>st</sup> March, 2015			As at 31 <sup>st</sup> March, 2014		
	No. of Contracts	No. of Units		No. of Contracts	No. of Units	
		Long	Short		Long	Short
Nifty	62	-	1,550	825	-	41,250

## (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 <sup>st</sup> March, 2015 [net of provisions made] (₹)	Premium carried forward as at 31 <sup>st</sup> March, 2014 [net of provisions made] (₹)
Nifty	40,27,876	7,96,861
<b>Total</b>	<b>40,27,876</b>	<b>7,96,861</b>

## 20. Additional information required pursuant to Part II of Schedule III to the Companies Act, 2013: -

Particulars	Year ended 31 <sup>st</sup> March, 2015 (₹)	Year ended 31 <sup>st</sup> March, 2014 (₹)
<b>(a) Expenditure in Foreign Currency</b>		
- Travelling Expenses	35,82,018	2,266,200
- Membership & Subscription	24,16,276	3,113,327
- Advertisement & Business Promotion	4,26,515	568,215
- Brokerage & Commission	52,14,400	3,633,600
- Others	193,097	251,404
<b>(b) Earning in Foreign Currency</b>		
- Research Fees	86,06,554	10,985,235
- Miscellaneous Income	159,370	141,670

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

22. Pursuant to enactment of Companies Act 2013, the Company has applied the estimated useful lives as specified in Schedule II, except in respect of certain assets as disclosed in Accounting Policy on Fixed Assets and Depreciation. Accordingly the unamortized carrying value is being depreciated/amortised over the revised/remaining useful lives. The written down value of Fixed Assets whose lives have expired as at 1st April, 2014 have been adjusted net of tax, in the opening balance of Statement of Profit And Loss amounting to Rs.740,271/-. Consequently, depreciation for the year ended 31.03.2015 is higher by Rs.89,40,269/-.

# NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

- 23.** Disclosure regarding loans given, investments made and guarantee given pursuant to section 186(4) of the Companies Act, 2013 :
- Loans Given – Refer note no.4(ii)
  - Investments made – Refer note no.3.9
  - Guarantee given – Refer note no.8.A. (iii)
- 24.** Other additional information required pursuant to Part II of Schedule III of the Companies Act, 2013 are not applicable to the Company.
- 25.** Figures of previous year have been regrouped, recasted and rearranged wherever necessary to make them comparable with the figures of the current year.
- 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

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

**G. P. Gupta**  
Chairman

**Krishna Kumar Karwa**  
Managing Director & CFO

**Prakash Kacholia**  
Managing Director

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

**Vaibhav Purohit**  
Company Secretary & Compliance Officer

Place: Mumbai  
Dated: 22nd May, 2015

Place: Mumbai  
Dated: 22nd May, 2015

## AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

### To the Members of EMKAY GLOBAL FINANCIAL SERVICES LIMITED, Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of EMKAY GLOBAL FINANCIAL SERVICES LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2015 the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy

and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing

## AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

### Other Matter

We did not audit the financial statements of two subsidiaries, namely Emkay Fincap Limited and Emkay Insurance Brokers Limited, whose financial statements reflect total assets of Rs. 5846.86 Lac as at 31st March, 2015, total revenues of Rs. 857.56 Lac and net cash outflows amounting to Rs.23.74 Lac for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion

on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding Company and subsidiary companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

## AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group—Refer Note 7(A) to the consolidated financial statements.
- (ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and there were no amounts which were required to be transferred to the Investor Education and Protection Fund by its subsidiary companies incorporated in India.

**B. L. Sarda & Associates**

Chartered Accountants

Firm Registration No. 109266W

**(CA B. L. Sarda)**

Partner

Place : Mumbai

Date : 22nd May, 2015

Membership No. 014568

# AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

## 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

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit as also considering report of the auditors of the Subsidiary Company incorporated in India, we state that:

1. (a) In our opinion, the Group has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Group has carried out physical verification of its fixed assets during the year. In our opinion, the frequency of verification is reasonable considering the size of the Group and the nature of its assets. No material discrepancies were noticed on such verification.
2. (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 the information and explanations given to us, the procedure of confirmation of securities held as stock in trade followed by the Group were reasonable and adequate in relation to the size of the Group and the nature of its business.
- (c) In our opinion and according the information and explanations given to us, the Group 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.
3. In our opinion and according to the information and explanations given to us, the Group has not granted any secured or unsecured loan to companies, firms and other parties covered in the register maintained under section 189 of the Act. Therefore, comments under clause 3(iii)(a) and 3(iii)(b) of the order are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Group and the nature of its business for the purchase of securities and 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.
5. In our opinion and according to the information and explanations given to us, the Group has not accepted any deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.
6. In our opinion and according to the information and explanations given to us, the Group is not required to maintain cost records pursuant to the rules made by the Central Government under Section 148 (1) of the Act.
7. a) According to the records and the information and explanations given to us, the Group has generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax, value added



## AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

tax, cess and other statutory dues applicable to the Group. No undisputed amounts payable in respect of the aforesaid statutory dues were in arrears, as at 31st March, 2015 for a period of more than six months from the date they became payable. As explained to us, the Group did not have any dues on account of sales tax, wealth tax, duty of custom and duty of excise.

- b) As at 31st March, 2015, according to the records of the Group and the information and explanations given to us, the following are the particulars of disputed dues on account of income tax, service tax, value added tax and cess matters that have not been deposited:

Nature of dues	Amount (Rs. in Lac)	Period to which the amount relates	Forum where pending
Tax Deducted at Source and Interest	0.35	F.Y.2005-2006	Appeal effects
Income Tax and Interest	9.60	F.Y.2010-2011	Commissioner of Income Tax (Appeals)

- c) The amount required to be transferred by the Group to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under has been transferred to such fund within time.

8. The Group has accumulated losses as at 31st March, 2015 which are not more than fifty percent of its net worth. It has incurred cash losses during the financial year covered by our audit and not in the immediately preceding financial year.

9. In our opinion and according to the information and explanations given to us, the Group has not defaulted in repayment of dues to the banks. The Group has not obtained any borrowings from any financial institutions or by way of debentures.
10. According to the information and explanations given to us, the Group has not given any guarantee for loans taken by others from banks or financial institutions.
11. According to the information and explanations given to us, no term loans were obtained by the Group during the year.
12. Based on the audit procedures performed and according to the information and explanations given by the management, we report that no fraud on or by the Group has been noticed or reported during the year ended 31st March, 2015 nor have we been informed of such case by the management.

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

**(CA B. L. Sarda)**

Place : Mumbai  
Date : 22nd May, 2015

Partner  
Membership No. 014568



# CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2015

Particulars	Note No.	As at 31st March, 2015 (₹)	As at 31st March, 2014 (₹)
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDER'S FUNDS</b>			
Share Capital	2.1	244,377,500	244,377,500
Reserves and Surplus	2.2	893,566,558	1,051,665,078
		<b>1,137,944,058</b>	<b>1,296,042,578</b>
<b>NON-CURRENT LIABILITIES</b>			
Other Long-Term Liabilities	2.3	24,381,326	28,795,799
Long-Term Provisions	2.4	1,514,987	1,169,452
		<b>25,896,313</b>	<b>29,965,251</b>
<b>CURRENT LIABILITIES</b>			
Short-Term Borrowings	2.5	353,518,386	344,642,798
Trade Payables	2.6	569,296,327	531,998,260
Other Current Liabilities	2.7	517,096,527	534,887,209
Short-Term Provisions	2.8	3,050,074	2,730,698
		<b>1,442,961,314</b>	<b>1,414,258,965</b>
<b>TOTAL</b>		<b>2,606,801,685</b>	<b>2,740,266,794</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed Assets			
- Tangible Assets	2.9 (a)	355,392,706	385,200,391
- Intangible Assets	2.9 (b)	3,749,224	4,083,440
Non-Current Investments	2.10 (a)	8,806,644	7,221,599
Deferred Tax Assets (Net)	2.11	233,730	40,874,975
Long-Term Loans and Advances	2.12	181,581,006	169,651,861
		<b>549,763,310</b>	<b>607,032,266</b>
<b>CURRENT ASSETS</b>			
Current Investments	2.10 (b)	28,672,556	25,735,338
Inventories	2.13	24,232,145	610
Trade Receivables	2.14	547,525,369	388,676,803
Cash and Cash Equivalents	2.15	769,114,759	706,716,223
Short-Term Loans and Advances	2.16	641,735,514	999,608,292
Other Current Assets	2.17	45,758,032	12,497,264
		<b>2,057,038,375</b>	<b>2,133,234,530</b>
<b>TOTAL</b>		<b>2,606,801,685</b>	<b>2,740,266,796</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	<b>1</b>		
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  
Dated: 22nd May, 2015

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

G. P. Gupta  
Chairman

Krishna Kumar Karwa  
Managing Director & CFO

Prakash Kacholia  
Managing Director

Vaibhav Purohit  
Company Secretary & Compliance Officer

Place: Mumbai  
Dated: 22nd May, 2015

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

Particulars	Note No.	For the Year Ended 31st March, 2015 (₹)	For the Year Ended 31st March, 2014 (₹)
<b>Income</b>			
Revenue from Operations	2.18	1,120,895,810	813,297,771
Other Income	2.19	47,789,818	13,445,607
<b>Total Revenue</b>		<b>1,168,685,628</b>	<b>826,743,378</b>
<b>Expenses</b>			
Employee Benefits Expense	2.20	430,664,263	369,510,878
Finance Costs	2.21	33,242,895	45,244,678
Depreciation and Amortization Expense	2.22	43,200,028	42,488,499
Other Expenses	2.23	408,361,721	397,698,623
<b>Total Expenses</b>		<b>915,468,907</b>	<b>854,942,678</b>
Profit/(Loss) for the year before exceptional item and tax		253,216,721	(28,199,300)
Less : Exceptional item ( Refer note no.4 )		358,705,815	-
Profit/(Loss) for the year after exceptional item but before tax		(105,489,094)	(28,199,300)
<b>Tax Expense:</b>			
<b>Income-Tax</b>			
- Current Tax		12,538,000	1,130,000
- Deferred Tax Charge ( Refer note no.2.11 )		40,659,445	9,439,624
- Short Provision for Taxation for Earlier Years		(1,395,403)	708,594
<b>Profit/(Loss) for the year</b>		<b>(157,291,136)</b>	<b>(39,477,518)</b>
<b>Earnings per Equity Shares of nominal value of Rs.10/- each</b>			
-Basic		(6.44)	(1.62)
-Diluted		(6.43)	(1.62)
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	<b>1</b>		
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  
Dated: 22nd May, 2015

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

G. P. Gupta  
Chairman

Krishna Kumar Karwa  
Managing Director & CFO

Prakash Kacholia  
Managing Director

Vaibhav Purohit  
Company Secretary & Compliance Officer

Place: Mumbai  
Dated: 22nd May, 2015

# CONSOLIDATED CASH FLOW STATEMENT

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

Particulars	Year ended 31st March, 2015		Year ended 31st March, 2014	
	(₹)	(₹)	(₹)	(₹)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before tax, extraordinary items		253,216,721		(28,199,300)
Adjustment for :				
Finance Costs	33,242,895		45,244,678	
Depreciation and Amortization	43,200,028		42,488,499	
Net Gain on Sale of Current Investments	(4,207,418)		(100,923)	
Loss on Sale/Discard of Fixed Assets	198,521		1,150,155	
Interest Received	(42,685,519)		(12,669,219)	
Dividend Received	(896,881)		(630,391)	
Provision for Loss Assets (net off write back)	(28,320)		(49,971,680)	
Provision for Standard Assets	311,128		152,181	
Provision for Doubtful Debts/Deposits/Advances (net off write back)	(39,606,164)		(10,415,969)	
Provision for loss on equity index/stock futures/equity index/stock options and currency futures	(2,229,599)	(12,701,329)	2,313,559	17,560,890
Operating profit before working capital changes		240,515,392		(10,638,410)
Adjustment for :				
Trade and other receivables	210,729,512		(68,480,442)	
Deposits with Banks and Other items not considered as cash equivalents (Refer Note 3 below)	(95,101,932)		129,889,808	
Inventories	(24,231,535)			
Trade and other payables	15,468,757	106,864,802	140,722,568	202,131,934
Cash Generated from operations		347,380,194		191,493,524
Direct taxes (Paid)/Refund		(26,156,901)		(16,423,475)
<b>Cash flow before extraordinary items</b>		<b>321,223,293</b>		<b>175,070,049</b>
Exceptional/ Extraordinary items		(358,705,815)		-
<b>Net Cash From/ (used in) Operating Activities</b>		<b>(37,482,522)</b>		<b>175,070,049</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of fixed assets and Capital - WIP	(15,235,869)		(8,348,679)	
Sale of fixed assets	1,153,638		775,565	
Current Investments (Purchased)/Redeemed	(2,937,218)		(20,305,225)	
Non Current Investments (Purchased)/Disposed Off	(1,585,045)		(2,230,566)	
Net Gain on Sale of Current Investments	4,207,418		100,923	
Interest received	42,685,519		12,669,219	
Dividend received	896,881	29,185,324	630,391	(16,708,372)
<b>Net Cash from/ (used in) Investing Activities</b>		<b>29,185,324</b>		<b>(16,708,372)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds/(Repayment) of Long Term Borrowings	-		(1,005,111)	
Proceeds/(Repayment) of Short Term Borrowings	8,875,588		(65,974,858)	
Finance Costs	(33,242,895)		(45,244,678)	
Dividend paid (including dividend tax)	(38,891)	(24,406,198)	(58,303)	(112,282,950)
<b>Net cash from/ (used in) financing activities</b>		<b>(24,406,198)</b>		<b>(112,282,950)</b>

# CONSOLIDATED CASH FLOW STATEMENT

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

Particulars	Year ended 31st March, 2015		Year ended 31st March, 2014	
	(₹)	(₹)	(₹)	(₹)
Net increase in cash and cash equivalents (A+B+C)		(32,703,396)		46,078,727
Cash and cash equivalents at the beginning of the year		116,054,787		69,976,060
Cash and cash equivalents at the close of the year		83,351,391		116,054,787
<b>Note :</b>				
1. Cash and cash equivalents comprise of :				
Cash on hand		366,096		287,177
Cheques on hand		16,561,520		-
Balances with Scheduled Banks				
- In Current Accounts		66,338,511		115,758,766
Balances in Pay Direct Card		80,513		3,761
Foreign Currency on Hand		4,751		5,083
		<b>83,351,391</b>		<b>116,054,787</b>

- 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. Sarada & Associates  
Chartered Accountants

**(CA B. L. Sarada)**  
Partner  
Membership No. 014568

Place: Mumbai  
Dated: 22nd May, 2015

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

**G. P. Gupta**  
Chairman

**Krishna Kumar Karwa**  
Managing Director & CFO

**Prakash Kacholia**  
Managing Director

**Vaibhav Purohit**  
Company Secretary & Compliance Officer

Place: Mumbai  
Dated: 22nd May, 2015

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

### 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 in India to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013. The Consolidated Financial Statements have been prepared under the historical cost convention on the accrual basis of accounting. The accounting policies have been consistently applied by the company 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

##### i) 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.

##### ii) 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.

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

### 1.4 Revenue Recognition:

- (a) Brokerage income 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. 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 fixed interval as agreed with clients 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 :

- (i) 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.
- (ii) 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.

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

- Debit balance in the Mark-to-Market Margin – Equity Index/Stock Futures Account, being the anticipated loss, is provided in the statement Profit and Loss and is reflected in “Provision for Loss on Equity Index/Stock Futures Account” under Current Liabilities.
- (iii) 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

- (i) “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.
- (ii) 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.
- (iii) At the time of squaring off
- Difference between the premium paid and received on squared off transactions is treated as Profit or Loss.
- (iv) 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 and computed with reference to the useful life of respective assets specified and in the manner prescribed in Schedule II of the Companies Act, 2013 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.

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

### 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 year.

### 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

#### (i) 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.

#### (ii) Long Term Benefits

##### (a) Post Employment Benefits

(i) 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.

(ii) 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 insurers 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.



## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

### (b) 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 leave 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 year.

### 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.

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

### 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.

## 2.1 Share Capital

Particulars	As at	
	31 <sup>st</sup> March, 2015 (₹)	31 <sup>st</sup> March, 2014 (₹)
<b>Authorised</b>		
40,000,000 Equity Shares of Rs.10/- each	400,000,000	400,000,000
<b>Issued, Subscribed and Paid Up</b>		
244,37,750 Equity Shares of Rs.10/-each fully paid up	244,377,500	244,377,500
	<b>244,377,500</b>	<b>244,377,500</b>

### a: Reconciliation of the shares outstanding at the beginning and end of the year :

Particulars	As at 31 <sup>st</sup> March, 2015		As at 31 <sup>st</sup> March, 2014	
	No of shares	Amount (₹)	No of shares	Amount (₹)
At the beginning of the year	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 year	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 Rs.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 31<sup>ST</sup> MARCH, 2015

### 2.2 Reserves and Surplus

Particulars	As at 31 <sup>st</sup> March, 2015 (₹)	As at 31 <sup>st</sup> March, 2014 (₹)
<b>Securities Premium Account</b>		
Balance as per last financial statements	691,353,584	691,353,584
<b>Special Reserve ( Refer Note No.9)</b>		
Balance as per Last financial Statements	25,797,682	20,988,806
Add: Transfer from Surplus balance in the statement of Profit and Loss	5,714,565	4,808,876
<b>Closing Balance</b>	<b>31,512,247</b>	<b>25,797,682</b>
<b>Capital Redemption Reserve</b>		
Balance as per Last financial Statements	50,000,000	50,000,000
<b>General Reserve</b>		
Balance as per last financial statements	180,361,128	180,361,128
Less: Adjustment relating to Fixed Assets ( Refer Note No.22 )	35,414	-
	<b>180,325,714</b>	<b>180,361,128</b>
<b>Capital Reserve on Consolidation</b>		
Balance as per last Financial Statement	102,723	102,723
<b>Surplus in the Statement of Profit and Loss</b>		
Balance as per last Financial Statements	104,049,960	148,336,355
Add : Profit/(Loss) for the year	(157,291,136)	(39,477,518)
<b>Amount available for appropriations</b>	<b>(53,241,176)</b>	<b>108,858,837</b>
<b>Less: Appropriations:</b>		
Adjustment relating to Fixed Assets ( Refer Note No.22 )	771,969	-
Transfer to Special Reserve	5,714,565	4,808,876
<b>Total of appropriations</b>	<b>6,486,534</b>	<b>4,808,876</b>
<b>Net Surplus/(Deficit) in the Statement of Profit and Loss</b>	<b>(59,727,710)</b>	<b>104,049,961</b>
	<b>893,566,558</b>	<b>1,051,665,078</b>

### 2.3 Other Long-Term Liabilities

Particulars	As at 31 <sup>st</sup> March, 2015 (₹)	As at 31 <sup>st</sup> March, 2014 (₹)
<b>Others</b>		
-Security Deposits	24,381,326	28,795,799
	<b>24,381,326</b>	<b>28,795,799</b>

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.

### 2.4 Long-Term Provisions

Particulars	As at 31 <sup>st</sup> March, 2015 (₹)	As at 31 <sup>st</sup> March, 2014 (₹)
For Standard Assets *	1,388,005	1,076,877
For Gratuity	126,982	92,575
	<b>1,514,987</b>	<b>1,169,452</b>

\* Provision for Standard Assets has been created of Rs.13,88,005/- (P.Y.Rs.10,76,877/-) being 0.25% of its standard Assets amounting to Rs. 555,201,995/- (P.Y.430,750,977/-) 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.

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

### 2.5 Short-Term Borrowings

Particulars	As at	
	31 <sup>st</sup> March, 2015 (₹)	31 <sup>st</sup> March, 2014 (₹)
<b>Secured</b>		
Loan repayable on demand:		
- Overdraft from a Bank	143,518,386	167,642,798
<b>Unsecured</b>		
Loan repayable on demand		
- Loan from related parties ( Refer note no.19(B)(IV)(b) )	-	54,500,000
- From other parties	210,000,000	122,500,000
	<b>353,518,386</b>	<b>344,642,798</b>

Note: Overdraft referred above to the extent of :

- Rs.25,158,348/- (P.Y.14,285,265/-) is secured by way of lien against term deposits with bank, and
- Rs.118,360,038/- (P.Y.153,357,533/-) is secured by equitable mortgage of office premises.

### 2.6 Trade Payables

Particulars	As at	
	31 <sup>st</sup> March, 2015 (₹)	31 <sup>st</sup> March, 2014 (₹)
Trade Payables	569,296,327	531,998,260
	<b>569,296,327</b>	<b>531,998,260</b>

### 2.7 Other Current Liabilities

Particulars	As at	
	31 <sup>st</sup> March, 2015 (₹)	31 <sup>st</sup> March, 2014 (₹)
Income Received in advance	2,408,317	2,110,967
Unclaimed Dividend *	231,986	270,877
Others		
Advance Received from Clients	25,520,091	70,153,765
Payable for Expenses	112,000,622	34,958,697
Other Liabilities	2,113,750	3,039,903
Statutory Liabilities	25,136,996	26,457,386
Deposit towards Margin and other from Clients	349,684,765	397,883,831
Cheques Overdrawn	-	11,783
	<b>517,096,527</b>	<b>534,887,209</b>

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

### 2.8 Short-Term Provisions

Particulars	As at	
	31 <sup>st</sup> March, 2015 (₹)	31 <sup>st</sup> March, 2014 (₹)
For Gratuity ( Refer Note No.5 )	2,876,588	2,574,035
For Income Tax (Net of Taxes Paid)	173,486	156,663
	<b>3,050,074</b>	<b>2,730,698</b>

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

### 2.9 (a) Tangible Assets

Description	Office Premises	Air Conditioners	Computers	Motor Cars	Furniture & Fixtures	Office Equipments	Leasehold Improvement	Total
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
<b>Gross Block (At Cost)</b>								
At 1 April 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
<b>At 31 March 2014</b>	<b>380,475,731</b>	<b>7,995,979</b>	<b>80,551,718</b>	<b>7,111,265</b>	<b>40,740,012</b>	<b>23,958,047</b>	<b>39,104,968</b>	<b>579,937,720</b>
Additions	-	298,017	8,030,943	-	179,068	1,468,262	1,292,081	11,268,371
Deductions	-	1,145,365	5,132,589	-	723,507	2,152,848	5,150,842	14,305,151
<b>At 31 March 2015</b>	<b>380,475,731</b>	<b>7,148,631</b>	<b>83,450,072</b>	<b>7,111,265</b>	<b>40,195,573</b>	<b>23,273,461</b>	<b>35,246,207</b>	<b>576,900,940</b>
<b>Depreciation/ Amortization</b>								
At 1 April 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
<b>At 31 March 2014</b>	<b>46,518,525</b>	<b>3,851,561</b>	<b>71,803,146</b>	<b>4,649,751</b>	<b>18,712,796</b>	<b>11,727,347</b>	<b>37,474,203</b>	<b>194,737,329</b>
Charge for the Year	16,229,895	802,281	4,556,483	870,724	6,307,323	8,846,526	1,285,082	38,898,314
Adjustments (Refer note no.22)	-	265	801,193	-	-	24,125	-	825,583
Deductions	-	664,876	4,969,925	-	671,793	1,495,556	5,150,842	12,952,992
<b>At 31 March 2015</b>	<b>62,748,420</b>	<b>3,989,231</b>	<b>72,190,897</b>	<b>5,520,475</b>	<b>24,348,326</b>	<b>19,102,442</b>	<b>33,608,443</b>	<b>221,508,234</b>
<b>Net Block</b>								
<b>At 31 March 2014</b>	<b>333,957,206</b>	<b>4,144,418</b>	<b>8,748,572</b>	<b>2,461,514</b>	<b>22,027,216</b>	<b>12,230,700</b>	<b>1,630,765</b>	<b>385,200,391</b>
<b>At 31 March 2015</b>	<b>317,727,311</b>	<b>3,159,400</b>	<b>11,259,175</b>	<b>1,590,790</b>	<b>15,847,247</b>	<b>4,171,019</b>	<b>1,637,764</b>	<b>355,392,706</b>

### 2.9 (b) Intangible Assets

Description	Stock Exchanges Membership Rights	Software	Total
	(₹)	(₹)	(₹)
<b>Gross Block (At Cost)</b>			
At 1 April 2013	28,255,000	59,326,624	87,581,624
Additions	-	3,312,680	3,312,680
<b>At 31 March 2014</b>	<b>28,255,000</b>	<b>62,639,304</b>	<b>90,894,304</b>
Additions	-	3,967,498	3,967,498
<b>At 31 March 2015</b>	<b>28,255,000</b>	<b>66,606,802</b>	<b>94,861,802</b>
<b>Depreciation/ Amortization</b>			
At 1 April 2013	28,255,000	52,901,218	81,156,218
Charge for the Year	-	5,654,646	5,654,646
<b>At 31 March 2014</b>	<b>28,255,000</b>	<b>58,555,864</b>	<b>86,810,864</b>
Charge for the Year	-	4,301,714	4,301,714
<b>At 31 March 2015</b>	<b>28,255,000</b>	<b>62,857,578</b>	<b>91,112,578</b>
<b>Net Block</b>			
<b>At 31 March 2014</b>	<b>-</b>	<b>4,083,440</b>	<b>4,083,440</b>
<b>At 31 March 2015</b>	<b>-</b>	<b>3,749,224</b>	<b>3,749,224</b>

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

### 2.10 (a) Non-Current Investments

Particulars	Face Value Per Share (₹)	No. of Shares		Amount	
		As At 31 <sup>st</sup> March 2015	As At 31 <sup>st</sup> March 2014	As At 31 <sup>st</sup> March 2015 (₹)	As At 31 <sup>st</sup> March 2014 (₹)
<b>Non-Current Investments (Long-Term) (At Cost)</b>					
<b>(A) Trade Investments</b>					
<b>In Equity Shares - Unquoted, fully Paid-up</b>					
Bombay Stock Exchange Limited	1	58838	58838	4,526	4526
<b>Total (A)</b>				<b>4,526</b>	<b>4,526</b>
<b>(B) Other Investments</b>					
<b>I) Investments in fully paid Equity Shares (Quoted)</b>					
- AIA Engineering Ltd.	2	-	620	-	300,794
- Aiditya Birla Nuvo Ltd.	10	185	-	313,325	-
- Ajanta Pharma Ltd.	5	-	80	-	75,061
- Alembic Pharmaceuticals Ltd.	2	150	1180	17,841	137,867
- Bajaj Finance Ltd.	10	50	50	72,573	72,573
- Bajaj Corp. Ltd.	1	1705	-	489,233	-
- Bayer Corpscience Ltd.	10	185	-	363,744	-
- Biocon Limited	5	-	1,525	-	417,020
- Centum Electronics Limited	10	737	-	330,544	-
- 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	4,025	205,075	205,075
- HDFC Bank Ltd.	2	1,098	675	784,931	422,243
- Hero Motocorp Ltd.	2	75	75	114,724	114,724
- Housing Development Finance Corporation Ltd.	2	150	150	123,185	123,370
- ICICI Bank limited (Split From Rs.10/- to Rs.2/-)	2	3,445	689	564,680	564,680
- IDFC Limited	10	4,802	4,802	562,075	562,075
- Infosys Ltd. (Include Bonus)	5	453	200	731,379	625,370
- Lakshmi Machine Works Ltd.	10	100	100	240,077	240,077
- LIC Housing Finance Ltd.	2	1,213	-	405,566	-
- Mahindra & Mahindra Limited	5	450	450	338,164	338,163
- Mahindra Holidays & Resorts India Ltd	10	950	950	261,891	261,890
- Pidilite Industries Ltd.	1	1,250	1,250	282,444	282,443
- Power Grid Corporation of India Ltd.	10	6,350	1,950	804,903	212,930
- PTC India Financial Services Ltd.	10	-	10,000	-	147,645
- PTC India Limited	10	7,622	3,401	577,099	188,917
- Tata Communications Limited	10	-	1,065	-	297,512
- TD Power Systems Ltd.	10	885	-	371,819	-
- Tech Mahindra Ltd. (Split From 10/- to 5/- and Include Bonus)	5	900	225	224,310	224,310
- The Jammu & Kashmir Bank Ltd.	10	-	150	-	196,950
- TV18 Broadcast Ltd.	2	5,000	5,000	134,743	134,743
- Wipro Ltd.	2	-	1,125	-	582,848
<b>Total (B)</b>				<b>8,802,118</b>	<b>7,217,073</b>
<b>Total (A + B)</b>				<b>8,806,644</b>	<b>7,221,599</b>
<b>Note :</b>					
<b>Aggregate amount of quoted investments in shares</b>					
- Cost				8,806,644	7,221,599
- Market Value				13,778,565	8,917,829

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

### 2.10 (b) Current Investments

Particulars	Face Value Per Unit	No. of Units		Amount	
		As At 31 <sup>st</sup> March 2015	As At 31 <sup>st</sup> March 2014	As At 31 <sup>st</sup> March 2015	As At 31 <sup>st</sup> March 2014
		(₹)	No's	No's	(₹)
<b>Non Trade (Other) Investments</b>					
<b>(Valued at lower of cost and fair value)</b>					
<b>Investments in fully paid units of Mutual Funds (Quoted)</b>					
- Goldman Sachs Liquid Exchange Traded Scheme (Liquid Bees)	1000	3,429.921	3,635.320	3,429,933	3,635,338
- Goldman Sachs MF - CPSE ETF	10	30,091.00	-	742,623	-
- UTI - Money Market Fund - Institutional Growth Plan	1000	7,682.649	8,477.522	12,000,000	12,100,000
- HDFC Liquid Fund - Growth	10	454,035.284	395,926.706	12,500,000	10,000,000
<b>Total</b>				<b>28,672,556</b>	<b>25,735,338</b>
<b>Notes:</b>					
<b>Aggregate of Quoted Investments in Mutual Fund</b>					
-Cost				<b>28,672,556</b>	<b>25,735,338</b>
-Net Asset Value				<b>28,701,910</b>	<b>25,828,298</b>

### 2.11 Deferred Tax Assets (Net)

Particulars	As at	
	31st March.2015	31st March.2014
	(₹)	(₹)
<b>Deferred Tax Assets</b>		
Provisions	54,000	40,885,444
Expenses charged to Statement of Profit and Loss but not allowed for tax purpose	156,877	30,400
Differences between book and tax depreciation	53,253	(40,869)
	<b>264,130</b>	<b>40,874,975</b>
<b>Deferred Tax Liability</b>		
Differences between book and tax depreciation	30,400	-
	<b>30,400</b>	<b>-</b>
<b>Net Deferred Tax Assets</b>	<b>233,730</b>	<b>40,874,975</b>

Note: Considering the principle of virtual certainty as stated in the "Accounting Standard AS-22-Accounting for Taxes on Income

- The deferred tax assets have not been recognised in case of the Parent Company and one of the subsidiary and
- During the year the carrying amount of deferred tax assets of Rs.406,17,700/- has been written down in case of one of the subsidiary company.

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

### 2.12 Long-Term Loans and Advances

Particulars	As at	
	31st March, 2015	31st March, 2014
	(₹)	(₹)
<b>Unsecured, Considered Good</b>		
Capital Advances	302,248	970,938
Deposits	40,722,175	42,736,859
Loan to ESOP Trust ( Refer note no.3(ii) )	58,000,000	58,000,000
<b>Other Loans and Advances</b>		
Prepaid Expenses	763,423	416,474
Loan to Staff	276,945	471,596
Income Tax Paid ( Net of Provisions )	81,363,193	66,902,093
Fringe Benefit Tax Refundable	148,022	148,022
Advance to Group Gratuity Trust	5,000	5,879
	<b>181,581,006</b>	<b>169,651,861</b>

### 2.13 Inventories

Particulars	As at	
	31st March, 2015	31st March, 2014
	(₹)	(₹)
Stock in Trade (Valued at lower of cost or market value)		
- Shares and Securities	24,232,145	610
	<b>24,232,145</b>	<b>610</b>

### 2.14 Trade Receivables

Particulars	As at	
	31st March, 2015	31st March, 2014
	(₹)	(₹)
<b>Unsecured</b>		
<b>(Considered good unless otherwise stated)</b>		
Outstanding for a period exceeding Six Months		
- Considered Good	12,401,392	7,999,002
- Considered Doubtful	113,963,757	151,900,252
	<b>126,365,149</b>	<b>159,899,254</b>
Less: Provision for Doubtful Debts	113,963,757	151,900,252
	<b>12,401,392</b>	<b>7,999,002</b>
<b>Others</b>		
- Considered Good	535,123,977	380,677,801
- Considered Doubtful	6,721,771	8,407,501
	<b>541,845,748</b>	<b>389,085,302</b>
Less: Provision for Doubtful Debts	6,721,771	8,407,501
	<b>535,123,977</b>	<b>380,677,801</b>
	<b>547,525,369</b>	<b>388,676,803</b>
Above includes due from Directors (Refer note no.19(B)(IV)(c))	47,952	31,733



# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

### 2.15 Cash and Cash Equivalents

Particulars	As at	
	31st March, 2015	31st March, 2014
	(₹)	(₹)
<b>Cash and Cash Equivalents</b>		
Balances with Banks		
- In Current Accounts	66,338,511	115,758,766
- In Deposit Accounts	685,380,921	590,122,526
- In Unclaimed Dividend Account	231,986	270,877
Cheque in Hand	16,561,520	-
Cash on Hand	366,096	287,177
Foreign Currency on Hand	4,751	5,083
Others		
- Meal Coupons in Hand	150,461	166,837
- Gift Coupons on Hand	-	101,196
- Balance in Paydirect Card	80,513	3,761
	<b>769,114,759</b>	<b>706,716,223</b>

#### Note:

- Deposits with banks includes deposits of Rs.40,85,50,000/- (P.Y. Rs.43,73,11,691/-) with maturity of more than 12 months.
- Deposits with banks includes
  - Deposit of Rs.52,87,50,000/- (P.Y. Rs.48,37,50,000/-) held as margin for bank guarantees.
  - Deposit of Rs.7,48,00,000/- (P.Y. Rs.725,00,000/-) held as security for bank overdraft facility.
  - Deposit of Rs.8,18,30,921/- (P.Y. Rs.338,72,526/-) lodged with exchanges/professional clearing member/regulatory authorities and other purposes.

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

### 2.16 Short-Term Loans and Advances

Particulars	As at	
	31st March, 2015 (₹)	31st March, 2014 (₹)
<b>Unsecured and Considered Good, Unless otherwise stated</b>		
Deposits		
- Considered Good	10,000,472	130,632,768
- Considered Doubtful	1,625,169	126,830
	<b>11,625,641</b>	<b>130,759,598</b>
Less: Provision for Doubtful Deposits	1,625,169	126,830
	<b>10,000,472</b>	<b>130,632,768</b>
Loans Granted - Others		
- Secured	<b>449,312,995</b>	<b>329,030,977</b>
- Unsecured		
* Considered Good	889,000	1,220,000
* Considered Loss Asset	-	28,320
	<b>450,201,995</b>	<b>330,279,297</b>
Less: Provision for Loss Assets	-	28,320
	<b>450,201,995</b>	<b>330,250,977</b>
Advances recoverable in cash or kind for value to be received (Refer note no. 4)		
- Considered Good	162,312,944	521,245,492
- Considered Doubtful	-	1,456,510
	<b>162,312,944</b>	<b>522,702,002</b>
Less: Provision for Doubtful Advances	-	1,456,510
	<b>162,312,944</b>	<b>521,245,492</b>
<b>Other Loans and Advances</b>		
Prepaid Expenses	9,900,874	11,533,132
Loans to Staff		
- Considered Good	1,155,418	1,408,839
- Considered Doubtful	11,732	37,500
	<b>1,167,150</b>	<b>1,446,339</b>
Less: Provision for Doubtful Loans	11,732	37,500
	<b>1,155,418</b>	<b>1,408,839</b>
Service Tax Input Credit Available / Receivable	4,135,935	3,740,223
Equity Index/Stock Options Premium	4,106,725	796,861
Less: Provision for Loss on Equity Index/Stock Options	78,849	-
	<b>4,027,876</b>	<b>796,861</b>
Mark to Market Margin- Equity Index Stock Futures	5,111	2,313,559
Less: Provision for Loss on Equity Index Stock Futures	5,111	2,313,559
	-	-
	<b>641,735,514</b>	<b>999,608,292</b>

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

### 2.17 Other Current Assets

Particulars	As at	
	31st March, 2015	31st March, 2014
	(₹)	(₹)
Interest Accrued but not due on deposit with banks	8,887,799	9,389,533
Interest Receivable on advances recoverable ( Refer note no.4 )	35,607,111	-
Income Receivable	1,263,122	3,107,731
	<b>45,758,032</b>	<b>12,497,264</b>

### 2.18 Revenue from Operations

Particulars	For the Year Ended	For the Year Ended
	31st March, 2015	31st March, 2014
	(₹)	(₹)
<b>Sale of Services</b>		
Brokerage	826,258,641	603,701,314
Investment Banking Activities	52,845,614	9,852,454
Portfolio Management Fees	14,811,726	9,279,578
Depository Operations	11,857,893	11,912,521
Interest from Financing Activities	57,816,035	40,306,215
Insurance Commission	20,860,973	17,165,005
Consultancy & Advisory Fees	-	13,350
Placement Fees	14,766,369	11,250,000
Research Fees	8,853,315	11,207,734
Other Fees	1,827,659	1,138,532
	<b>1,009,898,225</b>	<b>715,826,703</b>
<b>Other Operating Income</b>		
Interest on Deposit* with		
- Banks	52,123,492	44,338,661
- Others	232,653	3,520,066
Interest on Corporate Bonds/ Government Securities	81,123	-
Profit in Proprietary Trades in Securities/Derivatives Instruments (Net)	17,457,010	28,661,611
Add : Provision for Loss on Equity Index/Stock Futures written back	(83,960)	-
Less : Provision for Loss on Equity Index Futures	2,313,559	(2,313,559)
	<b>19,686,609</b>	<b>26,348,052</b>
Delayed Payments Charges	30,660,840	15,394,328
Liability no Longer Payable Written Back	287,856	602,848
Provision for Doubtful Debts Written Back	2,765,694	3,672,520
Bad Debts Recovered	1,842,973	589,982
Deposits written off earlier Recovered	35,274	-
Miscellaneous Income	3,281,071	3,004,611
	<b>110,997,585</b>	<b>97,471,068</b>
<b>Revenue from Operations</b>	<b>1,120,895,810</b>	<b>813,297,771</b>

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

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

### 2.19 Other Income

Particulars	For the Year Ended	For the Year Ended
	31st March, 2015	31st March, 2014
	(₹)	(₹)
<b>Interest</b>		
-On Deposit with Banks*	6,784,248	11,260,199
-Others ( Refer note no.4 )	35,901,271	1,409,020
<b>Dividend</b>		
- On Current Investments	157,601	245,254
- On Non Current Investments	398,780	355,067
- On Stock in Trade	340,500	30,070
<b>Net gain on Sale of Investments</b>		
- On Current Investments	2,393,169	-
- On Non Current Investments	1,814,249	100,960
<b>Miscellaneous Income</b>		
	-	45,037
	<b>47,789,818</b>	<b>13,445,607</b>

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

### 2.20 Employee Benefits Expenses

Particulars	For the Year Ended	For the Year Ended
	31st March, 2015	31st March, 2014
	(₹)	(₹)
Salaries and Other Benefits	417,309,237	355,241,777
Contribution to Provident and Other Funds	9,320,711	9,888,065
Staff Welfare Expenses	4,034,315	4,381,036
	<b>430,664,263</b>	<b>369,510,878</b>

### 2.21 Finance Costs

Particulars	For the Year Ended	For the Year Ended
	31st March, 2015	31st March, 2014
	(₹)	(₹)
Interest Expense	21,937,974	35,351,869
Other Borrowing Cost	11,304,921	9,892,809
	<b>33,242,895</b>	<b>45,244,678</b>

### 2.22 Depreciation and amortization expense

Particulars	For the Year Ended	For the Year Ended
	31st March, 2015	31st March, 2014
	(₹)	(₹)
Depreciation of Tangible assets	38,898,314	36,833,853
Amortization of Intangible assets	4,301,714	5,654,646
	<b>43,200,028</b>	<b>42,488,499</b>

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

### 2.23 Other Expenses

Particulars	For the Year Ended	For the Year Ended
	31st March, 2015	31st March, 2014
	(₹)	(₹)
Brokerage & Commission	132,381,325	110,346,826
Communication, Postage and Courier Charges	23,714,655	28,157,848
Interest Expended for Financing Activities	14,992,652	9,538,735
Fees & Stamps	1,307,438	1,536,618
Contribution/Payments to Exchanges / Professional Clearing Member	5,110,380	3,470,144
Membership & Subscription	23,373,916	28,808,614
Registration Fees	5,850,886	2,578,923
Depository Charges	467,454	800,441
Consultancy Fees	3,485,598	6,938,647
Loss due to Execution of Error Trades	10,523,961	7,699,903
Claims/ Compensation/ Settlement Charges	119,201	176,385
Expenses Attributable to Trades in Securities/Commodity / Derivative Instruments	3,461,593	4,125,715
Electricity Charges	21,695,452	19,431,991
Insurance	1,361,071	2,140,716
Repair & Maintenance - Own Premises	3,658,200	3,626,700
Repair & Maintenance - Other	9,744,972	12,850,082
Advertisement & Business Promotion Expenses	13,900,753	11,353,636
Printing & Stationery	4,903,538	5,244,255
Travelling, Conveyance & Vehicle Expenses	35,440,886	34,716,061
Comission to Directors	475,000	-
Provision for Doubtful Debts	2,384,533	10,556,539
Provision for Loss Assets	-	28,320
Provision for Standard Assets	311,128	152,181
Provision for Doubtful Deposits / Loans /Advances	1,627,001	164,330
Loss Assets Written off	28,320	50,000,000
Less: Provision Written Back	(28,320)	(50,000,000)
	-	-
Bad Debts Written off	39,499,288	18,182,683
Less : Provision Written Back	(39,241,064)	(16,620,108)
	<b>258,224</b>	<b>1,562,575</b>
Deposits & Advances Written off	1,791,011	1,009,669
Less: Provision Written Back	(1,610,940)	(844,210)
	<b>180,071</b>	<b>165,459</b>
Software Expenses	9,511,569	12,344,172
Legal & Professional Fees	27,448,095	19,956,400
Loss on Sale/ Discard of Fixed Assets	198,521	1,150,155
Payment to Auditor		
As Auditor		
- Audit Fees	1,579,832	1,579,832
- Tax Audit Fees	228,708	228,708
In Other Capacity		
- Taxation Matter	204,500	281,500
- Other Matters	465,354	449,354
	<b>2,478,394</b>	<b>2,539,394</b>
Rent	22,746,508	28,874,460
Service Tax	4,903,694	7,512,330
Rates & Taxes	1,291,014	1,327,894
Miscellaneous Expenses	18,708,263	17,702,037
Foreign Exchange Rate Flactuations Loss	20,775	60,100
Net Loss on Sale of Current Investment	-	37
Donation	325,000	60,000
	<b>408,361,721</b>	<b>397,698,623</b>

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

### 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, 2015, 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 Nomination, Remuneration and 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-2007		ESOP-2010	
	2014-15	2013-14	2014-15	2013-14
Options Outstanding at the beginning of the year	1,168,150	1,671,000	327,500	567,500
Options Granted during the year	-	-	-	-
Options Forfeited during the year	-	-	-	-
Options Exercised during the year	-	-	-	-
Options Expired/ Lapsed during the year	372,850	502,850	240,000	240,000
Options Outstanding at the end of the year	795,300	1,168,150	87,500	327,500
Options Exercisable at the end of the year	629,100	713,450	48,750	94,500
Weighted Average remaining contractual life (in years)	2.41	2.86	3.59	4.53

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:-

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

Particulars	Year Ended 31st March 2015	Year Ended 31st March 2014
	Amount (₹)	Amount (₹)
Net Income as reported	(15,72,91,136)	(3,94,77,518)
Add: - Intrinsic Value Compensation Cost	Nil	Nil
Less :- Fair Value Compensation Cost	(9,64,67,222)	(7,98,99,509)
<b>Adjusted Pro-forma Net Income</b>	<b>(6,08,23,914)</b>	<b>4,04,21,991</b>
<b>Earning per Share</b>		
<b>Basic</b>		
- As reported	(6.44)	(1.62)
- Proforma	(2.49)	1.65
<b>Diluted</b>		
- As reported	(6.43)	(1.62)
- Proforma	(2.49)	1.65

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 and the loan outstanding as at 31st March, 2015 is ₹ 580.00 Lac (Previous Year ₹ 580.00 Lac). As on 31st March, 2015, 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, 2015, the trust hold 6,67,148 equity shares of the Parent Company for which options are yet to be granted for which it has time till 31.03.2016 to either grant options or sell in the secondary market by 27.10.2019 being end of five years from the notification of SEBI (Share based Employee Benefits) Regulations, 2014. 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, 2015, 48,750 Options have vested to the eligible employees and 38,750 Options are yet to be vested. The current market value of the shares held by the said trust is lower than the cost of acquisition by ₹ 155.68 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 Out of “Advances Recoverable” as on March 31, 2014 of ₹ 5194.04 Lac from National Stock Exchange of India Limited (NSE) which was paid to them by the Parent Company on account of loss occurred due to a manifest material mistake on October 5, 2012 while executing a sale order on Cash Segment of NSE, ₹ 3587.06 Lac has been accounted by the Parent Company for as loss during the year under the head “Exceptional Items” net of recovery of ₹ 1606.98 Lac subsequent to balance sheet date as per SAT orders and settlement with counter party brokers. Interest accrued of ₹ 356.07 Lac till March 31, 2015 on the said recovery has been included in “Other Income”.

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

- 5 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 31st March, 2015 (₹)	Year ended 31st March, 2014 (₹)
Provident Fund	60,69,575	65,47,866
Employees State Insurance Scheme	498,127	7,31,954
Labour Welfare Fund	1,008	1,396

### (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	2014-15 (₹)	2013-14 (₹)
<b>I</b>	<b>Changes in present value of obligations</b>		
	Present Value of Obligations at beginning of the period	25,069,886	25,166,782
	Interest cost	2,109,757	1,884,046
	Current Service Cost	4,883,371	4,885,669
	Benefits Paid	(4,275,500)	(3,524,958)
	Actuarial (gain)/loss on obligations	(111,755)	(3,341,653)
	Present Value of Obligations at end of the period	27,675,759	25,069,886
<b>II</b>	<b>Changes in fair value of Plan Assets</b>		
	Fair Value of Plan Assets at beginning of the period	22,403,276	23,589,134
	Expected Return on Plan Assets	1,942,800	2,032,700
	Contributions	2,954,805	1,517,887
	Benefits Paid	(4,275,500)	(3,524,958)
	Actuarial gain/(loss) on plan assets	1,874,706	(1,211,487)
	Fair Value of Plan Assets at end of the period	24,900,087	22,403,276
<b>III</b>	<b>Fair Value of Plan Assets</b>		
	Fair Value of Plan Assets at beginning of the period	22,403,276	23,589,134
	Actual Return on Plan Asset	3,817,506	821,213
	Contributions	2,954,805	1,517,887
	Benefits Paid	(4,275,500)	(3,524,958)
	Fair Value of Plan Assets at end of the period	24,900,087	22,403,276
	Funded Status	(2,775,672)	(2,666,610)
	Excess of actual over estimated return on Plan Assets	1,874,706	(1,211,487)



# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

Sr. No.	Particulars	2014-15 (₹)	2013-14 (₹)
<b>IV</b>	<b>Actuarial Gain/(Loss) Recognized</b>		
	Actuarial Gain/(Loss) for the period (Obligation)	111,755	3,341,653
	Actuarial Gain/(Loss) for the period (Plan Assets)	1,874,706	(1,211,487)
	Total Gain/(Loss) for the period	1,986,461	2,130,166
	Actuarial Gain/(Loss) recognized for the period	1,986,461	2,130,166
	Unrecognised Actuarial Gain/(Loss) at the end of the Period	-	-
<b>V</b>	<b>Amounts recognized in the Balance Sheet</b>		
	Present Value of Obligations at end of the period	27,675,759	25,069,886
	Fair Value of Plan Assets at end of the period	24,900,087	22,403,276
	Funded Status	(2,775,672)	(2,666,610)
	Net Asset/(Liability) recognized in the balance sheet under Short-Term Provisions – Gratuity	(2,775,672)	(2,666,610)
<b>VI</b>	<b>Expense recognized in Statement of Profit and Loss</b>		
	Current Service Cost	4,883,371	4,885,669
	Interest cost	2,109,757	1,884,046
	Expected Return on Plan Assets	(1,942,800)	(2,032,700)
	Net Actuarial (Gain)/Loss recognized for the period	(1,986,461)	(2,130,166)
	Expense recognized in statement Profit and Loss under Employee Benefits Expenses	3,063,867	2,606,849
<b>VII</b>	<b>Movements in the Liability recognized in Balance Sheet</b>		
	Opening Net Liability	2,666,610	1,577,648
	Expenses as above	3,063,867	2,606,849
	Contribution paid	(2,954,805)	(1,517,887)
	Closing Net Liability	2,775,672	2,666,610
<b>VIII</b>	<b>Experience Analysis - Liabilities</b>		
	Actuarial (Gain)/Loss due to change in bases	1,373,128	(1,053,020)
	Experience (Gain)/Loss due to Change in Experience	(1,484,883)	(2,288,633)
	Total	(111,755)	(3,341,653)
	<b>Experience Analysis - Plan Assets</b>		
	Experience (Gain)	(1,874,706)	1,211,487
<b>IX</b>	<b>Investment pattern</b>		
	Insurer Managed Funds	100.00%	100.00%
<b>X</b>	<b>Principal Assumptions</b>		
	Mortality	ILAM (2006-08) Ult	ILAM (2006-08) Ult
	Discount Rate	7.80%	9.20%
	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 31<sup>ST</sup> MARCH, 2015

6. 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.

7. Details of Contingent Liabilities and Commitments:-

#### (A) Contingent Liabilities:-

Sr. No.	Particulars	As at 31st March, 2015 (₹)	As at 31st March, 2014 (₹)
(i)	Claims against the group not acknowledged as debts	10,09,728	34,45,450
(ii)	Guarantees issued by the Banks	105,75,00,000	96,75,00,000
(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)	9,95,510	35,96,872
(v)	Towards occurrence of manifest material mistake while executing a sale order as at 31st March, 2014 (Net of payment of ₹ 519,404,259/-)	Not Applicable	Nil

#### (B) Capital Commitments

Sr. No.	Particulars	As at 31st March, 2015 (₹)	As at 31st March, 2014 (₹)
(i)	Estimated amounts of contracts remaining to be executed on capital account and not provided for (Net of advances)	567,022	15,39,062

8. (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.

9. 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.

10. 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 31.03.2015 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 2015 (₹)	For the Year Ended 31st March 2014 (₹)
Provision for Standard Assets	311,128	152,181
Provision for Loss Assets	-	28,320
Provision for Doubtful Debts	-	143,594
<b>Total</b>	<b>311,128</b>	<b>324,095</b>

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

11. The accumulated losses in case of two subsidiary companies exceeds more than 50% of their net worth. The management of the said subsidiary companies are however confident of raising adequate finance and receiving continued support from the holding company in the coming year. Accordingly the financial statements of the said subsidiary companies have been prepared on the basis that they are going concerns and that no adjustments are required to the carrying value of assets and liabilities.
12. Other Current Liabilities includes ₹ 20,71,226/- (P.Y. ₹ 13,31,241/-) 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.
- 13. 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 arrangement are normally renewable on expiry. The rental expenses in respect of above operating leases was ₹ 2,27,46,508/- (P.Y. ₹ 2,88,74,460/-).
- (b) The future minimum lease payments in respect of non-cancellable operating leases are as follows:

Particulars	Year Ended 31st March, 2015 (₹)	Year Ended 31st March, 2014 (₹)
a) Payments not later than one year	20,38,000	103,24,257
b) Payable later than one year and not later than five years	7,09,677	22,03,961
c) Payable later than five years	-	-
<b>Total</b>	<b>27,48,477</b>	<b>125,28,218</b>

### 14. Earnings Per Share

Particulars	For the year ended 31st March, 2015 (₹)	For the year ended 31st March, 2014 (₹)
Profit/(Loss) available for Equity Shareholders (₹)	(15,72,91,136)	(3,94,77,518)
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	29,132	NIL
Weighted average number of Shares used in Computing Diluted earning per share	244,66,882	244,37,750
Nominal Value of Equity Shares (₹)	10	10
Basic Earnings Per Share (₹)	(6.44)	(1.62)
Diluted Earnings Per Share (₹)	(6.43)	(1.62)

### 15. 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 31<sup>ST</sup> MARCH, 2015

### (c) Information about Business Segments

Sr. No.	Particulars	Advisory and Transactional Services		Non Banking Financing Activities		Eliminations		Consolidated	
		Year Ended 31 <sup>st</sup> March, 2015	Year Ended 31 <sup>st</sup> March, 2014	Year Ended 31 <sup>st</sup> March, 2015	Year Ended 31 <sup>st</sup> March, 2014	Year Ended 31 <sup>st</sup> March, 2015	Year Ended 31 <sup>st</sup> March, 2014	Year Ended 31 <sup>st</sup> March, 2015	Year Ended 31 <sup>st</sup> March, 2014
<b>A.</b>	<b>REVENUE</b>								
1a	Income from External Clients	1,062,727,142	772,869,995	58,168,668	40,427,776			1,120,895,810	813,297,771
1b	Income from Intersegment Operations	325,395	258,265	6,360,330	11,921,589	(6,685,725)	(12,179,854)	-	-
	<b>Total Revenue</b>	<b>1,063,052,537</b>	<b>773,128,260</b>	<b>64,528,998</b>	<b>52,349,365</b>	<b>(6,685,725)</b>	<b>(12,179,854)</b>	<b>1,120,895,810</b>	<b>813,297,771</b>
<b>B.</b>	<b>RESULTS</b>								
1	Segment Results(PBIT)	201,187,435	(36,398,875)	37,482,363	39,998,646	-	-	238,669,798	3,599,771
	Segment Results(PBIT) - Intersegment								
	<b>Total Segment Results (PBIT)</b>	<b>201,187,435</b>	<b>(36,398,875)</b>	<b>37,482,363</b>	<b>39,998,646</b>	<b>-</b>	<b>-</b>	<b>238,669,798</b>	<b>3,599,771</b>
2	Finance Cost							33,242,895	45,244,678
3	Unallocated Income							47,789,818	13,445,607
4	<b>Profit from Ordinary Activities before exceptional item &amp; tax</b>							<b>253,216,721</b>	<b>(28,199,300)</b>
5	Exceptional Items							358,705,815	-
6	<b>Profit from Ordinary Activities after exceptional item but before tax</b>							<b>(105,489,094)</b>	<b>(28,199,300)</b>
7	Provision for Current Tax							12,538,000	1,130,000
8	Deferred Tax Charge/(Benefit)							40,659,445	9,439,624
9	Tax Provision of Earlier Years							(1,395,403)	708,594
10	<b>(Loss)/Profit After Tax</b>							<b>(157,291,136)</b>	<b>(39,477,518)</b>
11	Less:- Minority Interest							-	-
12	<b>(Loss)/Profit</b>							<b>(157,291,136)</b>	<b>(39,477,518)</b>

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

### (c) Information about Business Segments (Contd...)

Sr. Particulars No.	Advisory and Transactional Services		Non Banking Financing Activities		Eliminations		Consolidated		
	Year Ended 31 <sup>st</sup> March, 2015	Year Ended 31 <sup>st</sup> March, 2014	Year Ended 31 <sup>st</sup> March, 2015	Year Ended 31 <sup>st</sup> March, 2014	Year Ended 31 <sup>st</sup> March, 2015	Year Ended 31 <sup>st</sup> March, 2014	Year Ended 31 <sup>st</sup> March, 2015	Year Ended 31 <sup>st</sup> March, 2014	
<b>C. OTHER INFORMATION:</b>									
1	Segment Assets	1,856,650,741	2,118,099,054	461,357,668	349,715,637	-	-	2,318,008,409	2,467,814,691
2	Unallocated Corporate Assets							288,793,276	272,452,103
3	Total Assets							2,606,801,685	2,740,266,794
4	Segment Liabilities	1,111,213,218	1,096,342,326	213,720,549	125,311,552			1,324,933,767	1,221,653,878
5	Unallocated Corporate Liabilities							405,472	427,540
6	Total Liabilities							1,325,339,239	1,222,081,418
7	Capital Expenditure (Including Capital Work in Progress)	14,295,678	9,179,297	224,720	-			14,520,398	9,179,297
8	Depreciation & Amortization	43,125,121	42,485,386	74,907	3,113			43,200,028	42,488,499
9	Unallocated Depreciation & Amortization							-	-
10	Total Depreciation & Amortization	43,125,121	-	74,907	-			43,200,028	42,488,499
11	Non Cash Expenses Other than Depreciation & Amortization	4,294,015	14,040,989	311,128	324,095			4,605,143	14,365,084

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

### 16. Enterprises Consolidated as Subsidiary in accordance with Accounting Standard 21 – Consolidated Financial Statements.

Name of the Subsidiary	Date of Incorporation	Proportion of Ownership Interest	Nature of Business
Emkay Fincap Limited	16.05.2005	100%	Non Banking Finance Activities
Emkay Commotrade Limited	05.01.2006	100%	Commodity Broking
Emkay Insurance Brokers Limited	08.03.2007	100%	Direct Insurance Brokers
Emkay Investment Managers Limited	08.06.2010	100%	Portfolio Management Services

### 17. Additional Information, as required under Schedule III to the Companies Act, 2013, of the Enterprises Consolidated as Subsidiary.

Name of the Subsidiary	Net Assets, i.e. Total Assets minus Total Liabilities		Share in Profit or Loss	
	As % of Consolidated Net Assets	Amount (₹)	As % of Consolidated Profit or Loss	Amount (₹)
Emkay Fincap Ltd.	31.52%	358,681,401	-18.17%	28,572,824
Emkay Commotrade Ltd.	0.39%	4,425,246	23.83%	(37,476,218)
Emkay Insurance Brokers Ltd.	0.88%	10,069,245	-2.32%	3,650,882
Emkay Investment Managers Ltd.	3.92%	44,628,288	-4.74%	7,453,803

### 18. Salient Features of Financial Statements of Subsidiary Companies pursuant to Section 129(3) of the Companies Act, 2013:-

Name of the Subsidiary	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover/ Total Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation
Emkay Fincap Ltd.	220,000,000	138,681,400	572,421,868	213,740,468	-	64,768,404	37,721,771	9,148,945	28,572,824
Emkay Commotrade Ltd.	60,000,000	(55,574,754)	322,999,261	318,574,015	-	32,843,584	3,161,903	40,638,121	(37,476,218)
Emkay Insurance Brokers Ltd.	41,000,000	(30,930,755)	12,264,053	2,194,808	-	20,987,974	4,364,029	713,147	3,650,882
Emkay Investment Managers Ltd.	25,000,000	19,628,288	45,840,603	1,212,315	37,484,049	19,130,409	10,027,886	2,574,083	7,453,803

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

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

#### (A) List of Related Parties:

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

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

### (B) Transactions with Related Parties:-

Sr. No. and name of related party	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	
	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014	2013-2014
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
<b>I Expenditure</b>									
<b>Salaries &amp; Other Benefits *</b>	<b>12,000,000</b>	<b>12,000,000</b>	-	-	-	-	-	-	-
(a) - Krishna Kumar Karwa	6,000,000	6,000,000	-	-	-	-	-	-	-
- Prakash Kacholia	6,000,000	6,000,000	-	-	-	-	-	-	-
<b>Brokerage &amp; Commission</b>	-	-	-	-	<b>271,538</b>	<b>260,669</b>	-	-	-
- Krishna Investments	-	-	-	-	271,538	260,669	-	-	-
<b>Donation/Contribution</b>	-	-	-	-	-	-	<b>25,000</b>	<b>45,000</b>	-
- Emkay Charitable Foundation	-	-	-	-	-	-	25,000	45,000	-
<b>Interest Paid</b>	<b>2,136,437</b>	<b>5,450,001</b>	-	-	-	<b>603,700</b>	-	-	-
- Krishna Kumar Karwa	1,247,396	3,450,000	-	-	-	-	-	-	-
- Prakash Kacholia	889,041	2,000,001	-	-	-	-	-	-	-
- Emkay Corporate Services Pvt. Ltd.	-	-	-	-	-	603,700	-	-	-
<b>II Income</b>									
<b>Brokerage</b>	<b>399,097</b>	<b>257,894</b>	<b>631,028</b>	<b>293,434</b>	<b>875,776</b>	<b>132,992</b>	-	-	-
- Krishna Kumar Karwa	378,083	244,970	-	-	-	-	-	-	-
(a) - Preeti Kacholia	-	-	274,665	135,264	-	-	-	-	-
- Synthetic Fibres Trading Co.	-	-	-	-	816,776	132,992	-	-	-
- Others	21,014	12,924	356,363	158,170	59,000	-	-	-	-
<b>Depositary Charges</b>	<b>4,625</b>	<b>3,835</b>	<b>9,645</b>	<b>6,750</b>	<b>4,295</b>	<b>2,205</b>	-	-	-
- Krishna Kumar Karwa	2,730	2,350	-	-	-	-	-	-	-
- Prakash Kacholia	1,895	1,485	-	-	-	-	-	-	-
(b) - Preeti Kacholia	-	-	3,690	2,360	-	-	-	-	-
- Synthetic Fibres Trading Co.	-	-	-	-	1,980	1,545	-	-	-
- Emkay Corporate Services Private Ltd	-	-	-	-	2,000	60	-	-	-
- Others	-	-	5,955	4,390	315	600	-	-	-
<b>Portfolio Management Fees</b>	<b>132,359</b>	<b>92,400</b>	-	-	-	-	-	-	-
- Prakash Kacholia	132,359	92,400	-	-	-	-	-	-	-



# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

### (B) Transactions with Related Parties:-

Sr. No. and name of related party	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	
	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
<b>III Others</b>										
<b>(a) Payments made on behalf of</b>										
- Emkay Charitable Foundation	-	-	-	-	-	-	-	-	2,500	2,500
<b>(b) Short-Term Borrowings</b>										
- Krishna Kumar Karwa	30,000,000	34,500,000	-	-	-	-	-	-	-	-
<b>(c) Repayment of Short-Term Borrowings</b>										
- Krishna Kumar Karwa	84,500,000	34,500,000	-	-	-	-	6,500,000	-	-	-
- Prakash Kacholia	64,500,000	34,500,000	-	-	-	-	-	-	-	-
- Emkay Corporate Services Pvt. Ltd	20,000,000	-	-	-	-	-	-	-	-	-
							6,500,000			
<b>IV Outstanding</b>										
<b>(a) Trade Payables</b>										
- Prakash Kacholia	-	668,497	1,991,888	-	-	-	-	-	-	-
- Preeti Kacholia	-	668,497	-	-	-	-	-	-	-	-
<b>(b) Short Term Borrowings</b>										
- Prakash Kacholia	-	54,500,000	-	-	-	-	-	-	-	-
- Krishna Kumar Karwa	-	20,000,000	-	-	-	-	-	-	-	-
<b>(c) Trade Receivables</b>										
- Krishna Investments	47,952	31,733	3,256	38,165	2,923,990	2,314,292	-	-	-	-
- Synthetic Fibres Trading	-	-	-	-	2,096,976	2,313,854	-	-	-	-
- Others	47,952	31,733	3,256	38,165	826,542	404	472	34	-	-
<b>(d) Security / Margin Deposits</b>										
- Krishna Investments	-	-	-	-	200,000	200,000	-	-	-	-

\* Contribution to Group Gratuity Scheme 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 31<sup>ST</sup> MARCH, 2015

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

Name of Equity Index / Stock Futures	As at 31.03.2015			As at 31.03.2014		
	No. of Contracts	No. of Units		No. of Contracts	No. of Units	
		Long	Short		Long	Short
Nifty	62	-	1,550	825	-	41,250

### (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 31.03.2015	Premium carried forward as at 31.03.2014
	[net of provisions made]	[net of provisions made]
	Amount (₹)	Amount (₹)
Nifty	40,27,876	7,96,861
<b>Total</b>	<b>40,27,876</b>	<b>7,96,861</b>

- The provisions of section 135 of the Companies Act, 2013 pertaining to expenditure on Corporate Social Responsibility are not applicable to Parent Company or to any of the Subsidiary Company.
- Pursuant to enactment of Companies Act 2013, the Company has applied the estimated useful lives as specified in Schedule II, except in respect of certain assets as disclosed in Accounting Policy on Fixed Assets and Depreciation. Accordingly the unamortized carrying value is being depreciated/amortised over the revised/remaining useful lives. The written down value of Fixed Assets whose lives have expired as at 1st April, 2014 have been adjusted net of tax, in the opening balance of Statement of Profit And Loss amounting to ₹ 7,71,969/- (Net of Deferred Tax ₹ 2,300/-) and in the opening balance of General Reserve amounting to ₹ 35,414/- (Net of Deferred Tax ₹ 15,900/-). Consequently, depreciation for the year ended 31.03.2015 is higher by ₹ 90,33,207/-.
- Other Additional Information required pursuant to Part II of Schedule III of the Companies Act, 2013 are not applicable to Parent Company or to any of the Subsidiary Company.
- Commission to Directors of ₹ 4,75,000/- (P.Y. ₹ Nil) represents commission to independent directors.
- Figures pertaining to the Subsidiary Companies have been reclassified wherever necessary to bring them in line with the Parent Company's Financial Statements.
- Figures in brackets indicates previous year's figures.
- Figures of previous year have been regrouped, recasted and rearranged wherever necessary to make them comparable with the figures of the current year.
- Figures have been rounded off to the nearest rupees.

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

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

**G. P. Gupta**  
Chairman

**Krishna Kumar Karwa**  
Managing Director & CFO

**Prakash Kacholia**  
Managing Director

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

**Vaibhav Purohit**  
Company Secretary & Compliance Officer

Place: Mumbai  
Dated: 22nd May, 2015

Place: Mumbai  
Dated: 22nd May, 2015



The logo for Emkay is written in a stylized, orange, cursive font. The word "Emkay" is followed by a small copyright symbol (©).

*Emkay*®

Your success is our success

CIN: L67120MH1995PLC084899.

Registered Office: The Ruby, 7th Floor, Senapati Bapat Marg,  
Dadar (West), Mumbai-400028. Tel: +91 22 6612 1212



Your success is our success

## 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: 022-66299299 Email: compliance@emkayglobal.com

### PROXY FORM

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

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

I/We, being the member (s) of Emkay Global Financial Services Limited holding \_\_\_\_\_ equity shares of the above named Company, hereby appoint.

- Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
E-mail ID : \_\_\_\_\_  
Signature : \_\_\_\_\_ or failing him
- Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
E-mail ID : \_\_\_\_\_  
Signature : \_\_\_\_\_ or failing him
- Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
E-mail ID : \_\_\_\_\_  
Signature : \_\_\_\_\_ or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 21st Annual General Meeting of the Company, to be held on Wednesday, 12th day of August, 2015 at 4.00p.m. at "Suryodaya Banquets" (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 as are indicated below:

Sr. No.	Resolutions
1	To receive, consider and adopt the audited financial statements including audited consolidated financial statements of the Company for the financial year ended 31st March, 2015 together with 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 reappoint Statutory Auditors M/s. B. L. Sarda & Associates, Chartered Accountants and to fix their remuneration.
4	Ordinary Resolution under section 197, 198 of the Companies Act, 2013 for approval of payment of Commission to Non Executive Independent Directors for a period of five years commencing from 01.04.2015.
5	Ordinary Resolution under section 160, 161 of the Companies Act, 2013 for appointment of Director (Woman Director) (Regularization of Additional Director as Director of the Company).
6	Special Resolution under section 14 of the Companies Act, 2013 and rules made there under for adopting new set of Articles of Association of the Company.
7	Special Resolution for approving the limits of Investment under section 186 of the Companies Act, 2013 and rules made thereunder.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

Signature of the Shareholder: \_\_\_\_\_

Signature of the Proxy Holder(s): \_\_\_\_\_

Affix Revenue Stamp of Rs.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

CIN No. L67120MH1995PLC084899

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

Website: www.emkayglobal.com T: 022-66299299 Email: compliance@emkayglobal.com

### ATTENDANCE SLIP

I hereby record my presence at the 21st Annual General Meeting of the Company held on Wednesday, 12th August, 2015 at 4.00 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

#### Notes:

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

**FORM - A****Format of covering letter of the Annual Audit report to be filed with the Stock Exchanges****(Clause 31 of the Listing Agreement)**

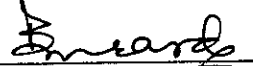
1	Name of the Company	Emkay Global Financial Services Limited
2	Annual Financial Statements for the Year ended	31 <sup>st</sup> March, 2015
3	Type of Audit observation	Un-Qualified
4	Frequency of observation	Not Applicable;

For and on behalf of  
Emkay Global Financial Services Limited



Prakash Kacholia  
Managing Director

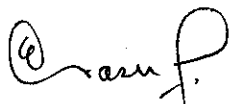
For B. L. Sarda & Associates  
Firm Registration No. 109266W  
Chartered Accountants



B. L. Sarda  
Partner  
M. No. 014568



Krishna Kumar Karwa  
Managing Director & CFO



G. C. Vasudeo  
Chairman of the Audit Committee

