

*Emkay*®

Your success is our success

**ANNUAL  
REPORT**  
2016-17

India's Most  
Trusted Financial  
Brand 2016-17  
- WCRC

Exclusive Equity  
Research  
Collaboration with  
DBS Singapore

Among 25 Fastest  
Growing Financial  
Consultant  
Companies in India  
-The CEO Mag

Best Research Team  
Rank 10  
-Institutional Investor  
Survey 2016





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## In Conversation with the MDs



Prakash Kacholia

We are positively poised for the forthcoming growth phase



Krishna Kumar Karwa

### FY17 emerged to be an eventful year for India. Your views on the year gone by?

Fiscal 2017 truly embodied a warrior on a mission of relentless reforms, with 'progress' as its steadfast end goal. Energy levels were almost unprecedented with a host of unanticipated government policies imprinting the landscape of this country. For an already resolute government at the center, the UP elections arrived as a stimulus, with its hold gaining dominance, making passage of reforms an uncomplicated affair. Mounting political stability and nimble swing of reforms from germination to implementation were both instrumental in elating investor perception of India. The year turned out to be a landmark one for BJP, with its sweeping victory in 5 out of the 9 state elections held during this period. However, their triumph in UP, a state that roofs nearly 20% of India's population, emerged to be colossal by far.

Generous monsoons, following two years of drought like conditions lifted rural sentiments and catapulted food grain production to a record high. Government policies aided this further, thus easing overall inflation and curtailing import dependence towards agro commodities in fiscal 2017. The first half of the year saw a resuscitating rural economy; however, the impetus was deterred with the announcement of demonetization. The initial tremors of demonetization were sensed until January 2017, with dipping production, greater loss of jobs in the unorganized sector & across casual labor, plummeting real estate sales, a multi-decade low

credit growth and surplus liquidity with banks. However, once the initial knee jerk reaction to demonetization waned out, consumption has shown signs of recovery and the same is likely to gain momentum in the current fiscal. Demonetisation of specified bank notes and GST implementation are expected to present long standing gains in the form of transformation of the unorganized economy into an organized one.

The year also saw the enactment of the Insolvency and Bankruptcy code that shall be instrumental in providing a unified framework for resolving matters pertaining insolvency and bankruptcy. In the longer run these reforms would translate into improved tax compliance, higher GDP growth and lower inflation, while laying a strong foundation for our country's future growth.

The capital markets rewarded concentration of power at the centre by augmenting nearly 17% in fiscal 2017, despite the insubstantial performance of corporate India. The other significant events that fed to this rise were demonetization- with inundation of flows in mutual funds and drying out of Trump expectations.

Broadly, the Indian Government undertook several landmark reforms that shall be the harbingers of sustainable growth in the years to come.

### What is the outlook for India over the course of the next two years?

We behold a highly optimistic view for India. A strong GDP growth, a sturdy currency and the fiscal deficit and current account deficit, being where

they are, are a culmination of the efforts that the Indian government has put in terms of advancing the economy forward. In time to come, all the efforts of the last three years should yield benefits. The next two years, in particular, will see immense thrust from the government in terms of delivering on what they have promised, chiefly leveraging on the efforts that they have put in the previous three years.

Our sense is that remonetisation, reflationary government policies and favorable geo-political scenario would recuperate corporate performance. The focus of the Central and the State governments towards revival of rural consumption that dominates close to 55% of the total consumption in India, along with higher seeding of Aadhar under DBT is likely to lead to faster conduction of government policies to its target audience. The Government's intent of doubling farm income by 2022, would, in most certainty be its priority for the next couple of years. The Centre and States have allocated higher funds towards revival of rural and agrarian economy through MNREGA, PMAY, PMGSY and by way of higher food procurement.

Additionally, with States implementing the 7th pay commission, which would be on a scale larger than one at the Centre, overall consumption should receive a thrust. With higher impetus towards consumption and elevated commodity prices, inflation is likely to remain above the comfort zone. RBI is expected to maintain its neutral stance and has clearly signaled end of the rate easing cycle. Going forward, rising global yields coupled with improvement in corporate performance would most likely harden the yields across tenor.

The government may now be required to focus its efforts towards ensuring that job growth receives a stimulus. Probably a lot of endeavor would now be on that front and we would think that the whole effort on the affordable housing segment is a function of trying to revive the sector, given it is one space that can create a phenomenal number of job opportunities in the system. In the next two years we should also see growing emphasis on urban infra and capexes across the board that would deliver enormous returns to the people of India in the longer run.

#### How are GST and the global economy likely to impact India?

We believe that replacement of the complicated indirect taxes with the single structure Goods & Services Tax would be a game changing reform for our country. The complexity of input tax credit, exclusion of a few items from the GST gamut and intricacy of the rate structure could make assessment of the overall impact of this reform on the growth prospects difficult. However, in the longer run, the benefits of GST implementation and formalization of the economy are likely to be experienced.

Fiscal 2017 was exposed to some major developments in the global landscape too. UK's withdrawal from the European Union and the US presidential elections were events that left an impression on economies across the globe. With indications of reviving global demand, in particular from the advanced economies becoming visible, there is expectation of some positive spillover effect for India. However, the protectionist measures adopted world over could juxtapose the earlier linkages of advanced economies' growth with that of the rest of the world. These measures are emanating particularly from the wayward US policies targeted at protecting and promoting its domestic industry. Against this backdrop, we believe that India is positioned favorably and its export demand should strengthen further with improving global growth. Also, growing global demand would elevate the global commodity prices translating to higher inflationary pressure.

**Do you believe that Emkay is in a**

#### favorable spot given the overall environment?

The Indian equity markets today stand at a threshold of a significant transformation with mounting dominance of domestic players, particularly the mutual fund industry and retail investors. Inflows into mutual funds have continued to remain strongly positive since 2014. This transformation has provided a considerable impetus to mid and small cap stocks, thereby infusing liquidity and depth into Indian stock markets. Net FII inflows to the extent of USD 8.3bn were witnessed in Indian markets, wherein there were outflows of USD 722mn from debt and inflows of USD 9.1bn into equity markets. The turnaround in FII flows are being experienced since Feb'17, with the highest monthly net investment in equity since 2010, of USD 5.1bn in March 2017. Similar observation has been made in the FII debt investment space, which witnessed its highest ever inflow in March.

According to CMIE database, overall, Assets Under Management in fiscal 2017 have inflated nearly 42% to INR 17.5tn, chiefly driven by higher corporate participation that contributed to 50% of this growth. Interest of retail investors has also seen a revival, as indicated by the surge of investor accounts in mutual funds to over 52 mn in Mar'17 from 45 mn in Mar'16. With fixed income investment avenues yielding dismal returns we should see a surge in equity investments in the period to come.

Emkay Global with its rich heritage that spans over two decades stands strategically focused in the midst of the existing global and domestic environment. We are honored and humbled to be bestowed the title of 'India's Most Trusted Brand' by the World Consulting & Research Corporation for 2016-17. The trust that our clients, investors and the society at large places in us, keeps us going and growing. We believe that with our well demonstrated and appreciated research coverage that spans over 250 companies now and with a 2.5-3% market share in the domestic institutional business, we are

favorably positioned to gain from the transformation underway.

We are also excited about our recent Equity Research tie-up with DBS Singapore. We believe that this collaboration will enhance our ability to tap into the global opportunities that lie ahead. The alliance will be beneficial to both Indian and global investors since it will offer a holistic view of the Asian market to them. The integrated reports will be shared in different countries, including India, Singapore, Taiwan, UK, Continental Europe, Middle East and US. These reports will have in-depth knowledge and showcase current market and sector scenarios. In particular, this collaboration shall strengthen our reach to capture greater market share in global business.

We are positively poised for the forthcoming growth phase!

“ We are excited about our recent Equity Research tie-up with DBS Singapore ”



## Corporate Access Capabilities

### Emkay Konnect - Dealers Conference December 8<sup>th</sup>, 2016

Witnessed participation from **156** clients, including Fund houses & Individuals, meeting more than **15** Dealers across different states, resulting in **519** Meetings

### Emkay Confluence - Ideas for Tomorrow August 17<sup>th</sup>-18<sup>th</sup>, 2016

Witnessed participation from nearly **100** corporates with more than **2300** meetings & **90** one on one interactions

### Emkay Konnect - Dealers Conference Singapore - January 23<sup>rd</sup>, 2017

Witnessed participation from **38** clients, including Fund houses & Individuals, meeting with **8** Dealers across different sectors, resulting in **100** Meetings

## Research Capabilities

~**2000** Research Reports Initiated

**130** Roadshows  
**17** Reverse Roadshows

**52** Corporate / Expert Client Meetings

**122** Corporate / Expert Conference Calls

## Investment Banking Deals

Preferential Issue of Time Technoplast Ltd.  
**₹1500mn**  
Jan' 17

Preferential Issue of Ok Play India Ltd.  
**₹176mn**  
Sept' 16

Share Buyback of Dhanuka Agritech Ltd.  
**Upto ₹800 mn**  
Mar' 17



# Making a Difference with our Diverse Research

A well demonstrated, diverse and in-depth research is appreciated across the industry. Over the years our dextrous team of highly experienced research analysts has introduced numerous investment themes spanning varied aspects of the economy, sectors and companies, enabling us to bring about a multiplier difference to our clients' portfolios.

## Few of Our Research Themes During the Year

### India Strategy

#### Demonetization shock to impel fiscal stimulus

The demonetization shock is expected to tip the equilibrium between growth and inflation. Lower inflation will have a positive impact on the economy. The monetary policy will support an overall growth of 7.5% in FY17. The government's fiscal stimulus is expected to be a key driver of growth. The demonetization shock is expected to be a key driver of growth. The demonetization shock is expected to be a key driver of growth.

**Key takeaways:**

- The demonetization shock is expected to tip the equilibrium between growth and inflation.
- Lower inflation will have a positive impact on the economy.
- The monetary policy will support an overall growth of 7.5% in FY17.
- The government's fiscal stimulus is expected to be a key driver of growth.
- The demonetization shock is expected to be a key driver of growth.

**Overall view:**

The demonetization shock is expected to tip the equilibrium between growth and inflation. Lower inflation will have a positive impact on the economy. The monetary policy will support an overall growth of 7.5% in FY17. The government's fiscal stimulus is expected to be a key driver of growth. The demonetization shock is expected to be a key driver of growth.

**Financials:**

Company	EPS	P/E	Dividend Yield
Reliance Industries	100	15	0.5
Infosys	100	25	0.5
Wipro	100	20	0.5

### India Strategy

### Orient Refractories

#### Imminent takeover, Powered by structural growth

Orient Refractories is a leading player in the refractory industry. The company is expected to be acquired by a larger player. The company is expected to be acquired by a larger player. The company is expected to be acquired by a larger player.

**Key takeaways:**

- Orient Refractories is a leading player in the refractory industry.
- The company is expected to be acquired by a larger player.
- The company is expected to be acquired by a larger player.
- The company is expected to be acquired by a larger player.

**Financials:**

Company	EPS	P/E	Dividend Yield
Orient Refractories	100	15	0.5

### Mid-Cap

### Banking & Financial Services

#### NBFCs: FY16 Annual Report Analysis

NBFCs have shown strong growth in FY16. The industry is expected to continue its growth. The industry is expected to continue its growth. The industry is expected to continue its growth.

**Key takeaways:**

- NBFCs have shown strong growth in FY16.
- The industry is expected to continue its growth.
- The industry is expected to continue its growth.
- The industry is expected to continue its growth.

**Financials:**

Company	EPS	P/E	Dividend Yield
Small Finance Bank	100	15	0.5
Ujjivan Finance	100	15	0.5

### Banking & Financial Services

### Auto Ancillaries - Batteries

#### Positively Charged

The auto ancillaries sector is expected to show strong growth. The industry is expected to continue its growth. The industry is expected to continue its growth.

**Key takeaways:**

- The auto ancillaries sector is expected to show strong growth.
- The industry is expected to continue its growth.
- The industry is expected to continue its growth.
- The industry is expected to continue its growth.

**Financials:**

Company	EPS	P/E	Dividend Yield
Amara Batteries	100	15	0.5

### Auto Ancillaries

### Engineering & Capital Goods

#### T&D to unfold sizeable opportunities

The engineering and capital goods sector is expected to show strong growth. The industry is expected to continue its growth. The industry is expected to continue its growth.

**Key takeaways:**

- The engineering and capital goods sector is expected to show strong growth.
- The industry is expected to continue its growth.
- The industry is expected to continue its growth.
- The industry is expected to continue its growth.

**Financials:**

Company	EPS	P/E	Dividend Yield
JSW Steel	100	15	0.5

### Capital Goods

### Consumers

#### Prospects Creamier & Cheaper

The consumer sector is expected to show strong growth. The industry is expected to continue its growth. The industry is expected to continue its growth.

**Key takeaways:**

- The consumer sector is expected to show strong growth.
- The industry is expected to continue its growth.
- The industry is expected to continue its growth.
- The industry is expected to continue its growth.

**Financials:**

Company	EPS	P/E	Dividend Yield
Amul	100	15	0.5

### Dairy Industry

### Power

#### Rajasthan Discom - Really check

Rajasthan Discom is expected to show strong growth. The industry is expected to continue its growth. The industry is expected to continue its growth.

**Key takeaways:**

- Rajasthan Discom is expected to show strong growth.
- The industry is expected to continue its growth.
- The industry is expected to continue its growth.
- The industry is expected to continue its growth.

**Financials:**

Company	EPS	P/E	Dividend Yield
Rajasthan Discom	100	15	0.5

### Power Sector

### FMCG

#### Premiumisation - Way to grow

The FMCG sector is expected to show strong growth. The industry is expected to continue its growth. The industry is expected to continue its growth.

**Key takeaways:**

- The FMCG sector is expected to show strong growth.
- The industry is expected to continue its growth.
- The industry is expected to continue its growth.
- The industry is expected to continue its growth.

**Financials:**

Company	EPS	P/E	Dividend Yield
Amul	100	15	0.5

### FMCG Sector

## Emkay Collaborates with DBS Bank for Knowledge Sharing



During the year, Emkay partnered with DBS Bank to collaborate on research expertise. The alliance would be beneficial to both Indian and global investors since it would offer a holistic view of the Asian market. The integrated reports will be shared in different countries, including India, Singapore, Taiwan, UK, Continental Europe, Middle East and the US. These reports will have in-depth knowledge and showcase current market and sector scenarios.

Emkay would be able to leverage off DBS' Research to increase the depth of its offerings to its domestic clients while also reinforcing Emkay's expanding global reach. The alliance will also enable DBS to enhance its Asian Insights content platform by combining cross-border thematic and macro-level insights currently produced by the regional DBS team, with bottom-up sectoral and company analysis provided by Emkay.





## Facts at a Glance



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

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

### Company Secretary & Compliance Officer

B. M. Raul

### 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  
Citibank NA  
HDFC Bank Limited  
ICICI Bank Limited  
Indian Overseas Bank  
IndusInd Bank Limited  
Kotak Mahindra Bank  
State Bank of India  
Union Bank of India

### REGISTERED & CORPORATE OFFICE

The Ruby, 7<sup>th</sup> Floor, Senapati Bapat Marg,  
Dadar (West), Mumbai - 400028  
Tel. No: 022-66121212

### ADMINISTRATIVE OFFICE

Building 'C-06', Ground Floor, Paragon Centre,  
Pandurang Budhkar Marg, Worli, Mumbai - 400013  
Tel. No: 022-66299299

### REGISTRAR & TRANSFER AGENTS

Link Intime India Private Limited  
C 101, 247 Park, L B S Marg,  
Vikhroli (West), Mumbai 400 083



# DIRECTORS' REPORT

Dear Members,

Your Directors present the Twenty Third Annual Report of your Company and the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2017.

## 1. FINANCIAL RESULTS

An overview of the financial performance of your Company along with its Subsidiaries for the Financial year 2016-17 is as under:

Particulars	(Amount in Lac)			
	Standalone		Consolidated	
	Year ended		Year ended	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Total Income	9662.41	9505.54	10,884.15	10,532.58
EBITDA	1,710.15	1,860.11	2,373.54	2,376.97
Less : Depreciation and Amortization	403.06	356.67	411.53	359.46
Less : Finance Costs	223.33	207.71	319.67	351.78
Profit Before Exceptional Item & Tax	1,083.77	1,295.73	1,642.35	1,665.73
Exceptional Item	335.00	-	-	-
Profit Before Tax	748.77	1,295.73	1,642.35	1,665.73
Less : Tax Expense	287.18	314.88	423.17	462.37
Profit after Tax	461.59	980.85	1,219.18	1,203.36
Less : Minority Interest	-	-	-	-
Profit/(Loss) attributable to Shareholders of the Company	461.59	980.85	1,219.18	1,203.36
<b>Opening balance in Statement of Profit and Loss</b>	<b>252.26</b>	<b>(456.86)</b>	<b>253.96</b>	<b>(597.67)</b>
<b>Amount available for Appropriation</b>	<b>713.85</b>	<b>523.99</b>	<b>1,473.14</b>	<b>605.68</b>
Appropriations *				
Interim Dividend	-	244.38	-	244.38
Tax on Interim Dividend	-	27.36	-	49.75
Transfer to Special Reserve u/s 45-IC of RBI Act	-	-	54.68	57.60
<b>Closing balance in Statement of Profit and Loss</b>	<b>713.85</b>	<b>252.26</b>	<b>1,418.46</b>	<b>253.96</b>

\*As per the requirements of pre-revised AS 4-'Contingencies and Events occurring after the balance sheet date', the Company used to create a liability for dividend proposed /declared after the balance sheet date if dividend related to periods covered by the financial statements. As per AS 4 (Revised), with effect from April 2016, the Company is not required to provide for dividend proposed/declared after the balance sheet date.

## 2. DIVIDEND

The Board of Directors are pleased to recommend a dividend at the rate of ₹ 1/- ( 10 %) per equity share of the face value of ₹ 10/- for the year ended 31<sup>st</sup> March, 2017 (Previous year ₹ 1/- per equity share (Interim dividend). This would involve a payout of ₹ 294.13 Lac including dividend distribution tax (previous year ₹ 271.74 Lac) based on the number of shares as on 31<sup>st</sup> March, 2017. The dividend would be paid to all the shareholders, whose names appear in the Register Members/Beneficial Holders list on the Book Closure date. This Dividend is

subject to approval of the Members at the forthcoming 23<sup>rd</sup> Annual General Meeting.

## 3. REVIEW OF OPERATIONS

### Standalone

During the year under review, your Company recorded a total income of ₹ 9662.41 Lac as compared to ₹ 9505.54 Lac in the previous financial year, higher by 1.65%. The Profit for the same period stands at ₹ 461.59 Lac as compared to the Profit of ₹ 980.85 Lac in the previous financial year.



## DIRECTORS' REPORT

### Consolidated

During the year under review, your Company recorded a total income of ₹ 10,884.15 Lac as compared to ₹ 10532.58 Lac in the previous financial year, higher by 3.34%. The Profit for the same period stood at ₹ 1219.18 Lac as compared to the Profit of ₹ 1203.36 Lac in the previous financial year.

### 4. AWARDS AND ACCOLADES

World Consulting & Research Corporation (WCRC), India's leading consulting, research and knowledge firm has awarded the title of "India's Most Trusted Financial Brand – 2016-17" to the Company. India's Most Trusted Financial Brand recognizes nominations in each industry category namely Banking, Financial Services and Insurance that have created a genuine impact on the Indian Economy. The Company was commemorated with the Award at the Pride of India Summit hosted by WCRC on 21<sup>st</sup> December, 2016 at Mumbai.

### 5. TIE UP WITH DBS BANK FOR KNOWLEDGE SHARING

During the year, the Company signed an agreement with DBS Bank in Singapore on 23<sup>rd</sup> January, 2017 to collaborate on research expertise. The alliance will be beneficial to both Indian and Global Investors since it will offer a holistic view of the Asian Market. The integrated reports will be shared in different countries including India, Singapore, Bangkok, Jakarta, London, Dubai and New York.

### 6. EXTRACT OF ANNUAL RETURN

As provided under Section 92(3) of the Companies Act, 2013 (the Act) the extract of annual return is given in "Annexure A" in the prescribed form MGT-9, which forms part of this report.

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

During the Financial Year 2016-17, 4 meetings were held on 23<sup>rd</sup> May, 2016, 10<sup>th</sup> August, 2016, 9<sup>th</sup> November, 2016 and 30<sup>th</sup> January, 2017.

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

Name of the Director	Category	Board Meetings during Financial Year 2016-17	
		Held	Attended
Mr. G. P. Gupta	NED (I)	4	2
Mr. S. K. Saboo	NED	4	4
Mr. R. K. Krishnamurthi	NED (I)	4	2
Mr. G. C. Vasudeo	NED (I)	4	4
Mr. Krishna Kumar Karwa	ED	4	4
Mr. Prakash Kacholia	ED	4	4
Mrs. Preeti Kacholia			
	NED	4	4
Dr. Satish Ugrankar (Appointed as an Independent Director w.e.f. 10 <sup>th</sup> August, 2016)	NED (I)	4	4

### 8. DIRECTORS' RESPONSIBILITY STATEMENT

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

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



## DIRECTORS' REPORT

- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 9. AUDIT COMMITTEE

The Board has reconstituted the Audit Committee which comprises Mr. G. C. Vasudeo as the Chairman and Mr. G. P. Gupta, Mr. R. K. Krishnamurthi, Dr. Satish Ugrankar and Mr. Prakash Kacholia as the members of the Committee. More details pertaining to the Audit Committee are included in the Corporate Governance Report, which forms part of this report.

### 10. NOMINATION, REMUNERATION AND COMPENSATION COMMITTEE

The Board has constituted Nomination, Remuneration and Compensation Committee in compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 which comprises Mr. G. C. Vasudeo, an Independent Director as the Chairman and Mr. R. K. Krishnamurthi, Mr. G. P. Gupta and Mr. S. K. Saboo as the members of the Committee.

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

The Company's Remuneration Policy is available on the Company's website i.e. [www.emkayglobal.com/](http://www.emkayglobal.com/) Investor relations. The details of composition, terms of reference of the Nomination, Remuneration and Compensation Committee, numbers and dates of meeting held, attendance of the members and remuneration paid to them are given separately in the attached Corporate Governance Report forming part of the Directors' Report.

### 11. PERFORMANCE EVALUATION

In terms of provisions of the Companies Act, 2013 read with Rules issued there under and Regulation 25 of SEBI (LODR) Regulations, 2015 and further circular no. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated 05/01/2017 issued by SEBI on "Guidance note on Board Evaluation",

evaluation process was carried out internally for the performance of the Board, its committees and Individual Directors.

The Independent Directors met on 24<sup>th</sup> March, 2017 to review performance evaluation of Non-Independent Directors and the Board as a whole including the Chairman.

The Nomination, Remuneration and Compensation Committee carried out evaluation of performance of each Directors in their meeting held on 24<sup>th</sup> May, 2017. The Board of Directors carried out performance evaluation of the Board, each Director and the Committees for the financial year ended 31<sup>st</sup> March, 2017 in their meeting held on 24<sup>th</sup> May, 2017 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.

### 12. AUDITORS AND THEIR REPORT

M/s B. L. Sarda & Associates, Chartered Accountants, Mumbai, bearing Firm Registration Number 109266W with the Institute of Chartered Accountants of India (ICAI) were appointed as the Statutory Auditors of the Company at the Annual General Meeting held on 9<sup>th</sup> October, 1995 and thereafter each year till the year 2014. Subsequently, 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 had appointed M/s. B. L. Sarda & Associates, as the Statutory Auditors of the Company to hold office from the conclusion of Twentieth Annual General Meeting (AGM) held on 13<sup>th</sup> August, 2014 until the conclusion of Twenty Third Annual General Meeting of the Company to be held for the financial year 2016-17. Accordingly, the present Statutory Auditors, M/s B.. L. Sarda & Associates have completed their tenor of two terms of five consecutive years and will be completing the additional period of 3 years as stipulated under Section 139 of the Act and the Rules framed there under. They will be holding the office of the Statutory Auditors up to the conclusion of the forthcoming Annual General Meeting.



## DIRECTORS' REPORT

The Company is proposing to appoint M/s. S. R. Batliboi & Co. LLP, Chartered Accountants bearing Firm Registration Number 301003E/E300005 with the Institute of Chartered Accountants of India (ICAI) as the Statutory Auditors of the Company for a period of five years commencing from the conclusion of the 23<sup>rd</sup> Annual General Meeting (AGM) till the conclusion of the 28<sup>th</sup> Annual General Meeting of the Company to be held for the financial year 2021-2022.

S.R. Batliboi & Co. LLP have consented to the said appointment and confirmed that they are eligible for appointment as auditors and are not disqualified for appointment under section 141 and other relevant provisions of the Companies Act, 2013 ("the Act"), the Chartered Accountants Act, 1949, or the rules and regulations made there under and the proposed appointment would be within the limits stipulated under the Companies Act, 2013. They have also confirmed that they hold a valid certificate issued by the 'Peer Review Board' of The Institute of Chartered Accountants of India (ICAI).

The Audit Committee and the Board of Directors recommend the appointment of S.R. Batliboi & Co. LLP, Chartered Accountants as Statutory Auditors of the Company from the conclusion of the 23<sup>rd</sup> Annual General Meeting till the conclusion of 28<sup>th</sup> Annual General Meeting.

The Board places on record its appreciation for the contribution made by M/s B.L. Sarda & Associates, Chartered Accountants, during their tenure as the Statutory Auditors of the Company.

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

### Reporting of Fraud

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013.

### 13. 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 has appointed M/s. Parikh & Associates, Company Secretaries, Mumbai to carry out Secretarial Audit of the Company for the financial year 2016-2017. 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.

### 14. INTERNAL AUDIT

As per the requirements of Section 138 of the Companies Act, 2013 and rules made there under, M/s Lovi Mehrotra & Associates, Chartered Accountants, Mumbai were appointed as Internal Auditors of the Company for the financial year 2016-2017.

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 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.

### 15. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD MEETINGS AND ANNUAL GENERAL MEETINGS

The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.



## DIRECTORS' REPORT

### 16. 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.

### 17. 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.

### 18. 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.

### 19. 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 2016-17. 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 C"

### 20. 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.

### 21. 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 D" and forms part of this Report of Directors.

### 22. BUSINESS RISK MANAGEMENT

Pursuant to section 134(3) (n) of the Companies Act, 2013 and as per provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adhered to the principles of sound risk management and already has a Risk Management Policy in place. An ongoing exercise is being carried out to identify, evaluate, manage and for monitoring of 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.

### 23. CORPORATE SOCIAL RESPONSIBILITY

In view of applicability of Corporate Social Responsibility (CSR) provisions in the year 2016-2017, in compliance with the requirements of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014, the Board at its meeting held on May 23, 2016, had constituted a Corporate Social Responsibility Committee comprising three Directors of the Company including one Independent Director. The members of the Committee are Mr. G. C. Vasudeo, Mr. Krishna Kumar Karwa and Mr. Prakash Kacholia. The Company has evolved a Corporate Social Responsibility Policy and is actively practicing the same. The objectives of the CSR Policy are to contribute to social and economic development of the communities in which the Company operates, provide opportunities to



## DIRECTORS' REPORT

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.

### 24. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has implemented a Vigil Mechanism Policy to deal with instances 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 are posted on the website of the Company under the link <http://www.emkayglobal.com/investorrelations>. There were no complaints received during the year 2016-17.

### 25. DIRECTORS & KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) 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. Your Board recommends his re-appointment.

A brief profile of Mr. S. K. Saboo, as required under Regulation 36 (3) of the SEBI (LODR) Regulations, 2015 is given in the Notice of the 23rd 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.

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. B. M. Raul - Company Secretary

### 26. PARTICULARS OF REMUNERATION

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

### 27. 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 Section 134(5)(f) of the Act, the Company has devised proper systems to ensure compliance with the provisions of all applicable laws. Each department of the organization ensured that it 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.

### 28. SUBSIDIARY COMPANIES

The Company had 4 subsidiaries as on 31<sup>st</sup> March, 2017. There are no associate companies within the meaning of Section 2(6) of the Act.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of financial statements of the Company's subsidiaries in Form AOC-1 is attached to the financial statements of the Company.



## DIRECTORS' REPORT

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

Emkay Commotrade Limited offers commodity futures trading to its clients. It is a member of three major commodity exchanges viz. Multi Commodity Exchange of India Limited (MCX), National Commodity and Derivatives Exchange Limited (NCDEX) and National Spot Exchange Limited (NSEL). During the year, the Company issued 15,00,000 - 9% Redeemable Non-Cumulative Preference Shares of ₹ 10/- each for a period of five years. As on date the Company's Paid up Capital is ₹ 8.50 crore divided into ₹ 6 crore in Equity Shares and ₹ 2.50 crore in Preference shares. The Company has a net worth of ₹ 414.70 Lac as on 31<sup>st</sup> March, 2017.

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

Emkay Fincap Limited is a RBI registered Non Deposit taking NBFC. EFL has a net worth of ₹ 4015.80 Lac as on 31<sup>st</sup> March, 2017.

### **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 ₹ 78.72 Lac as on 31<sup>st</sup> March, 2017.

### **Emkay Investment Managers Limited (EIML) - a 100% subsidiary:**

Emkay Investment Managers Limited is registered with Securities and Exchange Board of India (SEBI) for conducting the business of Portfolio Management Services and had commenced the business of Portfolio Management Services with effect from 1<sup>st</sup> January, 2011. EIML has a net worth of ₹ 544.10 Lac as on 31<sup>st</sup> March, 2017.

The Consolidated Financial Statements presented by the Company include financial results of its Subsidiary Companies. The Company will make available the

annual accounts of the Subsidiary Companies and the related information to any member of the Company who may be interested in obtaining the same. The annual accounts of the said Subsidiary Companies are also available for inspection by any member of the Company at its Corporate Office situated at Paragon Centre, C-6, Ground Floor, Pandurang Budhkar Marg, Worli, Mumbai - 400 013 during business hours on all days except Saturdays, Sundays and Public holidays upto the date of the AGM. The Annual Report of the Company and of all its subsidiary Companies are also available on the website of the Company i.e. [www.emkayglobal.com](http://www.emkayglobal.com).

## **29. EMPLOYEE STOCK OPTION SCHEMES**

With a view to remain a preferred employer, the Company had granted Stock Options under two Schemes viz. ESOP 2007 and another scheme Employee Stock Option Plan – 2010 through trust route to the employees of the Company and the employees of the Subsidiary Companies.

### **(a) ESOP 2007**

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

During the Financial Year 2016-17, the Nomination, Remuneration and Compensation Committee allotted 400 Equity Shares on 9.11.2016 to the employee/s under the ESOP 2007. These shares are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. After allotment of the said 400 equity shares of ₹ 10/- each, Company's paid-up Share Capital has increased to ₹ 24,43,81,500/-.

## DIRECTORS' REPORT

### Summary of ESOP 2007 as on 31<sup>st</sup> March 2017:

Total no. of stock options granted under the Scheme	24,26,575
<b>No. of Options</b>	<b>Exercise Price per option</b>
14,42,000 Options	₹ 63
2,44,000 Options	₹ 63
2,07,500 Options	₹ 61
1,00,000 Options	₹ 93
6,11,500 Options	₹ 77
2,00,000 Options	₹ 37
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	23,76,300
Stock Options vested but not exercised	3,68,050
Stock Options exercised	60,650
Outstanding Stock Options	3,68,050

The paid up Equity Capital of the Company is ₹ 24,43,81,500/- 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 F" 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 had granted 5,55,000 Options on 21<sup>st</sup> October, 2010 to the eligible employees (each option carrying entitlement for one share of the face value of ₹ 10 each) at an exercise price of ₹ 93/- per option. Further, the 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 21<sup>st</sup> January, 2012 at an exercise price of ₹ 63, ₹ 48, and ₹ 37 per option respectively.

### Summary of ESOP 2010 (through trust route) as on 31<sup>st</sup> March 2017:

Total no. of stock options granted under the Scheme	24,41,995
<b>No. of Options</b>	<b>Exercise Price per option</b>
5,55,000 Options	₹ 93
27,000 Options	₹ 63
15,000 Options	₹ 48
50,000 Options	₹ 37
Exercise Period	3 years
Total no. of stock options granted under the scheme	6,47,000
Stock Options lapsed	5,82,000
Stock Options vested but not exercised	65,000
Stock Options exercised	Nil
Outstanding Stock Options	65,000

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

### 30. TRANSFER OF UNCLAIMED DIVIDEND AMOUNTS AND SUCH SHARES TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provision of Section 124 and 125 of the Companies Act, 2013, the Company has transferred on due dates, the unpaid or unclaimed dividends upto the financial year 2007-2008 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. Members who have not yet encashed dividend for the financial year 2009-2010 and subsequent years must claim the same as early as possible failing with it would be transferred to IEPF as per the dates mentioned herein below. In terms of Section 125 of the Companies Act, 2013, no claim shall lie against the Company after the said transfer. It is in the shareholders' interest to claim any unclaimed dividends and for future, opt for Electronic Clearing Services, so

## DIRECTORS' REPORT

that dividends paid by the Company are credited to the investor's account on time. The balance amount lying in Unpaid Dividend Account for the financial year 2009-2010 is due for transfer to the IEPF, during the month of November, 2017.

Pursuant to the provisions of section 124(6) of the Companies Act, 2013 read with The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 notified by the Ministry of Corporate Affairs, New Delhi w.e.f. 7<sup>th</sup> September, 2016, and further notification dated 28.02.2017 issued by Ministry of Corporate Affairs, amending the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 which has come into force w.e.f. 28.02.2017, all the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more as provided under subsection (5) of Section 124 during the period from 7.9.2016 to 31.05.2017 are required to be transferred to the special Demat Account of IEPF Authority by 31.05.2017. All the shareholders who have not claimed their unpaid dividend are requested to claim their unclaimed dividends, otherwise the unclaimed dividend and such shares will be transferred to IEPF account by the respective due date.

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 on Website of Ministry of Corporate affairs at [www.mca.gov.in](http://www.mca.gov.in).

### 31. 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 Regulation 27 of the Securities and Exchange Board of India (Listing Obligations & Disclosure requirements) Regulations, 2015, a detailed report on Corporate Governance and the requisite Auditor's Certificate confirming compliance with the conditions of Corporate Governance, forms part of this Annual Report.

### 32. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE COURTS OR REGULATORS

During the year no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

### 33. 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 as amended are enclosed hereto in "Annexure G".

### 34. PUBLIC SHAREHOLDING

The public shareholding as required under Rule 19A of the Securities Contract (Regulation) Rules, 1957 (as amended) as on date of this Report is at the level of 25%.

### 35. LISTING WITH STOCK EXCHANGES

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

### 36. ACKNOWLEDGEMENT

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

Your Directors place on record their deep appreciation for the exemplary contribution made by the 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: 24<sup>th</sup> May, 2017

## ANNEXURE “A”- EXTRACT OF THE ANNUAL RETURN

FORM NO. MGT-9, EXTRACT OF ANNUAL RETURN AS ON 31<sup>ST</sup> March, 2017

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

### I REGISTRATION AND OTHER DETAILS

i	CIN	L67120MH1995PLC084899
ii	Registration Date	24th January, 1995
iii	Name of the Company	Emkay Global Financial Services Limited
iv	Category/ Sub-Category of the Company	Public Limited Company
v	Address of the Registered Office and contact details	The Ruby, 7th Floor, Senapati Bapat Marg, Dadar (West), Mumbai-400028 Tel. No. 022-66121212
vi	Whether Listed Company	Yes. Listed on BSE and NSE
vii	Name , Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Limited C-101 , 247 Park, L B S MARG, Vikhroli (West), MUMBAI - 400083. Tel No. 022-49186000 Fax No. 022-49186060

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of Main Products/Service	NIC Code of the Products/ Service	% to total turnover of the Company
1	Stock Broking and Providing financial services and solutions like investment banking, institutional equities, private client broking, Depository Services.	66120 and 66190	87.30 %

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

Sr. No.	Name and Address of the Company	CIN No.	Holding/Subsidiary/ Associates	% of shares held	Applicable Section
1	Emkay Fincap Ltd	U 65990 MH 2005 PLC153310	Subsidiary	100	2(87)
2	Emkay Commotrade Limited	U 51110 MH 2006 PLC 158675	Subsidiary	100	2(87)
3	Emkay Insurance Brokers Ltd	U 66030 MH 2007 PLC 168496	Subsidiary	100	2(87)
4	Emkay Investment Managers Limited	U 67190 MH 2010 PLC 203819	Subsidiary	100	2(87)

### 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>									
(1) Indian									
a) Individuals/HUF	1,37,47,500	-	1,37,47,500	56.2551	1,37,47,500	-	1,37,47,500	56.2543	0.0008
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	41,50,000	-	41,50,000	16.9819	41,50,000	-	41,50,000	16.9816	0.0004
e) Bank/FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub Total A-1</b>	<b>1,78,97,500</b>	<b>-</b>	<b>1,78,97,500</b>	<b>73.2371</b>	<b>1,78,97,500</b>	<b>-</b>	<b>1,78,97,500</b>	<b>73.2359</b>	<b>0.0012</b>
<b>(2) Foreign</b>									
(a) NRI-Individuals	-	-	-	-	-	-	-	-	-
(b) Others-Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corporate	-	-	-	-	-	-	-	-	-

## 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	
(d) Bank/FI	-	-	-	-	-	-	-	-	-
(e) Any Others	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (2)</b>									
<b>Total Shareholding of Promoters A= A1+A2</b>	<b>1,78,97,500</b>	<b>-</b>	<b>1,78,97,500</b>	<b>73.2371</b>	<b>1,78,97,500</b>	<b>-</b>	<b>1,78,97,500</b>	<b>73.2359</b>	<b>0.0012</b>
<b>B. Public Shareholding</b>									
<b>1. Institution</b>	-	-	-	-	-	-	-	-	-
a) Mutual Funds	3,14,530	-	3,14,530	1.29	-	-	-	-	-
b) Bank/FI	-	-	-	-	-	-	-	-	-
c) Cent. Govt	-	-	-	-	-	-	-	-	-
d) State Govt	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Vanture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub Total-B-1</b>	<b>3,14,530</b>	<b>-</b>	<b>3,14,530</b>	<b>1.29</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2. Non Institutions</b>									
a. Bodies Corporate									
i. Indian	9,37,603	10,000	9,47,603	3.88	7,50,285	10,000	7,60,285	3.1111	(0.77)
ii. Overseas	-	-	-	-	-	-	-	-	-
b. Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	15,48,970	7,215	15,56,185	6.3680	1,748,251	4,715	17,52,966	7.1731	0.8051
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	26,08,673	-	26,08,673	10.6748	28,11,956	-	28,11,956	11.5064	0.8316
c. State Govt	-	-	-	-	-	-	-	-	-
d. Venture Capital Funds	-	-	-	-	-	-	-	-	-
e. Insurance Companies	-	-	-	-	-	-	-	-	-
f. FIs	-	-	-	-	-	-	-	-	-
g. Foreign Vanture Capital Funds	-	-	-	-	-	-	-	-	-
h. Others (specify)									
a. Clearing member	17,238	-	17,238	0.0705	1,84,509	-	1,84,509	0.7550	0.6945
b. Trust	-	-	-	-	-	-	-	-	-
c. NRIs	31,635	-	31,635	0.1295	69,563	-	69,563	0.2847	0.1552
d. NRN	73,592	-	73,592	0.3011	2,05,975	-	2,05,975	0.8428	0.5417
e. Hindu Undivided Family	80,433	-	80,433	0.3291	1,73,723	-	1,73,723	0.7109	0.3818
f. Office bearers	1,55,713	-	1,55,713	0.6372	1,54,043	-	1,54,043	0.6303	(0.0069)
<b>Sub Total B-2</b>	<b>54,53,857</b>	<b>17,215</b>	<b>54,71,072</b>	<b>22.3878</b>	<b>60,98,305</b>	<b>14,715</b>	<b>61,13,020</b>	<b>25.0143</b>	<b>2.6265</b>
<b>Total Public ShareholdingB=B1+B2</b>	<b>57,68,387</b>	<b>17,215</b>	<b>57,85,602</b>	<b>23.6749</b>	<b>60,98,305</b>	<b>14,715</b>	<b>61,13,020</b>	<b>25.0143</b>	<b>2.6265</b>
C. Non -Promoter and Non -Public	7,54,648	-	7,54,648	3.0880	4,27,630	-	4,27,630	1.7498	(1.3382)
D. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C+D)</b>	<b>2,44,20,535</b>	<b>17,215</b>	<b>2,44,37,750</b>	<b>100.00</b>	<b>2,44,23,435</b>	<b>14,715</b>	<b>2,44,38,150</b>	<b>100.00</b>	<b>-</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	49,22,500	20.14	-	49,22,500	20.14	-	There is no Change in Shareholding during the year
2	Prakash Kacholia	47,50,000	19.44	-	47,50,000	19.44	-	
3	Emkay Corporate Services P. Ltd	41,50,000	16.98	-	41,50,000	16.98	-	

## (iii) Change in Promoters' Shareholding (There is no Change)

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the Beginning of the year				
A	Krishna Kumar Karwa	49,22,500	20.14	49,22,500	20.14
B	Prakash Kacholia	47,50,000	19.44	47,50,000	19.44
C	Emkay Corporate Services Pvt.Ltd	41,50,000	16.98	41,50,000	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 Pvt.Ltd	-	-	-	-
3	At the End of the year				
A	Krishna Kumar Karwa	49,22,500	20.14	49,22,500	20.14
B	Prakash Kacholia	47,50,000	19.44	47,50,000	19.44
C	Emkay Corporate Services Pvt .Ltd	41,50,000	16.98	41,50,000	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	17,50,000	7.1611	17,50,000	7.1609
2	Emkay Employees Welfare Trust	7,54,648	3.0880	4,27,630	1.7498
3	Neeraj Batra	3,40,000	1.3913	-	-
4	Rajiv P Shroff	3,71,054	1.5184	4,34,577	1.7783
5	Priyanka Nanda	1,69,620	0.6941	1,69,620	0.6941
6	Satyanarayan Karwa	1,60,517	0.6568	1,60,517	0.6568
7	HDFC TrusteeCompany Ltd –HDFC Infrastructure Fund	3,14,530	1.2871	-	-
8	Dolly Khanna	2,71,660	1.1116	4,01,293	1.6421
9	Infinity Trust Investment Private Ltd	2,17,379	0.8895	2,00,000	0.8184
10	Anil Kumar Goel	1,63,000	0.6670	1,63,000	0.6670
11	Porinju V Veliyath	-	-	2,60,000	1.0639
12	Rajasthan Global Securities Private Limited	-	-	2,39,901	0.9817
	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

	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 Raunak Karwa	17,50,000	7.1609	17,50,000	7.1609
2 Emkay Employees Welfare Trust	4,27,630	1.7498	4,27,630	1.7498
3 Neeraj Batra	-	-	-	-
4 Rajiv P Shroff	4,34,577	1.7783	4,34,577	1.7783
5 Priyanka Nanda	1,69,620	0.6941	1,69,620	0.6941
6 Satyanarayan Karwa	1,60,517	0.6568	1,60,517	0.6568
7 HDFC Trustee Company Ltd –HDFC Infrastructure Fund	0	0	0	0
8 Dolly Khanna	4,01,293	1.6421	4,01,293	1.6421
9 Infinity Trust Investment Private Ltd	2,00,000	0.8184	2,00,000	0.8184
10 Anil Kumar Goel	1,63,000	0.6670	1,63,000	0.6670
11 Porinju V Veliyath	2,60,000	1.0639	2,60,000	1.0639
12 Rajasthan Global Securities Private Limited	2,39,901	0.9817	2,39,901	0.9817

## 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
<b>At the beginning of the year</b>					
1	Krishna Kumar Karwa	49,22,500	20.1430	49,22,500	20.1427
2	Prakash Kacholia	47,50,000	19.4371	47,50,000	19.4368
3	Preeti Kacholia	21,25,000	8.6956	21,25,000	8.6954
4	G.P. Gupta	-	-	-	-
5	S.K.Saboo	-	-	-	-
6	R.K.Krishnamurthi	-	-	-	-
7	G.C.Vasudeo	-	-	-	-
8	Satish Ugrankar	-	-	-	-
9	B. M. Raul 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):		-	-	-	-
<b>At the End of the year</b>					
1	Krishna Kumar Karwa	49,22,500	20.1427	49,22,500	20.1427
2	Prakash Kacholia	47,50,000	19.4368	47,50,000	19.4368
3	Preeti Kacholia	21,25,000	8.6954	21,25,000	8.6954
4	G.P.Gupta	-	-	-	-
5	S.K.Saboo	-	-	-	-
6	R.K.Krishnamurthi	-	-	-	-
7	G.C.Vasudeo	-	-	-	-
8	Dr.Satish Ugrankar	-	-	-	-
9	B. M. Raul KMP (CS)	-	-	-	-



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

## V. INDEBTEDNESS

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

Particulars	Amount (₹)			
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	45,000,000	45,000,000	-	90,000,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	355,863	355,863	-	711,726
<b>Total (i+ii+iii)</b>	<b>45,355,863</b>	<b>45,355,863</b>	<b>-</b>	<b>90,711,726</b>
<b>Changes in Indebtedness during the financial year</b>				
Addition	193,108,349	5,000,000	-	198,108,349
Reduction	-	-	-	-
Net Change	193,108,349	5,000,000	-	198,108,349
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	238,108,349	50,000,000	-	288,108,349
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	194,706	194,705	-	389,411
<b>Total (i+ii+iii)</b>	<b>238,303,055</b>	<b>50,194,705</b>	<b>-</b>	<b>288,497,760</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	79,50,000	79,50,000	1,59,00,000
(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 : Company's Contribution to PF	9,54,000	9,54,000	19,08,000
	<b>Total (A)</b>	<b>89,04,000</b>	<b>89,04,000</b>	<b>1,78,08,000</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	Dr. Satish Ugrankar	Preeti Kacholia	
1.	Independent Directors							
	- Fee for attending board/ committee meetings	60,000	-	50,000	110,000	50,000	-	2,70,000
	- Commission	2,50,000	-	1,75,000	2,25,000	1,75,000	-	8,25,000
	- Others, please specify	-	-	-	-	-	-	-
	<b>Total (1)</b>	<b>3,10,000</b>	<b>-</b>	<b>2,25,000</b>	<b>3,35,000</b>	<b>2,25,000</b>	<b>-</b>	<b>10,95,000</b>
2.	Other Non-Executive Directors							
	- Fee for attending board / committee meetings	-	70,000	-	-	-	-	70,000
	- Commission	-	-	-	-	-	-	-
	- Others, please specify	-	-	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>70,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70,000</b>
	<b>Total (B)=(1+2)</b>	<b>3,10,000</b>	<b>70,000</b>	<b>2,25,000</b>	<b>3,35,000</b>	<b>2,25,000</b>	<b>-</b>	<b>11,65,000</b>

**C. Remuneration to key managerial personnel other than MD/Manager/WTD**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	
		Company Secretary Mr. B. M. Raul	Total
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	16,47,593	16,47,593
	(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</b>	<b>16,47,593</b>	<b>16,47,593</b>

**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			NIL		
Compounding					
<b>B. DIRECTOR</b>					
Penalty					
Punishment			NIL		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment			NIL		
Compounding					

**On behalf of the Board of Directors**

**Krishna Kumar Karwa**  
Managing Director & CFO

**Prakash Kacholia**  
Managing Director

Place: Mumbai  
Date: 24<sup>th</sup> May, 2017

## ANNEXURE "B" - SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2017

FORM No. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2017

(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

Embays 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 Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, 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, 2017 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 the Company for the financial year ended on 31<sup>st</sup> March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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;



## ANNEXURE “B” - SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2017

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;(Not applicable to the Company during the audit period)
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations,2008;(Not applicable to the Company during the audit period)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents)Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period)and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period)
- (vi) Other laws applicable specifically to the Company namely:
1. Bombay Stock Exchange Rules, Bye-law & Regulation
  2. National Stock Exchange Rules, Bye-law & Regulation
  3. Depository Act, 1996
  4. Securities Transaction Tax Rules, 2004

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above.

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 to schedule the Board Meetings, agenda and detailed notes on





## ANNEXURE “B” - SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2017

agenda were sent at least seven days 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 there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

**For Parikh & Associates**

Company Secretaries

**Mitesh Dhaliwala**

Partner

FCS No: 8331 CP No: 9511

Place: Mumbai

Date : May 24, 2017

This 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, 2017

### ‘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. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of 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

**Mitesh Dhaliwala**  
Partner

Place: Mumbai

Date : May 24, 2017

FCS No: 8331 CP No: 9511



## ANNEXURE "C" - 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 thereto

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

Particulars					
a	Name(s) of the related party and nature of relationship	Emkay Commotrade Limited - Wholly Owned Subsidiary	Emkay Fincap Limited - Wholly Owned Subsidiary	Emkay Investment Managers Limited - Wholly Owned Subsidiary	Emkay Insurance Brokers Limited- Wholly Owned Subsidiary
b	Nature of contracts / arrangements /transactions	Recovery of Infrastructure Maintenance charges	Recovery of Rent, Electricity , Water Charges, Telephone Expenses, Building Maintenance etc for the use of office premises of the holding company		
c	Duration of the contracts / arrangements /transactions	from 1 <sup>st</sup> April, 2016 to 31 <sup>st</sup> March, 2017			
d	Salient terms of the contracts or arrangements or transactions including the value, if any	Reimbursement for the use of basic infrastructure of the holding Company	Reimbursement of certain common expenses such as Rent, Electricity, Water Charges, Telephone Expenses, Building Maintenance etc by the subsidiary companies on the basis of cost incurred by the holding Company and dividing the same by the total number of employees sitting in the premises to arrive at cost per employee and recovering this from the Subsidiary Companies on the basis of number of employees of the Subsidiary Companies.		
e	Justification for entering into such contracts or arrangements or transactions	It is economical for the Holding and Subsidiary Company to share the basic infrastructure facilities of the Holding company such as IT, Administration etc.	The wholly owned Subsidiary Companies are not having their own office premises.		
f	Date(s) of approval by the Board	23.05.2016	23.05.2016	23.05.2016	23.05.2016
g	Amount paid as advances, if any	N.A	N.A	N.A	N.A
h	Date on which the special resolution was passed in general meeting as required under first proviso to section 188 ##	N.A	N.A	N.A	N.A

Note:

## 1. As per 4<sup>th</sup> proviso to section 188(1) of the Companies Act, 2013 passing of shareholders resolution under 1<sup>st</sup> proviso is not applicable for transactions between holding Company and its wholly owned Subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the Annual General Meeting for approval.

2. Necessary omnibus approval of the Audit Committee has been obtained prior to entering into all the related party transactions.

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

Your Company enters into various transactions with related parties as per the provisions of the Companies Act, 2013 and Regulation 23 of the Securities and Exchange Board of India ( Listing Obligations and Disclosure Requirements) Regulations, 2015. 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).

### 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

During the financial year ended 31<sup>st</sup> March, 2017, there are no transactions with related parties which qualify as a material transaction in terms of the applicable provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large.

### On behalf of the Board of Directors

**Krishna Kumar Karwa**  
Managing Director & CFO

**Prakash Kacholia**  
Managing Director

Place: Mumbai  
Date: 24<sup>th</sup> May, 2017

## ANNEXURE “D” - 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 ₹ 109.87 Lac**
  - ii) **The foreign exchange outflows were ₹ 128.99 Lac**

### On behalf of the Board of Directors

**Krishna Kumar Karwa**  
Managing Director & CFO

**Prakash Kacholia**  
Managing Director

Place: Mumbai

Date: 24<sup>th</sup> May, 2017



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

## A) RATIO/MEDIAN

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

Sr. No.	Disclosure Requirement	Disclosure Details		
		Name	Title	Ratio
1.	Ratio of the remuneration of Director to the median remuneration of the employees for the financial year	Krishna Kumar Karwa	Managing Director and CFO	18.82 x
		Prakash Kacholia	Managing Director	18.82 x
		G. P .Gupta	Chairman (Independent Director)	0.62 x
		S. K. Saboo	Director	0.14 x
		R. K. Krishnamurthi	Independent Director	0.45 x
		G. C. Vasudeo	Independent Director	0.67 x
		Dr. Satish Ugrankar	Independent Director	0.45 x
		Preeti Kacholia	Woman Director	N.A.
		2.	Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Name
Krishna Kumar Karwa	Managing Director and CFO			*56.80 %
Prakash Kacholia	Managing Director			*56.80 %
Bhalchandra Raul	Company Secretary			0.00 %
3.	Percentage increase in the median remuneration of employees in the financial year	8.85 %		
4.	Number of permanent employees including directors on the rolls of Company at the end of the year	396		
5.	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	For employees other than Key Managerial Personnel who were in employment in FY15-16 as well as in FY 16-17, the average increase in their remuneration was 7.89 % whereas average increase in remuneration of Key Managerial Personnel was 54.28 % for the same period.*		
6.	Affirmation that the remuneration is as per the remuneration policy of the Company	The Company's Directors/Key Managerial Personnel and Employees are paid remuneration as per the Remuneration Policy		

\*Note: Ministry of Corporate Affairs had previously approved reappointment and payment of Remuneration of ₹ 84,00,000/- per annum to Mr. Krishna Kumar Karwa - Managing Director & CFO and Mr. Prakash Kacholia - Managing Director each vide their approval letter dated 27<sup>th</sup> February, 2014. In view of the deteriorated business environment in the financial year 2013-2014 and 2014-2015 and Financial position of the Company both the Managing Directors of the Company had voluntarily accepted lower gross salary of ₹ 60,00,000/- per annum (including employers' contribution to PF) from 1<sup>st</sup> October, 2013 up to 31<sup>st</sup> March, 2016. During the financial year 2016-2017, in light of improvement in the financial performance of the Company, both the Managing Directors were paid remuneration of ₹ 84,00,000/- per annum. Hence, the percentage increase in remuneration for financial year 2016-2017 over financial year 2015-2016 appears relatively higher.

## On behalf of the Board of Directors

**Krishna Kumar Karwa**  
Managing Director & CFO

**Prakash Kacholia**  
Managing Director

Place: Mumbai

Date: 24<sup>th</sup> May, 2017

## ANNEXURE “F” - 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)	55,000	5,000
5	Options exercised (during the year)	15,400	-
6	The total number of shares arising as a result of exercise of options during the year.	400	-
7	Options lapsed (during the year)	2,02,350	22,500
8	Variation in terms of options	-	-
9	Money realized by exercise of options (during the year)	5,80,200	-
10	Total number of options in force at the end of the year.	3,53,050	65,000
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)	₹ 1.89	₹ 1.89
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 ₹ (38,45,315) with consequent higher profit. On account of the same, the basic and diluted Earnings per share would have been more by ₹ 0.1574 per share and ₹ 0.1571 per share respectively.	Compensation Cost using the intrinsic value of the stock options is Nil. However, had the company followed the fair value method for accounting the stock options, compensation cost would have been ₹ (37,341) with consequent lower profits. No potentially dilutive shares arise out of the options granted under ESOP 2010 (Trust Route) as the shares are already in existence as on the reporting date.”
14	Weighted-average exercise prices and weighted – average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	-	-



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

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 (₹)	-	-

### On behalf of the Board of Directors

**Krishna Kumar Karwa**  
Managing Director & CFO

**Prakash Kacholia**  
Managing Director

Place: Mumbai  
Date: 24<sup>th</sup> May, 2017



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

B) PARTICULARS OF EMPLOYEES FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2017.

STATEMENT CONTAINING THE PARTICULARS OF EMPLOYEES THROUGHOUT THE FINANCIAL YEAR AND PART OF THE FINANCIAL YEAR AND AS PER THE Rule 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) Rules, 2016 (Rules) AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

List of the Top Ten Employees of the Company employed throughout the financial year and part of the financial year and were paid remuneration in terms of Rule 5(2) of the Rules.

Sr. No.	Name	Designation	Gross Remuneration (₹)	Nature of Employment, whether contractual or otherwise	Qualification	Experience (Years)	Date of commencement of employment	Age (years)	Previous Employment
1	Dhananjay Sinha	Head of Research And Strategist	12,609,404	Permanent	PG in Economics	22	24/10/2011	49	Centrum Broking Ltd.
2	Kenin Jain	Head - Institutional Equity Sales	12,481,004	Permanent	CA & MBA	12	12/03/2012	36	Voyager Investment
3	S Hariharan	Head Sales Trading	10,650,408	Permanent	PG in Management	12	8/12/2014	37	Antique Stock Broking
4	Krishna Kumar Karwa	Managing Director & CFO	8,904,000	Permanent	B.Com, ACA	26	1/01/1995	51	N.A.
5	Prakash Kacholia	Managing Director	8,904,000	Permanent	B.Com., ACA	27	1/01/1995	51	N.A.
6	Ms.Manjiri Mazumdar	Equity Derivative Sales	7,210,400	Permanent	MBA (Finance)	12	17/05/2005	36	N.A.
7	Rahul Rege	Business Head - Retail	7,189,321	Permanent	B.Com	22	15/07/2009	48	Centrum Wealth Management Ltd.
8	Ajay Parmar	Co Head - Investment Banking	6,604,400	Permanent	ACA	19	18/04/2006	51	Joindre Capital Services Ltd.
9	Vinay Goel	Senior Sales Trader	6,135,008	Permanent	B.Com	25	18/04/2012	48	Religare Capital Markets Ltd.
10	Manik Taneja	Senior Research Analyst	6,129,400	Permanent	MPIB (Finance)	11	7/10/2007	34	Man Financial Sify Securities

**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.
- Mr. Krishna Kumar Karwa, Managing Director & CFO is related to Mr. S. K. Saboo, Director of the Company. Mr. Prakash Kacholia is related to Mrs. Preeti Kacholia, Director of the Company. No other employee is related to any other Director of the Company.

**On behalf of the Board of Directors**

**Krishna Kumar Karwa**  
Managing Director & CFO

**Prakash Kacholia**  
Managing Director

Place: Mumbai

Date: 24<sup>th</sup> May, 2017



# CORPORATE GOVERNANCE REPORT

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company has set for 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 of their wealth. The Company not only adheres to the prescribed corporate governance practices as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred as SEBI (LODR) Regulations, 2015] but is also committed to sound corporate governance principles and practices and constantly strives to adopt emerging best practices.

A report on compliance with the principles of Corporate Governance as prescribed by SEBI in Chapter IV read with Schedule V of Listing Regulations is given below:

## 2. BOARD OF DIRECTORS (BOARD)

### 2.1 Composition of Board

The Company has an optimum combination of Executive and Non-Executive Directors in its Board and comprises of Eight 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 Regulation 17 (1) (a) of SEBI (LODR) Regulations, 2015. The Chairman of the Board is a Non- Executive Independent Director, and there is optimum combination of more than One Third of Board as Independent Directors as per Regulation 17 (1) (b) of the SEBI (LODR) Regulations, 2015.

### 2.2 The brief profile of each Director is given below:

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

Mr. Gian Prakash Gupta has over 43 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., NTPC Ltd., Idea Cellular Ltd., Aditya Birla Nuvo Ltd., and Aditya Birla Retail Limited.

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

Mr. Sushil Kumar Saboo has more than 49 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.

#### (iii) 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 44 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.

#### (iv) 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 38 years. He is presently the Whole Time Director & Country Manager of SI Group – India Private 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.



## CORPORATE GOVERNANCE REPORT

### (v) Dr. Satish Ugrankar (Non Executive Independent Director)

Dr. Satish Ugrankar, was appointed as an Independent Director of the Company at the 22<sup>nd</sup> Annual General Meeting held on 10<sup>th</sup> August, 2016, is not liable to retire by rotation, and is to hold office for a term of five consecutive years commencing from 10<sup>th</sup> August, 2016. Dr. Satish Ugrankar is M.S., D'ORTH (CPS), and F.C.P.S. (CPS), (Mumbai). He is a member on the Board of FDC Limited.

### (vi) 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 29 years in all aspects of the Equity Capital Markets. He was a Director of Titagarh Agrico Private Limited. He is also a Director in West Coast Paper Mills Limited.

### (vii) 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 28 years in the capital markets with a focus on the derivative segment. He was associated as Director with various prominent Companies like Central Depository Services (India) Limited, Bombay Stock Exchange Limited and BOI Shareholding Limited.

### (viii) Mrs. Preeti Kacholia (Non executive Woman Director)

Mrs. Preeti Kacholia is a woman Director on the Board of Directors of the Company. She comes with rich knowledge in the field of Business management. Mrs. Preeti Kacholia is the wife of Mr. Prakash Kacholia - Managing Director of the Company.

### 2.3 The Composition of the Board, Directorship/Committee positions in other companies as on 31<sup>st</sup> March, 2017 and number of Meetings held and attended during the year is as follows:

Name of the Director	Category	No. of Board Meetings held during his/her tenure and attended in 2016-17		Whether attended last AGM held on 10.08. 2016	Number of Directorships in other public companies*	Number of Committee# positions held in other public companies*	
			Attended			Chairman	Member
Mr. G. P. Gupta	NED (I)	4	2	N	1	-	-
Mr. S. K. Saboo	NED	4	4	Y	-	-	-
Mr. R. K. Krishnamurthi	NED (I)	4	2	Y	4	1	1
Mr. G. C. Vasudeo	NED (I)	4	4	Y	1	-	1
Dr. Satish Ugrankar							
(Appointed as Independent Director w.e.f. 10.08.2016)	NED (I)	4	4	Y	1	-	-
Mr. Krishna Kumar Karwa	ED	4	4	Y	4	-	2
Mr. Prakash Kacholia	ED	4	4	Y	3	-	1
Mrs. Preeti Kacholia	NED	4	4	Y	-	-	-

- Note:**
- Category: NED – Non-Executive Director, NED (I) – Non-Executive Director and Independent, ED – Executive Director & Promoter
  - None of the above directors are related inter-se 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 Mrs. Preeti Kacholia who are related to each other.
  - None of the Non-Executive Directors hold any shares or convertible instruments in the Company.
  - None of the Directors hold the office of director in more than the permissible number of companies under the Companies Act, 2013 or Regulation 25 and 26 of the SEBI (LODR) Regulations, 2015
- \* excluding private limited companies, foreign companies and companies under Section 8 of Companies Act, 2013, trusts and alternate directorships as per Regulation 26 of the SEBI (LODR) Regulations, 2015.
- # only Audit Committee and Stakeholders Relationship Committee has been considered as per Regulation 26 of the SEBI (LODR) Regulations, 2015.

## 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.

The Company has issued letters of appointment to Independent Directors which cover 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 an Independent Director on the website of the Company. The Company has also informed to the BSE Limited and the National Stock Exchange of India Limited regarding the appointment of Independent Directors. The 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 link: [www.emkayglobal.com/investorrelations/disclosures](http://www.emkayglobal.com/investorrelations/disclosures)

### 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 Schedule V (C ) (2) (g) of Regulation 34(3) of SEBI (LODR) Regulations, 2015 is uploaded on the website of the Company and can be accessed through the link: [www.emkayglobal.com/investorrelations/disclosures](http://www.emkayglobal.com/investorrelations/disclosures).

### Evaluation of Board's Effectiveness

In terms of provisions of the Companies Act, 2013 read with Rules issued there under and Regulation 25 of SEBI (LODR) Regulations, 2015 and further circular no. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated 05/01/2017 issued by SEBI a "Guidance note on Board Evaluation" to help companies to improve the evaluation process by the companies, derive the best possible benefit and achieve the objective of the entire process.

Accordingly, the Board of Directors, on recommendation of the Nomination, Remuneration and Compensation Committee, has 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 31<sup>st</sup> March, 2017. 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. In the evaluation, the Directors who are subject to evaluation do not participate.

### Meetings of Independent Directors

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and regulation 25 of the SEBI (LODR) Regulations, 2015 and as per Clause VII of Schedule IV of the Companies Act, 2013, Regulation 25(3) and (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,

## CORPORATE GOVERNANCE REPORT

2015 and further circular No. SEBI/HO/CFD/ CMD/ CIR/P/2017/004 dated 5<sup>th</sup> January, 2017 issued by Securities and Exchange Board of India (SEBI), a separate meeting of the Independent Directors of the company was held on 24<sup>th</sup> March, 2017, without the attendance of Non-Independent Directors and members of the management to inter alia:

- Review the performance of Non-Independent Directors and of the Board as a whole
- Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non Executive Directors
- Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

### Board Meetings

During the Financial Year 2016-2017, 4 board meetings were held on 23<sup>rd</sup> May, 2016, 10<sup>th</sup> August, 2016, 9<sup>th</sup> November, 2016 and 30<sup>th</sup> January, 2017. 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 apprise 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' aspiration. Some of the important

matters that are discussed in the meeting of the Board are listed below: (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/Interim 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 Regulation 17 (7), Part A of Schedule II, of the SEBI (LODR) Regulations, 2015 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.

### Board Committees

The Board has constituted Committee(s) of Directors, with adequate delegation of powers. The Company Secretary of the Company acts as the Secretary to the Committees. The Board is responsible for constituting, assigning and co-opting the members of the Committees.



## CORPORATE GOVERNANCE REPORT

Each Committee has its own charter which sets forth the purposes, goals and responsibilities of the Committees.

### 3. AUDIT COMMITTEE

#### A. Qualified and Independent Committee

The Audit Committee was reconstituted during the year by co-opting Dr. Satish Ugrankar as one of the committee members w.e.f. 9<sup>th</sup> November, 2016

The composition of the Audit Committee is as follows:

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

The Audit Committee comprises of four 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, Chief Financial Officer (CFO), Chief Operating Officer and Vice President - Accounts & Finance are permanent invitees to the Meetings. Company Secretary acts as the Secretary to the Audit Committee of the Board of Directors.

#### Meetings

During the Financial Year 2016-17, four Meetings of the committee were held on 23<sup>rd</sup> May, 2016, 10<sup>th</sup> August, 2016, 9<sup>th</sup> November, 2016 and 30<sup>th</sup> January, 2017. The time gap between any two Meetings was less than 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	2
Dr. Satish Ugrankar (appointed w.e.f.9.11.2016)	1
Mr. Prakash Kacholia	4

The Chairman of the Audit Committee attended Annual General Meeting to answer shareholders' queries.

#### Terms of Reference

The role and terms of reference of the Audit Committee are set out in Regulation 18(3) read with Part C of Schedule II of the SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013, besides other terms as may be referred to by the Board of Directors of the Company. The terms of reference of the Audit Committee broadly are:

1. Approval of annual internal audit plan;
2. Review and approval of related party transactions;
3. Review of financial reporting systems;
4. Ensuring compliance with regulatory guidelines;
5. Reviewing the quarterly, half yearly and annual financial results;
6. Discussing the Annual Financial Statements and Auditors Report before submission to the Board with particular reference to the (i) Director's Responsibility Statement; (ii) major accounting entries; (iii) significant adjustments in financial statements arising out of audit findings; (iv) compliance with SEBI (LODR) Regulations, 2015 etc.;
7. Interaction with statutory, internal and cost auditors;
8. Recommendation for appointment and remuneration of auditors; and
9. Reviewing and monitoring the auditor's independence and performance etc.

Further the Audit Committee also mandatorily reviews the following information:

1. Management Discussion and Analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal Audit Reports relating to internal control weaknesses;

## CORPORATE GOVERNANCE REPORT

5. The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the Audit Committee; and
6. Statement of deviations:
  - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to Stock Exchange(s) in terms of Regulation 32(1) of SEBI (LODR) Regulations, 2015;
  - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7) of SEBI (LODR) Regulations, 2015.

In addition to the above, the Audit Committee also reviews the financial statements, minutes and details of investments made by the Subsidiary Companies.

### 4. NOMINATION, REMUNERATION AND COMPENSATION COMMITTEE:

The composition of the Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015.

The 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
Dr. Satish Ugrankar	Member

(Appointed w.e.f.24.05.2017)

The Committee comprises of only Non-Executive Directors as its members. All the members of the committee are Independent except Mr. S. K. Saboo. As per regulation 19 of SEBI (LODR) Regulations, 2015, Chairman of the Board shall not chair the Nomination, Remuneration and Compensation Committee. Mr. G. C. Vasudeo, an Independent Director, has been appointed as a Chairman of the Committee.

### Meetings

During the Financial Year 2016-17, three Meeting were held on 23<sup>rd</sup> May, 2016, 9<sup>th</sup> November, 2016 and 30<sup>th</sup> January, 2017. The attendance of each Committee member was as under:

Name	No. of Meetings attended
Mr. G. P. Gupta	2
Mr. G. C. Vasudeo	3
Mr. R. K. Krishnamurthi	1
Mr. S.K.Saboo	3

### 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 carries 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 performance 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.



## CORPORATE GOVERNANCE REPORT

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 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

During the financial year, the Non-executive Independent Directors did not have any pecuniary relationship or transactions with the Company.

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 meetings of the Board /Committees paid to all Non Executive Directors including Independent Directors fixed by the Board of Directors were within



## CORPORATE GOVERNANCE REPORT

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 2016-17

On the basis of the recommendation of the Nomination, Remuneration and Compensation Committee and the Board of Directors of the Company at their meeting held on 23<sup>rd</sup> May, 2016, the Members of the Company at their meeting held on 10<sup>th</sup> August, 2016 had approved re-appointment and payment of remuneration to Mr. Krishna Kumar Karwa - Managing Director & CFO and Mr. Prakash Kacholia - Managing Director for a further period of three years with effect from 1<sup>st</sup> October, 2016 subject to approval of the Central Government, if necessary.

The Company was in the process of making application pursuant to requirement of Section II of Schedule V to the Companies Act, 2013 seeking Central Government approval for payment of managerial remuneration in excess of the specified limits. However, in the meantime Ministry of Corporate Affairs (MCA) vide notification No. S.O.2922 (E) dated 12.09.2016, amended schedule V

of the Companies Act, 2013 revising the respective limits for payment of remuneration to the managerial persons without Central Government approval. The yearly limit, without obtaining the Central Government approval, for slab of effective capital of ₹ 5 crore and above but less than ₹ 100 crore was increased from earlier ₹ 42 Lac per annum to ₹ 84 Lac per annum and further with twice the limit, if the resolution passed by the shareholders is a special resolution.

Accordingly, as per the enabling provision in the Special Resolution passed at the 22<sup>nd</sup> Annual General Meeting held on 10<sup>th</sup> August, 2016, remuneration is being paid to Mr. Krishna Kumar Karwa - Managing Director & CFO and Mr. Prakash Kacholia - Managing Director of the Company within the revised limits laid down in the amended schedule V of the Companies Act, 2013 with effect from date of their respective reappointment i.e. from 1<sup>st</sup> October, 2016 onwards.

### 5. REMUNERATION OF DIRECTORS

The following table gives details of remuneration paid to Directors. During 2016-17, the company did not advance any loan to any of its Directors. Further, no Director has been granted any stock options of the Company during the year.

							(In ₹)	
Name of the Director	Relationship with other Directors	Sitting fees	Salary and Perquisites	Provident Fund	Commission to Non-executive Directors/ performance incentive to Executive Directors	Total	No. of Stock options, if any	
G.P. Gupta	None	60,000	0	0	2,50,000	3,10,000	None	
S. K. Saboo	Related to Krishna Kumar Karwa	70,000	0	0	0	70,000	None	
R. K. Krishnamurthi	None	50,000	0	0	1,75,000	2,25,000	None	
G. C. Vasudeo	None	1,10,000	0	0	2,25,000	3,35,000	None	
Dr. Satish Ugrankar	None	50,000	0	0	1,75,000	2,25,000	None	
Krishna Kumar Karwa	Related to S.K.Saboo	0	79,50,000	9,54,000	0	89,04,000	None	
Prakash Kacholia	Related to Preeti Kacholia	0	79,50,000	9,54,000	0	89,04,000	None	
Preeti Kacholia	Related to Prakash Kacholia	0	0	0	0	0	None	

Notes : 1. Sitting fees are paid for attending Board Meetings and Board level Committees i.e. Audit, and Nomination, Remuneration and Compensation Committee

2. Commission to Non Executive Independent Directors is payable for the financial year ended March 31, 2017.

## CORPORATE GOVERNANCE REPORT

### 6. STAKEHOLDERS RELATIONSHIP COMMITTEE

(a) The Stakeholders Relationship Committee of the Company comprises of three Directors as under:

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. 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 2016-17, the Committee had held 4 meetings. These meeting were held on 23<sup>rd</sup> May, 2016, 10<sup>th</sup> August, 2016, 9<sup>th</sup> November, 2016 and 30<sup>th</sup> January, 2017.

The attendance of each Committee member was as under:

Name	No. of Meetings attended
Mr. R. K. Krishnamurthi	2
Mr. Krishna Kumar Karwa	4
Mr. Prakash Kacholia	4

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.

b) Mr. B. M. Raul the Company Secretary designated as the Compliance Officer under SEBI (LODR) Regulations. 2015 has been complying with the requirements of the Securities Law and the SEBI (LODR).

c) Details of Shareholders/Investors Complaints for the financial year 2016-17:

Number of shareholders' complaints received during the year	1
Number not solved to the satisfaction of shareholders	Nil
Number of pending Complaints	Nil

### 7. 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
2015-2016	22 <sup>nd</sup>	M. C. Ghia	10 <sup>th</sup> August, 2016	4.00 p.m.
2014-2015	21 <sup>st</sup>	Hall, Fort, Mumbai.	12 <sup>th</sup> August, 2015	4.00 p.m.
2013-2014	20 <sup>th</sup>		13 <sup>th</sup> August, 2014	3.00 p.m.

#### Special Resolutions passed at the last three AGMs

- At the 22<sup>nd</sup> AGM held on 10<sup>th</sup> August, 2016
  - Resolution passed under section 196 and 197 of the Companies Act, 2013 for re-appointment of Mr. Krishna Kumar Karwa as a Managing Director & CFO for a period of three years w.e.f.1.10.2016 and payment of remuneration to him
  - Resolution passed under section 196 and 197 of the Companies Act, 2013 for re-appointment of Mr. Prakash Kacholia as a Managing Director for a period of three years w.e.f.1.10.2016 and payment of remuneration to him
- At the 21<sup>st</sup> AGM held on 12<sup>th</sup> August, 2015.
  - Resolution under section 14 of the Companies Act, 2013 for adoption of new set of Articles of Association of the Company.
  - Resolution under section 186 of the Companies Act, 2013 for approving limits for investment .
- At the 20<sup>th</sup> AGM held on 13<sup>th</sup> 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).

## CORPORATE GOVERNANCE REPORT

### Postal Ballot:

During the year, no special resolution was passed by the Company through postal ballot.

### Proposal for Postal Ballot:

No Special resolution is proposed to be passed through Postal Ballot

## 8. MEANS OF COMMUNICATION

- The Quarterly/Annual Financial Results of the Company are normally published in the Business Standard and Sakal.

- The Quarterly/Annual Financial Results were promptly 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.

- No presentations made to the Institutional Investors or to the analysts during the year.

## 9. GENERAL SHAREHOLDER INFORMATION

<b>Sr. No.</b>	<b>AGM: Date, time and venue</b>	<b>Friday, the 11<sup>th</sup> August, 2017 at 4.00 P.M. at M. C. Ghia Hall, Fort, Mumbai – 400001.</b>
(a)	Financial Year	1 <sup>st</sup> April, 2016 to 31 <sup>st</sup> March, 2017
(b)	Date of Book Closure	Tuesday, 1 <sup>st</sup> August, 2017 to Friday, 11 <sup>th</sup> August, 2017 (Both days inclusive)
(c)	Dividend Payment Date	Dividend if declared at the Annual General Meeting shall be paid to all eligible shareholders from 16 <sup>th</sup> August, 2017 onwards.
(d)	Listing on Stock Exchanges	-BSE Limited, P.J.Tower, Dalal Street, Mumbai 400001 -National Stock Exchange of India Limited, Exchange Plaza, BKC, Bandra (East), Mumbai 400051
(e)	Stock Code / Symbol	-BSE-532737 -National Stock Exchange of India Limited-EMKAY
(f)	Listing Fees	The Company has paid listing fees to BSE Limited and National Stock Exchange of India Limited for the Financial Year 2017-2018
(g)	ISIN Number	INE296H01011
(h)	Registrar and Transfer Agents	Link Intime India Private Limited, C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400 083 Tel No: +91 22 49186000 Fax: +91 22 49186060
(i)	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
(j)	Dematerialization of Shares and liquidity	As on 31.03.2017, 99.94% of the Equity Share Capital comprising 2,44,23,435 equity shares out of total 2,44,38,150 were dematerialized
(k)	Outstanding GDR /ADR /Warrants or any Convertible Instruments, Conversion Date and likely impact on equity.	The Company has not issued any GDR /ADR /Warrants.
(l)	Commodity price risk or foreign exchange risk and hedging activities	The Company is in the financial services business and do not have exposure to commodity price and foreign exchange hence not applicable.
(m)	Plant Locations	The Company is into financial services business and does not have any plant locations
(n)	Address for correspondence	<b>Registered Office:</b> The Ruby, 7 <sup>th</sup> Floor, Senapati Bapat Marg, Dadar(West), Mumbai-400028 <b>Administrative Office:</b> Paragon Center, C-06, Ground Floor, Pandurang Budhkar Marg, Worli, Mumbai-400 013. <b>Registrar and Transfer Agent:</b> Link Intime India Private Limited, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai-400 083.

## CORPORATE GOVERNANCE REPORT

### Market Price Data

During the year, the BSE Sensex increased from 25,341.86 to 29,620.50

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 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017 is as follows:

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2016	61.60	52.20	59.45	52.40
May, 2016	62.70	49.15	66.00	49.05
June, 2016	71.40	51.90	72.00	50.00
July, 2016	83.15	64.75	83.85	64.10
August, 2016	81.70	62.60	80.80	62.15
September, 2016	70.00	62.00	71.80	60.70
October, 2016	75.90	64.50	76.00	61.65
November, 2016	76.00	51.00	75.70	49.80
December, 2016	65.15	54.65	65.50	55.35
January, 2017	66.95	55.70	66.00	52.20
February, 2017	68.00	59.00	68.25	58.90
March, 2017	82.90	63.30	83.00	61.10

### Categories of Share Holding as on 31<sup>st</sup> March, 2017

The Shareholding of different categories of the shareholders as on 31<sup>st</sup> March, 2017 is given below:

Category	No. of Shareholders	No. of Shares	% of total
<b>(A) Promoters and Promoter Group Shareholding:</b>			
Individual / Hindu Undivided family	6	1,37,47,500	56.2543
Bodies Corporate	1	41,50,000	16.9816
<b>Total (A)</b>	<b>7</b>	<b>1,78,97,500</b>	<b>73.2359</b>
<b>(B) Public Shareholding:</b>			
Other Bodies Corporate	130	7,60,285	3.1111
NRI( including Non Repatriable)	87	2,75,538	1.1274
Clearing Members	126	1,84,509	0.7550
Indian Public	5,963	48,92,688	20.0207
<b>Total (B)</b>	<b>6,306</b>	<b>61,13,020</b>	<b>25.0142</b>
<b>(C) Non Promoter - Non Public Shareholding:</b>			
ESOP Trust	1	4,27,630	1.7498
<b>Total (C)</b>	<b>1</b>	<b>4,27,630</b>	<b>1.7498</b>
<b>Total (A+B+C)</b>	<b>6,314</b>	<b>2,44,38,150</b>	<b>100.00</b>

### Distribution of Shareholding as on 31<sup>st</sup> March, 2017

The Shareholding distribution of the Equity shares as on 31<sup>st</sup> March, 2017 is given below:

Number of Shares held (Face value of ₹ 10 each)	Shareholders		Shares	
	Number	% of total	Number	% of total
1-500	5414	85.7460	6,04,963	2.4755
501-1000	366	5.7966	3,01,468	1.2336
1001-2000	213	3.3735	3,29,877	1.3498
2001-3000	104	1.6471	2,65,129	1.0849
3001-4000	33	0.5226	1,17,360	0.4802
4001-5000	37	0.5860	1,77,744	0.7273
5001-10000	72	1.1403	5,55,190	2.2718
10001 & above	75	1.1878	2,20,86,419	90.3768
<b>Total</b>	<b>6314</b>	<b>100.0000</b>	<b>2,44,38,150</b>	<b>100.0000</b>

## 10. OTHER DISCLOSURES

### A. Related Party Transactions (RPT)

- 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%20relations).
- Your Company enters into various transactions with related parties as per the provisions of the Companies Act, 2013 and Regulation 23 of the SEBI (LODR) Regulations, 2015.
- During the financial year ended 31<sup>st</sup> March, 2017, there are no transactions with related parties which qualify as materially significant transaction in terms of the provisions of Regulation 23 of the SEBI (LODR) Regulations, 2015.
- There are no materially significant related party transactions of the Company which conflict with the interests of the Company at large.
- A statement in summary form of all the transactions with related parties is placed periodically before the audit committee.
- Transactions with related parties, as per requirements of Accounting standard 18, are disclosed elsewhere in this annual report.

## CORPORATE GOVERNANCE 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 providing 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 behavior and actual or suspected frauds, the Company has adopted the Whistleblower Policy / vigil mechanism with effect from 1<sup>st</sup> April, 2014, in line with Regulation 22 of the SEBI (LODR) Regulations, 2015. 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%20relations)

### **D. Details of compliance with mandatory and non-mandatory requirements of SEBI (LODR) Regulations, 2015**

Your Company has complied with all the mandatory requirements of SEBI (LODR ) Regulations, 2015.

**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.

#### **c) Reporting of Internal Auditor**

As per the requirements, the internal auditor may report directly to the Audit Committee. The same is reported by briefing the Audit Committee through discussion and presentation of the observations, review, comments and recommendations etc. in the Internal Audit presentation by the Internal Auditor of the Company.

#### **d) 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 SEBI (LODR) Regulations, 2015. 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 31<sup>st</sup> March, 2017. A certificate signed by the Managing Director(s)/CFO is annexed to this report as 'Annexure 1.'

#### **e) Code of Conduct for Prevention of Insider Trading**

The Board of Directors at its meeting held on 29<sup>th</sup> January, 2016 approved and adopted the revised Code of Conduct to Regulate, Monitor and Report Trading by Insiders' in line with SEBI (Prohibition of Insider Trading) Regulations, 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).

#### **f) CEO / CFO Certification**

The certificate required under SEBI (LODR) Regulations, 2015, duly signed by the Managing Directors / CFO has been given to the Board and the same is annexed to this report as "Annexure 2."

#### **g) 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



## CORPORATE GOVERNANCE REPORT

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 31<sup>st</sup> March 2017, a total of 1,150 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. During the year Unpaid /Unclaimed Dividend amount of ₹ 2,656.50 was claimed by one of such allottee. As on 31 March 2017, an amount of ₹ 1,367.50 was lying in the said bank account.

### Details of shares lying in Emkay Global Financial Services Limited A/C IPO-Unclaimed Securities Suspense Account as on 31.03.2017

(a) Aggregate number of Shareholders and outstanding shares lying in the suspense Account at the beginning of the year 1-4-2016 :	7 Shareholders 1,150 Shares
(b) * Number of shareholders who approached for transfer of shares from suspense account during the year.	Nil
(c) Number of shareholders to whom share/s transferred from suspense account during the year	Nil
(d) Aggregate Number of shareholders and the outstanding shares lying in the suspense account at the end of the year as on 31.03.2017	7 shareholders 1,150 shares
(e) Voting rights on these shares are frozen till the rightful owner of such shares claims the share	Yes

\* **Note:** One of the shareholders who was allotted 759 equity shares and who has claimed unpaid dividend during the financial year 2016-2017, has approached the Company for transfer of shares to him in April, 2017.

### Transfer of Unclaimed Equity Shares to the Special Demat Account of the Investor Education and Protection Fund (IEPF) Authority.

Pursuant to the provisions of section 124(6) of the Companies Act, 2013 read with The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 notified by the Ministry of Corporate Affairs, New Delhi w.e.f. 7<sup>th</sup> September, 2016, and further notification dated 28.02.2017 issued by Ministry of Corporate Affairs, amending the said Rules by the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 which have come into force w.e.f. 28.02.2017, all the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more as provided under subsection (5) of Section 124 during the period from 7.9.2016 to 31.05.2017 are required to be transferred to the Special Demat Account of IEPF Authority by 31.05.2017. The Company has initiated the process and issued notices to the shareholders, who had not claimed their dividend for the last seven consecutive years and also published a notice in the news papers as required under the Rules. All the shareholders who have not claimed their unpaid dividend are requested to claim their unclaimed dividends, otherwise the unclaimed dividend and such shares will be transferred to IEPF account by the respective due date.

Members are requested to contact M/s. Link Intime India Private Limited, the Registrar & Share Transfer Agent of the Company, for claiming their unpaid /unclaimed dividend, if any. 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).

### h) 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

## CORPORATE GOVERNANCE REPORT

Out of the above four subsidiaries, Emkay Fincap Limited is a material non-listed Indian subsidiary as per SEBI (LODR) Regulations, 2015 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 31<sup>st</sup> March, 2016. As required under SEBI (LODR) Regulations, 2015, 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.

Policy on determining 'Material Subsidiaries' is uploaded on the website of the Company [www.emkayglobal.com/investorrelation](http://www.emkayglobal.com/investorrelation)

### i) 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.

### j) Commodity price risk or Foreign Exchange Risk and Hedging activities

The Company is in the financial services business and does not have exposure to commodity price and foreign exchange or hedging activities, hence not applicable.

### k) Listing Fees

The Company has complied with SEBI (LODR) Regulations, 2015 with respect to payment of Annual Listing fees to the Exchanges and Annual Custodial fees to the Depositories.

### l) Reclassification of Public Shareholding

As per rule 19A of the Securities Contract (Regulation) Rules, 1957, every listed Company is required to maintain public shareholding of at least 25%. Ministry of Finance (Dept. of Economic Affairs) vide Notification dated 25<sup>th</sup> February, 2015 amended the Securities Contracts (Regulation) Rules, 1957 called as the Securities Contracts (Regulations) (Amendment) Rules, 2015 substituting new definition for public shareholding thereby excluding the shares held by ESOP trust set up for implementing employee benefit scheme from Public shareholding. In view of reclassification of shareholding pattern as per the new definition, public share holding in the Company had become 23.67% as against earlier 26.76%. As per the amended provisions, where the public shareholding of listed company falls below twenty five per cent, such company shall increase its public shareholding to at least 25% within 3 years of the Notification i.e. by October 27, 2017. The Company had given a proposal to SEBI for meeting the requirement of minimum level of Public shareholding of 25% specified under Rule of the Securities Contract (Regulation) Rules, 1957.

SEBI vide its letter No. CFD/CMD/RV/OW/25811/2016 dated 14.09.2016, had informed to be guided by the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. As per the proviso to Regulation 3(12) of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, (SBEB Regulations) any ESOP Trust, which at the commencement of the regulations holds secondary shares, is required to appropriate these shares on the stock exchange to the extent that these shares remained un-appropriated by granting Stock Options within one year from the



## CORPORATE GOVERNANCE REPORT

notification of the regulations i.e by 27.10.2015 or sell in the secondary market within 5 years from the date of notification of the regulations i.e by 27.10.2019.

During the year ended 31.03.2017, the ESOP Trust sold EGFSL shareholding to the extent of 3,27,018 equity shares held by the ESOP Trust, in the secondary market to comply with the requirements of SEBI ( SBEB) Regulations, 2014. As a consequence, the requirement of minimum public shareholding has been adhered to.

The Company has made all disclosures regarding compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Listing Regulations, in the section on Corporate Governance of the annual report.

There is no non-compliance of any requirement under para (2) to (10) of schedule V of SEBI (LODR) Regulations, 2015 in Corporate Governance Report.

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: 24/05/2017



## 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 31<sup>st</sup> March, 2017, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation") as referred to in Regulation 15(2) of the Listing regulations for the period 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017.

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

In our opinion and to the best of our information and according to the explanations given to us and 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 / Listing Regulations, as applicable.

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. 014568

Place: Mumbai

Date: 24<sup>th</sup> May, 2017



## CODE OF CONDUCT

### Annexure-1

In accordance with Regulation 26 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 31<sup>st</sup> March, 2017.

### For EMKAY GLOBAL FINANCIAL SERVICES LIMITED

**Krishna Kumar Karwa**  
Managing Director & CFO

**Prakash Kacholia**  
Managing Director

Place: Mumbai

Date: 24<sup>th</sup> May, 2017





## CEO/CFO CERTIFICATE

Annexure-2

We hereby certify that -

- (a) We have reviewed Financial Statements and the Cash Flow Statement for the year ended 31<sup>st</sup> March, 2017 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: 24<sup>th</sup> May, 2017



# MANAGEMENT DISCUSSION AND ANALYSIS

## 1. Overview of the Economy

With liquidity being a strong channel justifying higher valuations, growth is expected to continue its slow march into the recovery phase. The shifting paradigm of global growth in favour of advanced economies is likely to uphold pressure on the emerging economies to gather momentum or lose their share in the pie. Major events in 2017 that ranged from Brexit to US presidential elections induced considerable volatility in the markets. Rising interest rates the world over, coupled with shrinking balance sheet of Fed makes the outlook on global financial markets highly uncertain.

Against this global backdrop lies India as a focal point, with recovery in growth expected in view of some landmark reforms like demonetisation, enactment of the Insolvency and Bankruptcy Code and various other reforms initiated to improve consumption from bottom of the pyramid, while also leveraging on some spill over effects emerging from the recovering growth of the advanced economies. Now, with global commodity prices bottoming out, the repercussions of the same are likely to be reflected on inflation and current account deficit. Domestic structural impediments continue to pose a hurdle to India's sustainable growth story. Government's efforts to revive growth through consumption are expected to further increase inflationary pressure. Implementation of Goods & Services Tax should advance growth by 70-100bps and also benefit the Tax/GDP ratio in the long run, however in the short term it may induce tremors on inflation.

## 2. Indian Equity Markets in Fiscal 2017

The Indian capital markets performed remarkably in fiscal 2017 as they spiked nearly 16% YoY after having dived ~10% in the previous fiscal. This rapid rise in the markets was largely an after effect of demonetisation, given the influx of flows in mutual funds, coupled with drying out of Trump expectations.

The Assets Under Management (AUM) in the Indian mutual fund (MF) industry witnessed an exceptional

growth of 42% during the fiscal. Net FII inflows to the extent of USD 8.3bn were witnessed in Indian markets, primarily on the back of higher equity inflows, to the tune of USD 9.1bn. Investments by FIIs into equities and bonds in March hit the highest in about 15 years, even as expectations are rife that foreign investors will likely continue to be bullish on Indian markets given the strong domestic fundamentals.

## 3. Business Overview

Emkay Global is one of the leading players in the financial services sector, actively creating wealth for its clients for over two decades. 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). The year was a noteworthy one for Emkay with it being recognized as 'India's Most Trusted Financial Brand' by the World Consulting and Research Corporation and being ranked amongst the '25 Fastest Growing Financial Consultant Companies in India' by the CEO magazine.

**Equity:** Emkay's equity business caters to both institutional and non-institutional clients. Backed by one of the strongest equity research teams 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 fiscal 2017 the institutional segment contributed 73% of the total equity broking business, while the non-institutional segment accounted for the remaining. The total number of institutional clients increased from 270 in FY2015-16 to 299 in FY2016-17 while the number of non-institutional clients increased to 134884.

## MANAGEMENT DISCUSSION AND ANALYSIS

**Research:** A strong research forms the foundation of Emkay's service offerings. Our research ideas and capabilities are well acknowledged and appreciated across the industry. During the year we continued to strengthen our research competence with a greater focus on perspective and thematic reports. The research coverage was ramped up to 250 during the year. The year was also marked with several outreach events being conducted by corporate access. 130 Roadshows, 17 Reverse Roadshows, 52 Corporate/Expert - Client Meetings and 122 Conference Calls were held. Emkay's annual investor conference 'Emkay Confluence' saw participation from nearly 100 companies and more than 430 institutional investors, resulting in over 2300 corporate-investor meetings.

The quality of our research was recognized by several industry forums during the year. We were ranked among the top 10 Research Teams in India; among the top 3 Media Analysts of the year and among the top 5 Agriculture Analysts of the year at the Institutional Investor Survey 2016.

Our recent equity research tie-up with DBS Singapore would strengthen our research capabilities further by adding to our knowledge base and enable us to offer a holistic view of the Asian market. These reports will carry exhaustive insights and feature current market and sector scenarios.

**Portfolio Management Services:** Emkay Investment Managers Ltd. (EIML) is a wholly owned subsidiary of Emkay and is a SEBI registered Portfolio Manager since 2003. EIML offers six different types of portfolio management services, catering to individual risk appetites, goals and investment preferences. The PMS team that comprises of professional fund managers, research and wealth advisors and associates with a combined experience of over 25 years is focused on offering the clients a superior research based portfolio which effectively manages risks and optimizes returns. Emkay PMS follows a judicious mix of both bottom up and top down approach, with greater

emphasis on the bottom up approach especially when it comes to stock selection. It offers highly customized & personalized advisory services to large HNIs / NRIs & Corporate Investors. Emkay's Portfolio Management Services' expertise ranges across the breadth of the Indian equities market, from blue-chip large cap funds and well-performing mid-cap funds to emerging small caps. All of EMIL's PMS strategies have consistently out-performed the index over the years, thereby building substantial wealth for its clients.

**Other Businesses:** Emkay's other service offerings include Commodities, Currency, Investment Banking, insurance et al.

Emkay's Investment Banking division has been successfully advising and raising money for small and mid-market companies for almost a decade. During fiscal 2017, the investment banking team completed two fund raising transactions in the form of Preferential Issues aggregating to ₹ 168 crore for Time Technoplast Limited and OK Play India Limited and also executed a Buyback for Dhanuka Agritech Limited with a buyback size of ₹ 80 crore.

Emkay's focused efforts on the currency derivatives market, paid off handsomely, by clocking overall volumes of 34,971 crore, registering a growth of 110% YoY. We expect to continue this growth trajectory in the current fiscal, given our focus on building a strong corporate client base.

With SEBI having taken over the functioning of the commodity markets, we expect that unified licensing regime would soon be a reality for the broking community, thereby saving on regulatory costs. Also with SEBI's recent nod to introduction of options in commodities, the commodity volumes are expected to see a sharp rise by end of the current fiscal. Revenues from Emkay's commodity business increased to ₹ 34.3 lac in FY17 from ₹ 28.7 lac in the previous fiscal.



## MANAGEMENT DISCUSSION AND ANALYSIS

Emkay's Insurance broking arm, Emkay Insurance Brokers Limited (EIBL) offers both life and non-life insurance services to corporate and individuals. In fiscal 2017 the Non-life insurance business contributed 88% of the total revenue while the Life segment brought in the remaining 12%.

Emkay Fincap Limited, a 100% subsidiary, carries out Non Banking Financial activities like financing against shares and margin funding. The amount deployed in margin funding increased to ₹ 3205 lac in FY17 from ₹ 2267 lac in FY16. The Profit After Tax from this business was reported at ₹ 273 lac as against ₹ 288 lac in the previous year.

### 4. Opportunities & Threats

The Indian equity markets stand at a threshold of a significant transformation with increasing dominance of domestic players, specially the mutual fund industry and retail investors. Inflows into MFs have remained strongly positive since 2014 with roughly ₹ 3000 crore of net inflows per month. With this the contribution of domestic institutions in secondary market volume has increased to nearly 50% from 30% three years back. This transformation has provided a considerable fillip to mid and small cap stocks, thereby enhancing liquidity and depth of the Indian stock markets.

Emkay Global, with its dominance across a wide array of company coverage and with a 2.5-3% market share in the pie of domestic institutional business stands to gain considerably from this transformation. Emkay's tie-up with DBS Singapore during the year will enhance its ability to tap into the opportunities that lie ahead. In particular, this collaboration will strengthen our reach to capture greater market share in global business.

### 5. Future Outlook

Global growth suggests signs of stronger activity in most advanced economies and easing of recessionary conditions in commodity exporting large emerging

market economies. International financial markets have been impacted by policy announcements in major advanced economies, geo-political events and country-specific factors. Equity markets in advanced economies were driven by reflation trade, stronger incoming data and currency movements while that of emerging market economies had a mixed performance reflecting domestic factors amidst surge of capital flows. The pick-up of global trade activities led by recovery in advanced economies is likely have a positive spill-over impact on India, notwithstanding the limiting influence of protectionism.

On the domestic front, revival post demonetisation, focus on restoration of the depressed rural economy and adoption of the 7<sup>th</sup> pay commission by States should drive growth in fiscal 2018. The focus of the centre to double farm income by 2022 is likely to be the focal point of government's major policies. The government is likely to escalate spends towards MNREGA, housing for all and hike the Minimum Support Price amongst other measures. Loan waivers announced by few of the States are also likely to give an impetus to consumption. Downside risks to the projected growth path stem from the outturn of the south west monsoon.

With renewed focus of the government to revive slouching domestic demand, private consumption is likely to be the main driver of growth in fiscal 2018. Domestic policies that reinforce the macro-economic fundamentals should likely aid coping up with external vulnerabilities particularly arising from sudden volatility in external flows.

Several favourable domestic factors like remonetisation will continue to trigger a rebound in discretionary consumer spending; transmission of past policy rate reductions into banks' lending rates post demonetisation should help encourage both consumption & investment demand; budgetary focus on stimulating capital expenditure & rural demand and roll out of structural reforms such as GST would all invigorate economic activity.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 6. Risks & Concerns

Risk management is a primary element of Emkay's strategy and is seamlessly integrated across all its business operations. Emkay seeks to cultivate a disciplined risk management culture amongst its employees by taking a holistic view of the same. Our proficient compliance and risk management teams ensure that rules and regulations are strictly adhered to in their true spirit. The Company is primarily exposed to credit risk, interest rate risk, market risk and operational risks.

#### Economic Risk

Volatility in the Indian and global markets may affect the Company's operations and performance. Any unfavourable 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 favourable factor since it drives us further towards growth. The Company with its well diversified service offerings, nationwide reach, strong brand equity, coupled with the latest technological infrastructure and strong risk management systems will facilitate continuous growth in the coming years.

#### Human Resource Risk

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

#### Regulatory Risk

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

### 7. Human Resources

"Your Success is our Success" is the guiding principle of Emkay's work culture. We believe in creating and nurturing a conducive environment where success of every employee is shared and celebrated. At Emkay, we constantly encourage our employees to augment their skills and talent to get the best possible results through training programs and continuous mentoring. Steady development is a key attribute of Emkay's people. During fiscal 2017 we took several steps towards this. Some of the key initiatives during the year were –

- **Induction & Buddy Program:** The format of the Induction Program was modified to ensure a more effective introduction of new recruits to their key stakeholders by making the activity more interactive. Another key initiative was the 'Buddy Program' to ensure that the transition of the new recruits into their stint at Emkay is smooth.

## MANAGEMENT DISCUSSION AND ANALYSIS

- **Performance Monitoring:** Performance Monitoring has to be a continuous activity and not an end of the year program. Keeping up with this ideology, we introduced regular performance reviews to ensure that a significant number of employees got their performance related feedback within appropriate timeframe. Further, awareness was created amongst the reporting managers to rate their team members rigorously in accordance with the rating grid to ensure uniformity and prevent any bias. We also started the practice of quarterly Skip Level Meetings between the Head of Research & the Research Associates.
- **Joy of Giving** – Emkay organized Daan Utsav to celebrate the Joy of Giving Week where employees came forward in huge numbers and donated various items including Clothes, Books & Toys.
- **Training and Development** – We adopted a ‘bottom up’ approach to identifying training needs of employees. The Training calendar was planned basis the training needs identified by employees during their appraisal, which in turn were confirmed by the respective heads of their department. There was higher thrust on training programs aimed at augmenting productivity and achieving stretch goals. A major e-Learning program was initiated for the Private Wealth Management team constituting modules on Wealth Management, Equity Research and Technical Analysis. The program will over time be extended to other verticals as well. Overall, the year saw multiple Training Workshops being conducted across verticals, covering nearly 275 man days of training of employees across all locations.
- **Psychometric Assessments** – We introduced Thomas Profiling and other psychometric assessments for new recruits, conducted by means of online Tests.
- **Employee Confirmation Process** – We revamped the Confirmation Process to make it more effective with a focus on all business and support roles.

We believe in making work an enjoyable experience by creating an appropriate balance between fun and work. To fuse our talented people and in order to synergize their sparkling energies, we organized the annual Emkay Diwali Bash, and also used the platform to felicitate employees who put in ten or more years of service through a special function.

To promote employee bonding and a sense of belonging and pride in working for the organization, multifaceted events were organized such as Emkay Master Chef, Secret Santa, New Year Lunch, Emkay Premier League, Independence Day celebrations, Emkay Antakshari, Women’s Day and Maharashtra Day celebrations. We revamped our monthly Employee Newsletter to increase the involvement of employees as contributors, both at the Head Office and at the branch level.

With due focus on the health of our employees, we organized Dental and Eye Check up Camps and also arranged comprehensive Health Tests for employees.

Programs were customized across organizational departments from the back office operations teams to the top management. We organized Outbound Trainings, Advanced Communication Skills, Grooming & Business Etiquette, Advanced Excel & VBA, Equity Valuation, Financial Modelling, Linux Essentials, High Impact Presentation & Communication Skills and Stress Management workshops among others.

### 8. Internal Control Systems and their Adequacies

The Company’s internal control systems are adequate and provide, among other things, reasonable assurance of recording transactions of operations in all material respects and of providing protection against significant

## MANAGEMENT DISCUSSION AND ANALYSIS

misuse or loss of company assets. Moreover, the Company continuously upgrades its 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 ₹ 10884 Lac in FY17, as against ₹ 10533 Lac in FY16, an increase of 3.34%. **EBIDTA:** The Company's EBIDTA stood at ₹ 2374 lac compared to ₹ 2377 lac in FY16, a decrease of 0.13%. **PAT:** The Profit/(Loss) after Tax stood at ₹ 1219 lac as against ₹ 1203 lac in FY16, an increase of 1.33%

#### Standalone:

**Income:** The Company recorded a total income of ₹ 9662 lac, as against ₹ 9506 lac in FY16, an increase of 1.64%. **EBIDTA:** The Company's EBIDTA before exceptional items stood at ₹ 1710 lac, as against ₹ 1860 lac in FY16,

a decrease of 8.07% . **PAT:** The Profit/(Loss) after Tax stood at ₹ 462 lac against ₹ 981 lac in FY16, a decrease of 52.90% primarily on account of an exceptional item of ₹ 335 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

1. We have audited the accompanying Standalone Financial Statements of EMKAY GLOBAL FINANCIAL SERVICES LIMITED ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, 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

2. 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

3. Our responsibility is to express an opinion on these standalone 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.
4. 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.
5. 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.
6. 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

7. 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



## INDEPENDENT AUDITOR'S REPORT

required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section(11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
9. 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 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of

such controls, refer to our separate Report in "Annexure B".

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with 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 7(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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year.
  - iv. The Company has provided requisite disclosures in the standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.(Refer Note 12 to the standalone financial statements).

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

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

Partner

Place : Mumbai

Date : 24<sup>th</sup> May, 2017

Membership No.014568



## INDEPENDENT AUDITOR'S REPORT

### ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF EMKAY GLOBAL FINANCIAL SERVICES LIMITED ON THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2017

- (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.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties, as disclosed in Note 3.9(a) on fixed assets to the financial statements are held in the name of the Company.
- (ii) The securities held as stock in trade have been confirmed with the statement of holding of depository at the end of the year by the Management. In case of securities acquired during the year for which settlement of delivery as per Stock Exchanges regulations has happened post 31<sup>st</sup> March, 2017, the holding has been confirmed with statement of holding of depository for the period subsequent to 31<sup>st</sup> March, 2017. In our opinion, the frequency of verification of statement of holding is reasonable. No discrepancies have been noticed on verification between securities held as stock in trade as per the statement of holding and as per books of account.
- (iii) (a) The Company has granted unsecured loan to its wholly owned subsidiary, a company covered in the register maintained under section 189 of the Act. The Company has not granted any secured or unsecured loan to firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
- (b) In respect of the aforesaid loan, the terms and conditions under which such loan was granted are not prejudicial to the Company's interest.
- (c) In respect of the aforesaid loan, the schedule of repayment of principal and payment of interest has been stipulated, and the receipt of the principal amount and interest were regular, as stipulated.
- (d) In respect of the aforesaid loan, there is no amount which is overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, the Company has given loan to and provided guarantee for its wholly owned subsidiaries to which provisions of section 185 and 186 of the Act are not applicable. The Company has not provided any security and it has complied with the provisions of Section 186 of the Act to the extent applicable to it, with respect to the investments made.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Section 73 to 76 of the Act and the Rules framed there under to the extent notified. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) In our opinion and according to the information and explanations given to us, the Company is not required to maintain cost records pursuant to the rules made



## INDEPENDENT AUDITOR'S REPORT

by the Central Government under Section 148 (1) of the Act. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including 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 on 31<sup>st</sup> March, 2017 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, duty of customs and duty of excise.
- (b) As at 31<sup>st</sup> March, 2017, according to the information and explanations given to us and the records of the Company examined by us, there are no dues of service tax and value added tax which have not been deposited on account of any dispute. The particulars of dues on account of income tax as at 31<sup>st</sup> March, 2017 which have not been deposited by the Company on account of a dispute, are as follows:

Name of the Statute	Nature of dues	Amount of demand (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax and Interest	1.56	F.Y.2008-2009	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax and Interest	9.60	F.Y.2010-2011	Commissioner of Income Tax (Appeals)

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment

of loan or borrowings to a financial institution and the banks. The Company has not obtained any loan or borrowings from government. Further, the Company does not have any debentures issued/outstanding at any time during the year.

- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the order is not applicable to the Company.
- (x) Based on the audit procedures performed and according to the information and explanations given by the management, we report that no fraud by the company or on the Company by its officers or employees has been noticed or reported during the year ended 31<sup>st</sup> March, 2017 nor have we been informed of such case by the management during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us the Company is not a nidhi company. Accordingly paragraph 3(xii) of the order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transaction have been disclosed in note 17 of the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under



## INDEPENDENT AUDITOR'S REPORT

section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him as prescribed under section 192

of the Act. Accordingly paragraph 3(xv) of the order is not applicable to the Company.

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

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

Place: Mumbai  
Date: 24<sup>th</sup> May, 2017

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

## INDEPENDENT AUDITOR'S REPORT

### ANNEXURE "B" TO INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF EMKAY GLOBAL FINANCIAL SERVICES LIMITED ON THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2017

#### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls over financial reporting of EMKAY GLOBAL FINANCIAL SERVICES LIMITED ("the Company") as of March 31<sup>st</sup>, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial

reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

## INDEPENDENT AUDITOR'S REPORT

### Meaning of Internal Financial Controls Over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Mumbai  
Date : 24<sup>th</sup> May, 2017

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

**BALANCE SHEET** AS AT 31<sup>ST</sup> MARCH, 2017

Particulars	Note	As at 31 <sup>st</sup> March, 2017 (₹)	As at 31 <sup>st</sup> March, 2016 (₹)
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	3.1	244,381,500	244,377,500
Reserves and Surplus	3.2	938,910,243	892,730,146
		<b>1,183,291,743</b>	<b>1,137,107,646</b>
<b>Share Application Money Pending Allotment</b>	3.1	555,000	-
<b>NON-CURRENT LIABILITIES</b>			
Deferred Tax Liabilities (Net)	3.3	6,693,000	1,990,500
Other Long-Term Liabilities	3.4	15,730,758	16,291,678
		<b>22,423,758</b>	<b>18,282,178</b>
<b>CURRENT LIABILITIES</b>			
Short-Term Borrowings	3.5	288,108,349	90,000,000
Trade Payables			
-Micro, Small and Medium Enterprises	3.6	-	-
-Others	3.6	657,942,065	493,082,273
Other Current Liabilities	3.7	396,032,220	308,602,293
Short-Term Provisions	3.8	7,706,698	2,277,824
		<b>1,349,789,332</b>	<b>893,962,390</b>
<b>TOTAL</b>		<b>2,556,059,833</b>	<b>2,049,352,214</b>
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Fixed Assets			
- Tangible Assets	3.9 (a)	337,640,242	342,108,818
- Intangible Assets	3.9 (b)	13,427,259	2,912,675
- Capital Work In Progress		2,862,000	-
Non-Current Investments	3.10	337,500,000	356,004,526
Long-Term Loans and Advances	3.11	101,033,466	122,832,550
		<b>792,462,967</b>	<b>823,858,569</b>
<b>CURRENT ASSETS</b>			
Inventories	3.12	25,723,253	53,133,537
Trade Receivables	3.13	641,622,361	181,724,759
Cash and Cash Equivalents	3.14	997,671,664	916,686,715
Short-Term Loans and Advances	3.15	83,997,766	59,998,191
Other Current Assets	3.16	14,581,822	13,950,443
		<b>1,763,596,866</b>	<b>1,225,493,645</b>
<b>TOTAL</b>		<b>2,556,059,833</b>	<b>2,049,352,214</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: May 24, 2017

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

**Krishna Kumar Karwa**  
Managing Director & CFO

**Bhalchandra Raul**  
Company Secretary

Place: Mumbai  
Dated: May 24, 2017

**Prakash Kacholia**  
Managing Director



# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

Particulars	Note	For the Year Ended 31 <sup>st</sup> March 2017 (₹)	For the Year Ended 31 <sup>st</sup> March, 2016 (₹)
<b>INCOME</b>			
Revenue from Operations	3.17	938,014,590	923,281,661
Other Income	3.18	28,225,948	27,272,504
<b>Total Revenue</b>		<b>966,240,538</b>	<b>950,554,165</b>
<b>EXPENSES</b>			
Employee Benefits Expense	3.19	452,964,049	420,438,321
Finance Costs	3.20	22,332,545	20,770,906
Depreciation and Amortization Expense	3.21	40,306,185	35,666,990
Other Expenses	3.22	342,261,036	344,104,530
<b>Total Expenses</b>		<b>857,863,815</b>	<b>820,980,747</b>
<b>Profit Before Exceptional Item and Tax</b>		<b>108,376,723</b>	<b>129,573,418</b>
Less : Exceptional items	25	33,500,000	-
<b>Profit Before Tax</b>		<b>74,876,723</b>	<b>129,573,418</b>
<b>Tax Expense:</b>			
- Current Tax		24,000,000	24,000,000
- Deferred Tax [ Refer Note No.3.3 ]		4,702,500	1,990,500
- Short Provision for Tax for Earlier Years		15,326	5,497,902
<b>Profit After Tax</b>		<b>46,158,897</b>	<b>98,085,016</b>
<b>Earnings per Equity Shares of Nomial Value of ₹10/- each</b>			
-Basic		1.89	4.01
-Diluted		1.89	4.00
<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: May 24, 2017

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

**Krishna Kumar Karwa**  
Managing Director & CFO

**Bhalchandra Raul**  
Company Secretary

Place: Mumbai  
Dated: May 24, 2017

**Prakash Kacholia**  
Managing Director



CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

	Year ended 31 <sup>st</sup> March, 2017		Year ended 31 <sup>st</sup> March, 2016	
	(₹)	(₹)	(₹)	(₹)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before tax, Exceptional / Extraordinary items		74,876,723		129,573,418
Adjustment for:				
Finance Costs	22,332,545		20,770,906	
Depreciation and Amortization Expense	40,306,185		35,666,990	
(Profit)/Loss on Sale of Fixed Assets (Net of Loss on discard )	633,411		(152,052)	
Interest Received	(4,357,917)		(13,394,611)	
Dividend Received	(344,352)		(12,078,258)	
Unrealised Foreign Exchange Loss (Net)	(195,954)		279,212	
Provision for Doubtful Debts / Deposits / Advances (Net off Write Back)	165,363		(4,335,251)	
Gain on Sale of Current/Non Current Investments	(22,732,474)		(1,207,966)	
Provision for Loss on Equity Index/Stock Futures Written back	-	35,806,807	(83,960)	25,465,010
Operating Profit before Working Capital Changes		110,683,530		155,038,428
Adjustment for :				
Trade and other receivables	(490,712,162)		384,401,159	
Deposits with Banks and Other items not considered as Cash and Cash Equivalents (Refer Note 3 below)	(91,569,633)		(136,613,955)	
Inventories	27,410,284		(28,901,392)	
Trade and other payables	256,081,780	(298,789,731)	(11,922,755)	206,963,057
Cash Generated from Operations		(188,106,201)		362,001,485
Direct taxes (Paid)/Refund		(14,921,359)		(203,368)
Cash Flow before Exceptional / Extraordinary items		(203,027,560)		361,798,117
Exceptional / Extraordinary items		33,500,000		-
Net Cash from/ (used in) Operating Activities		(169,527,560)		361,798,117
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	(50,724,518)		(23,078,085)	
Sale of Fixed Assets	876,914		1,301,450	
Acquisition/Disposal of Non-Current Investments (Aquisition/Redemption)	7,498,918		(10,000,000)	
Interest received	4,357,917		13,394,611	
Loans received back from ESOP Trust	20,000,000		600,000	
Gain on Sale of Current Investments	238,082		1,207,966	
Dividend received	344,352	(17,408,335)	12,078,258	(4,495,800)
Net Cash from/ (used in) Investing Activities		(17,408,335)		(4,495,800)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Issue of ESOP Shares	25,200		-	
Share Application Money pending allotment	555,000		-	
Addition/(Repayment) of Short-Term Borrowings	198,108,349		(116,217,936)	
Finance Costs	(22,332,545)		(20,770,906)	
Dividends paid (including dividend distribution tax)	(201,892)	176,154,112	(26,986,644)	(163,975,486)
Net Cash from/ (used in) financing activities		176,154,112		(163,975,486)
Net (Decrease)/Increase in Cash and Cash Equivalents (A+B+C)		(10,781,783)		193,326,831



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

	Year ended 31 <sup>st</sup> March, 2017	Year ended 31 <sup>st</sup> March, 2016
	(₹)	(₹)
Cash and Cash Equivalents at the beginning of the year	246,900,978	53,574,146
Cash and Cash Equivalents at the close of the year	236,119,195	246,900,978
<b>Notes:</b>		
1. Cash and Cash Equivalents comprise of :		
Balances with Scheduled Banks		
- In Current Accounts	232,575,279	233,603,451
Cheque on hand	2,695,754	12,438,033
Cash on hand	541,592	409,174
Balances in Prepaid Cards	244,071	190,722
	<b>236,056,696</b>	<b>246,641,380</b>
Add / (Less) : Exchange difference on translation of Foreign Currency Cash and Cash Equivalents	62,499	259,598
	<b>236,119,195</b>	<b>246,900,978</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 towards Margin/Security for Bank Guarantees, borrowings and other commitments and balance in Unclaimed Dividend Accounts.
- 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: May 24, 2017

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

**Krishna Kumar Karwa**  
Managing Director & CFO

**Bhalchandra Raul**  
Company Secretary

Place: Mumbai  
Dated: May 24, 2017

**Prakash Kacholia**  
Managing Director



# NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

## 1. Corporate Information

The Company was incorporated in 1995 and got listed in 2006, is in the business of providing Stock Broking Services, Investment Banking, Depository Services and Distribution of Third Party Products.

## 2. Significant Accounting Policies

### 2.1 Basis of Preparation of Financial Statements

- a) The accompanying Financial Statements have been prepared on going concern basis 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.
- b) In view of criteria set out in the Schedule III to the Companies Act, 2013, the Company has considered 12 months period as its operating cycle for classifying its assets and liabilities as Current or Non-Current.

### 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

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

1. Brokerage from secondary market is recognized as per contracted rates on the execution of transactions on behalf of the clients on the trade date.
2. 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.
3. Brokerage and other revenue from operations is net of service tax wherever applicable.
4. Income from investment banking activities and other fees is recognized as and when such services are completed / performed.
5. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
6. Dividend including interim are accounted when the right to receive payment is established.





## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

- 7 The Profit/(Loss) earned on sale of investments are recognized on trade date basis. Profit or Loss on Sale of Investments is determined on the basis of the weighted average cost method. On disposal of an Investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.
8. Income from trades in securities and derivative instruments comprises of Profit/(Loss) on sale of securities held as stock-in-trade and Profit/(Loss) in derivative instruments being equity derivative transactions in the nature of Futures and Options in Equity Stock/Index and currency derivative transactions in the nature of Futures and Options in foreign currencies both entered into for trading purposes and is determined as follows:-
  - a. in case of sale of securities, it is determined based on First-in-First-Out (FIFO) basis of cost of securities sold, and
  - b. in case of derivative instruments, it is determined as follows in accordance with “Guidance Note on Accounting for Derivative Contracts” issued by The Institute of Chartered Accountants of India :-
    - All directly attributable transaction costs on derivative transactions are recognized in Statement of Profit and Loss as they are incurred. Subsequent to initial recognition, derivatives are measured at fair value at each Balance Sheet date, and changes therein are recognized in Statement of Profit and Loss. Fair Value is determined using quoted market prices on respective Exchanges.
    - Balance in “Options Premium Account” represents the fair value of premium paid or received for buying or selling the Options, respectively. Debit or Credit balance in the said account is disclosed under Short Term Loans and Advances or Other Current Liabilities as the case may be.

### 2.4 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 Leasehold Improvements 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) Leasehold Improvements are depreciated on a straight-line method over the Primary Lease Period or over a period of 3 years whichever is less.

### 2.5 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.



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

### 2.6 Stock – in – Trade

Securities acquired with the intention to trade are classified as Stock – in – Trade. Stock – in – Trade of Securities is valued at lower of the cost or fair value on individual scrip by scrip basis. Cost is determined on First-in-First-Out (FIFO) basis.

### 2.7 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 Non-Current Investments. Non-Current 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 Non-Current Investments.

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

### 2.8 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 an insurer 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.

### 2.9 Borrowing Cost

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

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

### 2.10 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.

### 2.11 Taxation

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

### 2.12 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.

### 2.13 Minimum Alternative Tax ( MAT) Credit Entitlement

MAT Credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said is created by way of a credit to the Statement of Profit & Loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

### 2.14 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.

### 2.15 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.

### 2.16 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

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

liabilities, if material, are disclosed by way of notes. Contingent assets are not recognized or disclosed in the Financial Statements.

### 2.17 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.

### 2.18 Employee Stock Compensation Cost

The Company follows the intrinsic value method for valuation of Employee Stock Option in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014 {erstwhile SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 } and the Guidance Note on Accounting for Employee Share based payments, issued by the Institute of Chartered Accounts of India. The excess of market price of shares at the time of grant of options, over the exercise price to be paid by the option holder is considered as employee compensation expense and is amortised in the Statement of Profit and Loss over the period of vesting, adjusting for the actual and expected vesting.

### 2.19 Cash and Cash Equivalents

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

### 2.20 Segments

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue, expenses, assets and liabilities are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on a reasonable basis, are included under "Unallocated".

### 2.21 Earning Per Share

The Company reports basic and diluted earnings per share (EPS) in accordance with Accounting Standard 20 on "Earnings Per Share". Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.



# NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

## 3.1 Share Capital

Particulars	As at	
	31 <sup>st</sup> March, 17 (₹)	31 <sup>st</sup> March, 16 (₹)
<b>Authorised</b>		
40,000,000 ( PY 40,000,000 ) Equity Shares of ₹ 10/- each	400,000,000	400,000,000
<b>Issued, Subscribed and Paid Up</b>		
24,438,150 ( PY 24,437,750 ) Equity Shares of ₹ 10/- each fully paid up	244,381,500	244,377,500
	<b>244,381,500</b>	<b>244,377,500</b>

Notes:-

### a: Reconciliation of the Shares outstanding at the beginning and end of the reporting period:

Particulars	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
	No of Shares	Amount (₹)	No of Shares	Amount (₹)
At the beginning of the reporting period	24,437,750	244,377,500	24,437,750	244,377,500
Add: Shares issued during the reporting period under ESOP	400	4,000	-	-
Outstanding at the end of the reporting period	24,438,150	244,381,500	24,437,750	244,377,500

### b: Terms/Rights attached to Equity Shares

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

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

### c: Details of Shareholders holding more than 5% Shares in the Company

Name of the Shareholder	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
	No of Shares	% held	No of Shares	% held
Equity Shares of ₹ 10 each fully paid				
Mr. Krishna Kumar Karwa	4,922,500	20.14	4,922,500	20.14
Mr. Prakash Kacholia	4,750,000	19.44	4,750,000	19.44
Emkay Corporate Services Private Limited	4,150,000	16.98	4,150,000	16.98
Mrs. Preeti Kacholia	2,125,000	08.70	2,125,000	08.70
Mr. Raunak Karwa	1,750,000	07.16	1,750,000	07.16

### d: Shares Reserved for issue under options:

The Company has reserved issuance of 23,50,925 ( Previous Year 23,66,325 ) Equity Shares of ₹ 10/- each for offering to eligible employees of the Company and its subsidiaries under Employees Stock Option Schemes. The Options would vest over a maximum period of four years or such other period as may be decided by the Board/Remuneration Committee subject to the applicable law.



# NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

e: Share Application Money Pending Allotment represents application money received on account of Employee Stock Option Scheme.

## 3.2 Reserves and Surplus

Particulars	As at	
	31 <sup>st</sup> March, 2017 (₹)	31 <sup>st</sup> March, 2016 (₹)
<b>Securities Premium Reserve</b>		
Balance as per last Financial Statements	691,353,584	691,353,584
Add: Additions on ESOPs exercised	21,200	-
<b>Closing Balance</b>	<b>691,374,784</b>	<b>691,353,584</b>
<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	25,225,768	(45,685,841)
Add: Profit for the year	46,158,897	98,085,016
Amount available for appropriation	<b>71,384,665</b>	<b>52,399,175</b>
<b>Less: Appropriations:</b>		
Interim Dividend paid on Equity Shares	-	24,437,750
Dividend Distribution Tax - on Interim Dividend	-	2,735,657
<b>Total of appropriations</b>	<b>-</b>	<b>27,173,407</b>
<b>Net Surplus in the Statement of Profit and Loss</b>	<b>71,384,665</b>	<b>25,225,768</b>
	<b>938,910,243</b>	<b>892,730,146</b>

## 3.3 Deferred Tax Liabilities (Net)

Particulars	As at	
	31 <sup>st</sup> March, 2017 (₹)	31 <sup>st</sup> March, 2016 (₹)
<b>Deferred Tax Liabilities</b>		
Difference between book and tax depreciation	6,693,000	1,990,500
	<b>6,693,000</b>	<b>1,990,500</b>
<b>Deferred Tax Assets</b>	-	-
<b>Net Deferred Tax Liabilities</b>	<b>6,693,000</b>	<b>1,990,500</b>

In view of unabsorbed depreciation and carry forward losses under tax laws and considering the principle of virtual certainty as stated in the Accounting Standard 22 "Accounting for Taxes on Income", the Company has not recognised deferred tax assets available to it and has recognised deferred tax liabilities to which it is liable.

## 3.4 Other Long Term Liabilities

Particulars	As at	
	31 <sup>st</sup> March, 2017 (₹)	31 <sup>st</sup> March, 2016 (₹)
<b>Others</b>		
-Security Deposits	15,730,758	16,291,678
	<b>15,730,758</b>	<b>16,291,678</b>

## 3.5 Short-Term Borrowings

Particulars	As at	
	31 <sup>st</sup> March, 2017 (₹)	31 <sup>st</sup> March, 2016 (₹)
<b>Secured</b>		
Loan repayable on demand:		
- Overdraft from a Bank	188,108,349	-
Short Term Loan from a Bank	50,000,000	45,000,000
<b>Unsecured</b>		
Short Term Loan from a Bank	50,000,000	45,000,000
	<b>288,108,349</b>	<b>90,000,000</b>

Note: (1) Overdraft from Bank of ₹ 188,108,349/- (P.Y.Nil) is secured by equitable mortgage of office premises.

(2) Short Term Loan is secured by way of margin money with bank as at 31<sup>st</sup> March, 2017 and by way of lien against term deposits as at 31<sup>st</sup> March, 2016.

# NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

## 3.6 Trade Payables

Particulars	As at	
	31 <sup>st</sup> March, 2017 (₹)	31 <sup>st</sup> March, 2016 (₹)
Micro, Small and Medium Enterprises	-	-
<b>The details of amount outstanding to Micro, Small and Medium Enterprises as identified based on information available with the company and relied upon by the Auditors is as under -</b>		
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-
	-	-
Others	657,942,065	493,082,273
	<b>657,942,065</b>	<b>493,082,273</b>

## 3.7 Other Current Liabilities

Particulars	As at	
	31 <sup>st</sup> March, 2017 (₹)	31 <sup>st</sup> March, 2016 (₹)
Interest Accrued but not due on Borrowings	389,411	711,726
Income Received in advance	1,784,450	2,033,556
Unclaimed Dividend *	216,857	418,749
<b>Other Payables</b>		
Advance Received from Clients	3,711,263	2,022,778
Payable for Expenses	92,137,122	89,827,023
Statutory Liabilities	38,208,065	34,967,044
Deposit towards Margin and other from Clients	256,995,833	176,991,276
Other Liabilities	2,589,219	1,630,141
	<b>396,032,220</b>	<b>308,602,293</b>

\* There is no amount due and outstanding to be transferred to the Investor Education and Protection Fund (IEPF) as on 31<sup>st</sup> March, 2017. Unclaimed Dividend, if any, shall be transferred to IEPF as and when they become due.

## 3.8 Short-Term Provisions

Particulars	As at	
	31 <sup>st</sup> March, 2017 (₹)	31 <sup>st</sup> March, 2016 (₹)
<b>Provision for Employee Benefits</b>		
Gratuity Obligation ( Refer Note No.5.(ii) )	6,427,676	2,277,824
<b>Others</b>		
Income Tax (Net of Taxes Paid)	1,279,022	-
	<b>7,706,698</b>	<b>2,277,824</b>



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

### 3.9 Fixed Assets

#### (a) Tangible Assets

	Office Premises	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Air Conditioners	Leasehold Improvement	Total
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
<b>Gross Block (At Cost)</b>								
At 1 <sup>st</sup> April 2015	380,475,731	40,177,260	7,111,265	23,045,448	78,643,854	7,137,320	35,246,207	571,837,085
Additions	-	448,712	6,368,710	1,660,815	10,760,540	344,959	895,643	20,479,379
Deductions	-	472,981	2,672,935	3,157,374	10,393,457	577,529	5,313,172	22,587,448
<b>At 31<sup>st</sup> March, 2016</b>	<b>380,475,731</b>	<b>40,152,991</b>	<b>10,807,040</b>	<b>21,548,889</b>	<b>79,010,937</b>	<b>6,904,750</b>	<b>30,828,678</b>	<b>569,729,016</b>
Additions	-	520,348	-	1,924,961	23,722,768	926,196	1,876,168	28,970,441
Deductions	-	701,252	-	2,331,616	8,746,034	1,568,788	8,450,558	21,798,248
<b>At 31<sup>st</sup> March, 2017</b>	<b>380,475,731</b>	<b>39,972,087</b>	<b>10,807,040</b>	<b>21,142,234</b>	<b>93,987,671</b>	<b>6,262,158</b>	<b>24,254,288</b>	<b>576,901,209</b>
<b>Depreciation/Amortization</b>								
At 1 <sup>st</sup> April 2015	62,748,420	24,332,673	5,520,475	18,877,633	67,611,166	3,977,890	33,608,443	216,676,700
Charge for the Year	15,441,149	4,575,754	1,406,520	2,350,680	6,939,532	638,653	1,029,260	32,381,548
Deductions	-	419,417	2,341,065	2,897,577	10,075,729	410,015	5,294,247	21,438,050
<b>At 31<sup>st</sup> March, 2016</b>	<b>78,189,569</b>	<b>28,489,010</b>	<b>4,585,930</b>	<b>18,330,736</b>	<b>64,474,969</b>	<b>4,206,528</b>	<b>29,343,456</b>	<b>227,620,198</b>
Charge for the Year	14,690,729	3,401,632	1,966,748	1,532,638	8,704,320	549,376	1,083,249	31,928,692
Deductions	-	696,801	-	2,018,771	8,266,255	1,123,118	8,182,978	20,287,923
<b>At 31<sup>st</sup> March, 2017</b>	<b>92,880,298</b>	<b>31,193,841</b>	<b>6,552,678</b>	<b>17,844,603</b>	<b>64,913,034</b>	<b>3,632,786</b>	<b>22,243,727</b>	<b>239,260,967</b>
<b>Net Block</b>								
<b>At 31<sup>st</sup> March, 2016</b>	<b>302,286,162</b>	<b>11,663,981</b>	<b>6,221,110</b>	<b>3,218,153</b>	<b>14,535,968</b>	<b>2,698,222</b>	<b>1,485,222</b>	<b>342,108,818</b>
<b>At 31<sup>st</sup> March, 2017</b>	<b>287,595,433</b>	<b>8,778,246</b>	<b>4,254,362</b>	<b>3,297,631</b>	<b>29,074,637</b>	<b>2,629,372</b>	<b>2,010,561</b>	<b>337,640,242</b>

#### (b) Intangible Assets

	Software	Total
	(₹)	(₹)
<b>Gross Block (At Cost)</b>		
At 1 <sup>st</sup> April 2015	61,301,319	61,301,319
Additions	2,598,706	2,598,706
<b>At 31<sup>st</sup> March, 2016</b>	<b>63,900,025</b>	<b>63,900,025</b>
Additions	18,892,077	18,892,077
Deductions	27,431,473	27,431,473
<b>At 31<sup>st</sup> March, 2017</b>	<b>55,360,629</b>	<b>55,360,629</b>
<b>Depreciation/ Amortization</b>		
At 1 <sup>st</sup> April 2015	57,701,908	57,701,908
Charge for the Year	3,285,442	3,285,442
<b>At 31<sup>st</sup> March, 2016</b>	<b>60,987,350</b>	<b>60,987,350</b>
Charge for the Year	8,377,493	8,377,493
Deductions	27,431,473	27,431,473
<b>At 31<sup>st</sup> March, 2017</b>	<b>41,933,370</b>	<b>41,933,370</b>
<b>Net Block</b>		
<b>At 31<sup>st</sup> March, 2016</b>	<b>2,912,675</b>	<b>2,912,675</b>
<b>At 31<sup>st</sup> March, 2017</b>	<b>13,427,259</b>	<b>13,427,259</b>



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

### 3.10 Non Current Investments

Particulars	Face Value Per Share (₹)	No. of Shares		Amount	
		As at		As at	
		31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2017 (₹)	31 <sup>st</sup> March, 2016 (₹)
<b>AT COST</b>					
<b>(I) Investments in Equity Instruments</b>					
<b>(A) Trade Investments</b>					
<b>Unquoted, Fully Paid-up</b>					
Bombay Stock Exchange Limited	2	-	58,838	-	4,526
<b>Total Trade Investments (A)</b>				-	<b>4,526</b>
<b>(B) Other Investments</b>					
<b>In Wholly Owned Subsidiaries:</b>					
<b>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 Investment Managers Limited	10	2,500,000	2,500,000	25,000,000	25,000,000
- Emkay Insurance Brokers Limited	10	4,100,000	4,100,000	41,000,000	41,000,000
- Less: Provision for Diminution in value of Investment				33,500,000	-
				7,500,000	41,000,000
<b>Total Other Investments (B)</b>				<b>312,500,000</b>	<b>346,000,000</b>
<b>Total Investments in Equity Instruments (I)</b>				<b>312,500,000</b>	<b>346,004,526</b>
<b>(II) Investment in Preference Instruments</b>					
Unquoted, fully Paid-up 9% Non-Cumulative Redeemable					
- Emkay Commotrade Limited	10	2,500,000	1,000,000	25,000,000	10,000,000
<b>Total Investments in Preference Instruments (II)</b>				<b>25,000,000</b>	<b>10,000,000</b>
<b>Total Non-Current Investments (I + II)</b>				<b>337,500,000</b>	<b>356,004,526</b>
<b>Aggregate amount of Un-Quoted Investments</b>				<b>337,500,000</b>	<b>356,004,526</b>

### 3.11 Long-Term Loans and Advances

Particulars	As at	
	31 <sup>st</sup> March, 2017 (₹)	31 <sup>st</sup> March, 2016 (₹)
<b>Unsecured, Considered Good</b>		
Capital Advances	2,333,190	1,102,500
Deposits	30,018,769	29,018,429
Loan to ESOP Trust [ Refer Note No. 4(ii) ]	37,400,000	57,400,000
<b>Other Loans and Advances</b>		
Income Tax Paid (Net of Provisions)	25,716,976	33,531,920
Fringe Benefit Tax Refundable	528,303	528,303
Prepaid Expenses	4,050,528	1,199,398
Loans to Staff	985,700	52,000
	<b>101,033,466</b>	<b>122,832,550</b>



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

### 3.12 Inventories

Particulars	As at	
	31 <sup>st</sup> March, 2017 (₹)	31 <sup>st</sup> March, 2016 (₹)
Stock in Trade (Valued at lower of Cost or Fair Value)		
- Shares and Securities	25,723,253	53,133,537
	<b>25,723,253</b>	<b>53,133,537</b>

### 3.13 Trade Receivables

Particulars	As at	
	31 <sup>st</sup> March, 2017 (₹)	31 <sup>st</sup> March, 2016 (₹)
<b>Trade Receivable outstanding for a period exceeding six months from the date they are due for payment:</b>		
Secured, considered good	543,781	456,705
Unsecured, considered good	2,948,291	5,638,836
Unsecured, considered doubtful	3,972,841	2,097,489
	<b>7,464,913</b>	<b>8,193,030</b>
Less: Provision for Doubtful Debts	3,972,841	2,097,489
	<b>3,492,072</b>	<b>6,095,541</b>
<b>Trade Receivable outstanding for a period less than six months from the date they are due for payment:</b>		
Secured, considered good	378,247,380	28,550,626
Unsecured, considered good	259,882,909	147,078,592
Unsecured, considered doubtful	576,092	2,368,915
	<b>638,706,381</b>	<b>177,998,133</b>
Less: Provision for Doubtful Debts	576,092	2,368,915
	<b>638,130,289</b>	<b>175,629,218</b>
	<b>641,622,361</b>	<b>181,724,759</b>
Note: - Above includes due from:		
- Director/s [ Refer Note No.17(B)((IV)(b))] ]	-	103
- a Firm in which a Director is a Partner [ Refer Note No.17(B)((IV)(b) ]	-	2,492,551

### 3.14 Cash and Cash Equivalents

Particulars	As at	
	31 <sup>st</sup> March, 2017 (₹)	31 <sup>st</sup> March, 2016 (₹)
<b>Cash and Cash Equivalents</b>		
Balance with Banks:		
- Current Accounts	232,575,279	233,603,451
Cheques on hand	2,695,754	12,438,033
Cash on hand	541,592	409,174
Balance in Prepaid Cards	244,071	190,722
	<b>236,056,696</b>	<b>246,641,380</b>
<b>Other Bank Balances</b>		
- In Deposit Accounts towards Margin/Security for Bank Guarantee, Borrowings and Other Commitments	711,398,111	669,626,586
- In Margin Account towards Security for Borrowings	50,000,000	-
- In Earmarked Accounts		
Unclaimed Dividend	216,857	418,749
	<b>997,671,664</b>	<b>916,686,715</b>

Note:- Deposits with banks includes deposits of ₹ 298,500,000/- (P.Y. ₹ 566,273,950/-) with original maturity of more than 12 months but within one year from the reporting date.



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

### 3.15 Short Term Loans and Advances

Particulars	As at	
	31 <sup>st</sup> March, 2017 (₹)	31 <sup>st</sup> March, 2016 (₹)
<b>Unsecured, Considered Good unless otherwise stated</b>		
<b>Deposits</b>		
- Considered Good	61,871,927	35,821,790
- Considered Doubtful	632,858	632,858
	<b>62,504,785</b>	<b>36,454,648</b>
Less: Provision for Doubtful Deposits	632,858	632,858
	<b>61,871,927</b>	<b>35,821,790</b>
<b>Advances recoverable in Cash or Kind or for value to be received</b>		
- Considered Good	1,906,522	1,244,044
- Considered Doubtful	104,260	-
	<b>2,010,782</b>	<b>1,244,044</b>
Less: Provision for Doubtful Advances	104,260	-
	<b>1,906,522</b>	<b>1,244,044</b>
<b>Other Loans and Advances</b>		
Prepaid Expenses	9,707,542	9,647,022
Loans to Staff		
- Considered Good	2,449,614	2,197,399
- Considered Doubtful	20,356	41,781
	<b>2,469,970</b>	<b>2,239,180</b>
Less: Provision for Doubtful Loans	20,356	41,781
	<b>2,449,614</b>	<b>2,197,399</b>
Service Tax Input Credit Available / Receivable	3,600,941	7,543,193
Equity Index/Stock Options Premium	4,461,220	3,544,743
	<b>20,219,317</b>	<b>22,932,357</b>
	<b>83,997,766</b>	<b>59,998,191</b>

### 3.16 Other Current Assets

Particulars	As at	
	31 <sup>st</sup> March, 2017 (₹)	31 <sup>st</sup> March, 2016 (₹)
Interest Accrued on Deposits with Banks	11,176,082	9,633,678
Interest Accrued and Due from a Subsidiary Company	12,205	-
Dividend Receivable	-	6,380
Income Receivable	3,393,535	4,310,385
	<b>14,581,822</b>	<b>13,950,443</b>



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

### 3.17 Revenue from Operations

Particulars	For the year ended 31 <sup>st</sup> March, 2017 (₹)	For the year ended 31 <sup>st</sup> March, 2016 (₹)
<b>Sale of Services</b>		
Brokerage	785,122,458	750,147,660
Investment Banking Activities	13,299,000	23,280,477
Depository Operations	9,256,550	9,038,165
Placement Fees	23,095,571	51,675,175
Research Fees	11,823,687	10,281,507
Other Fees	899,073	1,342,112
	<b>843,496,339</b>	<b>845,765,096</b>
<b>Other Operating Revenues</b>		
Interest on Deposit* with		
- Banks	51,676,421	46,262,292
- Others	44,760	82,723
Income from Trades in Securities/Derivatives Instruments (Net)	13,856,235	3,943,070
Add : Provision for Loss on Equity Index/Stock Futures Written Back	-	83,960
	<b>13,856,235</b>	<b>4,027,030</b>
Delayed Payments Charges	20,753,047	20,853,924
Provision for Doubtful Debts Written Back	399,978	139,206
Bad Debts Recovered	92,595	282,055
Miscellaneous Income	7,695,215	5,869,335
	<b>94,518,251</b>	<b>77,516,565</b>
* Acquired/held for the purposes of Stock/Currency Exchanges.		
	<b>938,014,590</b>	<b>923,281,661</b>

### 3.18 Other Income

Particulars	For the year ended 31 <sup>st</sup> March, 2017 (₹)	For the year ended 31 <sup>st</sup> March, 2016 (₹)
<b>Interest</b>		
-On Deposit with Banks*	2,856,257	4,877,201
-On Unsecured Loans granted	13,562	1,612,603
-Others	1,488,098	6,904,807
<b>Dividend</b>		
- On Non-Current Investment		
- From a Subsidiary Company	-	11,000,000
- Others	235,352	500,123
- On Stock in Trade	109,000	578,135
Gain on Sale of		
- Current Investments	238,082	1,207,966
- Non-Current Investments	22,494,392	-
Profit on Sale of Fixed Assets (Net of Loss on Discard)	-	152,052
Other Miscellaneous Income	791,205	439,617
*Acquired/held for purposes other than Stock/Currency Exchanges		
	<b>28,225,948</b>	<b>27,272,504</b>



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

### 3.19 Employee Benefits Expenses

Particulars	For the year ended 31 <sup>st</sup> March, 2017 (₹)	For the year ended 31 <sup>st</sup> March, 2016 (₹)
Salaries and Other Benefits	431,849,941	405,321,852
Contribution to Provident and Other Funds	10,146,290	8,115,910
Gratuity	6,427,676	2,277,824
Staff Welfare Expenses	4,540,142	4,722,735
	<b>452,964,049</b>	<b>420,438,321</b>

### 3.20 Finance Costs

Particulars	For the year ended 31 <sup>st</sup> March, 2017 (₹)	For the year ended 31 <sup>st</sup> March, 2016 (₹)
Interest Expense	10,109,768	10,618,225
Other Borrowing Costs	12,222,777	10,152,681
	<b>22,332,545</b>	<b>20,770,906</b>

### 3.21 Depreciation and Amortization Expense

Particulars	For the year ended 31 <sup>st</sup> March, 2017 (₹)	For the year ended 31 <sup>st</sup> March, 2016 (₹)
Depreciation of Tangible Assets	31,928,692	32,381,548
Amortization of Intangible Assets	8,377,493	3,285,442
	<b>40,306,185</b>	<b>35,666,990</b>

### 3.22 Other Expenses

Particulars	For the year ended 31 <sup>st</sup> March, 2017 (₹)	For the year ended 31 <sup>st</sup> March, 2016 (₹)
Brokerage and Commission	102,621,019	106,284,694
Communication, Postage and Courier Charges	22,220,232	22,333,208
Fees and Stamps	2,187,676	1,793,032
Contribution/Payments to Stock Exchanges/Professional Clearing Members	7,245,316	6,956,246
Membership and Subscription	26,552,927	24,699,880
Registration Fees	752,584	4,662,256
Depository Charges	1,397,438	426,351
Consultancy Charges	-	934,000
Loss due to Execution of Error Trades	7,578,057	11,029,886
Claims/ Compensation/ Settlement Charges	230,000	2,600,800
Expenses Attributable trades in Securities/Derivative Instruments	171,598	726,368
Electricity Charges	14,354,561	15,895,625
Insurance	968,827	989,493
Repair and Maintenance - Building	5,382,413	6,156,458
Repair and Maintenance - Others	16,884,923	15,195,867
Advertisement and Business Promotion Expenses	21,896,729	13,420,411
Printing and Stationery	4,075,154	5,812,435
Travelling, Conveyance and Vehicle Expenses	42,501,897	40,108,177
Provision for Doubtful Debts	1,157,642	944,022
Provision for Doubtful Deposits / Loans /Advances	104,260	674,639
Bad Debts Written Off	1,070,162	7,660,173
Less : Provision Written Back	(675,136)	(5,552,422)
	<b>395,026</b>	<b>2,107,751</b>



# NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

Particulars	For the year ended 31 <sup>st</sup> March, 2017 (₹)	For the year ended 31 <sup>st</sup> March, 2016 (₹)
Deposits and Advances Written off	65,825	300,972
Less : Provision Written Back	(21,425)	(262,284)
	<b>44,400</b>	<b>38,688</b>
Software Expenses	15,400,137	10,327,391
Legal and Professional Fees	14,102,924	18,637,483
Payment to Auditors		
As Auditors		
- Audit Fees	1,381,874	1,155,750
- Tax Audit Fees	100,500	100,500
In Other Capacity		
- Taxation Matters	245,221	511,750
- Other Services	354,263	328,063
	<b>2,081,858</b>	<b>2,096,063</b>
Commission to Independent Directors	830,875	350,000
Rent	16,929,548	17,466,573
Service Tax	612,171	556,106
Rates and Taxes	2,512,730	965,781
Miscellaneous Expenses	10,065,486	9,786,214
Foreign Exchange Rate Fluctuation Loss (Net)	229,217	28,632
Loss on Sale/Discard of Fixed Assets	633,411	-
Donation	140,000	100,000
	<b>342,261,036</b>	<b>344,104,530</b>

## 4. Employees Stock Option Schemes

(i) Disclosure 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 31<sup>st</sup> March, 2017, following Schemes were in operation:

Particulars	ESOP – 2007	ESOP – 2010
	<b>Starting from</b>	
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	<b>Equity</b>	
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	
	<b>Ranging from</b>	
Exercise Price (₹ per Share) **	₹ 37.00 to ₹ 93.00	₹ 37.00 to ₹ 93.00
	<b>Ranging from</b>	
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.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

- b) The Company introduced ESOP-2010 Scheme during the year 2010-11 and consequently set up “Emkay Employees Welfare Trust (ESOP Trust) ” to administer and implement the said Scheme in accordance with recommendations of the Nomination, Remuneration and Compensation Committee of the Company. Consequent to various Circulars and Notifications issued by SEBI from January 2013 onwards (including Notification of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 on 28.10.2014 and subsequent amendments thereof), the Company first modified its Employee Stock Option Plan 2010 (ESOP-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 were allowed. Subsequently, the company for the second time modified its Employee Stock Option Plan 2010 by passing members special resolution through postal ballot process on 9<sup>th</sup> March 2016 whereby ESOP Trust is authorized to purchase shares of the Company from the secondary market, some changes made in the definition of employee(s), number of shares held by the ESOP Trust from secondary market acquisition not to exceed 5% of the paid up equity capital and power to borrow money from company so as to be in complete compliance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 including any subsequent amendments thereof.
- c) Details of activity under the ESOP Schemes have been summarized below:

Particulars	ESOP-2007		ESOP-2010	
	2016-17	2015-16	2016-17	2015-16
Options Outstanding at the beginning of the year	5,70,800	7,95,300	87,500	87,500
Options Granted during the year	-	-	-	-
Options Forfeited during the year	-	-	-	-
Options Exercised and Shares Allotted	400	-	-	-
Options Exercised and Shares Pending for Allotment	15,000	-	-	-
Options Expired/ Lapsed during the year	2,02,350	224,500	22,500	-
Options Outstanding at the end of the year	3,53,050	570,800	65,000	87,500
Options Exercisable at the end of the year	3,53,050	530,800	65,000	82,500
Weighted Average remaining contractual life (in years)	1.22	2.01	1.62	2.59

- 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 31 <sup>st</sup> March 2017	Year Ended 31 <sup>st</sup> March 2016
	Amount (₹)	Amount (₹)
Net Income as reported	4,61,58,897	9,80,85,016
Add: - Intrinsic Value Compensation Cost	-	-
Less :- Fair Value Compensation Cost	(38,82,656)	(3,44,38,232)
<b>Adjusted Pro-forma Net Income</b>	<b>5,00,41,553</b>	<b>13,25,23,248</b>
<b>Earnings per Share</b>		
<b>Basic</b>		
- As reported	1.89	4.01
- Proforma	2.05	5.42
<b>Diluted</b>		
- As reported	1.89	4.00
- Proforma	2.04	5.41

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

- 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 31<sup>st</sup> March, 2017 is ₹ 374.00 Lac (Previous Year ₹ 574.00 Lac). As on 31<sup>st</sup> March, 2017, the trust has 4,27,630 (net of 3,27,018 Equity Shares sold during financial year 2016-2017 in the secondary market) Equity Shares of the Company purchased from the market (having cost of acquisition amounting to ₹ 333.71 Lac) during the period commencing from September,2010 to July,2011 for Stock Options granted/to be granted from time to time to the eligible employees. The said holding of 4,27,630 Equity Shares comprises of 3,62,630 Equity Shares of the Company for which Options are yet to be granted (which includes Options lapsed due to employees leaving the Company) herein after called “Un-appropriated Options” and 65,000 Equity Shares against which Options are already granted to the eligible employees.

From the date of notification of SEBI (Share based Employee Benefits) Regulations,2014 i.e. 28.10.2014, the Company had a choice to either appropriate the Un- appropriated Options within one year i.e. by 27.10.2015 or to sell in the secondary market within five years i.e. by 27.10.2019. Since the company could not appropriate the Un-appropriated Options by 27.10.2015, the Company had sold 3,27,018 Equity Shares during the FY 2016-17 in the secondary market and the remaining Un-appropriated Options representing 3,40,130 Equity Shares shall be sold in the secondary market on or before 27.10.2019 and 22,500 Equity Shares shall either be re-granted on or before 31.03.2018 or sold in the secondary market on or before 27.10.2019.

The repayment of the loan granted by the Company to the ESOP Trust is dependent on the time and price at which Un-appropriated Options representing 3,40,130 Equity Shares of the Company shall be sold in the secondary market, Un-appropriated Options representing 22,500 Equity Shares are either re-granted on or before 31.03.2018 else sold in the secondary market on or before 27.10.2019 and appropriated Options representing 65,000 Equity Shares are exercised by the eligible employees.

### 5. 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	
	31 <sup>st</sup> March, 2017 (₹)	31 <sup>st</sup> March, 2016 (₹)
Provident Fund	8,747,004	7,034,192
Employee State Insurance Scheme	376,388	367,505
Labour Welfare Fund	432	1,090
National Pension Scheme	1,022,466	713,123
<b>Total</b>	<b>10,146,290</b>	<b>8,115,910</b>



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

### (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	2016-17	2015-16
<b>I</b>	<b>Changes in Present Value of Obligations</b>		
	Present Value of Obligations at beginning of the period	28,809,509	26,060,860
	Interest cost	2,216,757	2,038,529
	Current Service Cost	3,842,232	3,958,807
	Benefits Paid	(3,057,430)	(1,668,070)
	Actuarial (Gain)/Loss on obligations	3,286,534	(1,580,617)
	Present Value of Obligations at end of the period	35,097,602	28,809,509
<b>II</b>	<b>Changes in Fair Value of Plan Assets</b>		
	Fair Value of Plan Assets at beginning of the period	26,531,685	23,543,378
	Expected Return on Plan Assets	2,386,146	2,124,964
	Contributions	2,277,824	2,517,482
	Benefits Paid	(3,057,430)	(1,668,070)
	Actuarial Gain/(Loss) on Plan Assets	531,701	13,931
	Fair Value of Plan Assets at end of the period	28,669,926	26,531,685
<b>III</b>	<b>Fair Value of Plan Assets</b>		
	Fair Value of Plan Assets at beginning of the period	26,531,685	23,543,378
	Actual Return on Plan Asset	2,917,847	2,138,895
	Contributions	2,277,824	2,517,482
	Benefits Paid	(3,057,430)	(1,668,070)
	Fair Value of Plan Assets at end of the period	28,669,926	26,531,685
	Funded Status	(6,427,676)	(2,277,824)
	Excess of actual over estimated return on Plan Assets	531,701	13,931
<b>IV</b>	<b>Actuarial Gain/(Loss) Recognized</b>		
	Actuarial Gain/(Loss) for the period (Obligation)	(3,286,534)	1,580,617
	Actuarial Gain/(Loss) for the period (Plan Assets)	531,701	13,931
	Total Gain/(Loss) for the period	(2,754,833)	1,594,548
	Actuarial Gain/(Loss) recognized for the period	(2,754,833)	1,594,548
	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	35,097,602	28,809,509
	Fair Value of Plan Assets at end of the period	28,669,926	26,531,685
	Funded Status	(6,427,676)	(2,277,824)
	Unrecognized Actuarial Gain/(Loss)	-	-
	Net Asset/(Liability) recognized in the balance sheet under Short-Term Provisions – Gratuity	(6,427,676)	(2,277,824)
<b>VI</b>	<b>Expense recognized in Statement of Profit and Loss</b>		
	Current Service Cost	3,842,232	3,958,807
	Interest cost	2,216,757	2,038,529
	Expected Return on Plan Assets	(2,386,146)	(2,124,964)
	Net Actuarial (Gain)/Loss recognized for the period	2,754,833	(1,594,548)
	Expense recognized in Statement Profit and Loss under Employee Benefits Expense	6,427,676	2,277,824

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

Sr. No.	Particulars	2016-17	2015-16
<b>VII</b>	<b>Movements in the Liability recognized in Balance Sheet</b>		
	Opening Net Liability	2,277,824	2,517,482
	Expenses as above	6,427,676	2,277,824
	Contribution paid	(2,277,824)	(2,517,482)
	Closing Net Liability	6,427,676	2,277,824
<b>VIII</b>	<b>Experience Analysis - Liabilities</b>		
	Actuarial (Gain)/Loss due to change in bases	3,624,999	107,801
	Experience (Gain)/Loss due to Change in Experience	(338,465)	(1,688,418)
	<b>Total</b>	<b>3,286,534</b>	<b>(1,580,617)</b>
	<b>Experience Analysis - Plan Assets</b>		
	Experience (Gain)/Loss due to change in Plan Assets	531,701	13,931
<b>IX</b>	<b>Investment pattern</b>		
	Insurer Managed Funds	100.00%	100.00%
<b>X</b>	<b>Principal Assumptions</b>		
	Mortality	IALM(2006-08)Ult	IALM(2006-08)Ult
	Discount Rate	6.80%	7.70%
	Rate of increase in Compensation	7.00%	5.00%
	Rate of return (expected) on Plan Assets	7.00%	9.00%
	Withdrawal Rate	Upto Age 45: 30% 46 & above : 15%	Upto Age 45: 25% 46 & above : 10%

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. Provision for all known and determined liabilities is adequate and not in excess of the amount reasonably required.

### 7. Contingent Liabilities and Commitments:-

#### (A) Contingent Liabilities:-

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2017 Amount (₹)	As at 31 <sup>st</sup> March, 2016 Amount (₹)
1	Claims against the Company not acknowledged as debt	387,650	9,171,577
2	Guarantees issued by the Banks	1,070,000,000	972,523,950
3	Corporate Guarantee issued in favour of a bank to secure credit facilities sanctioned by the bank to Emkay Commotrade Limited (a Subsidiary Company)	200,000,000	200,000,000
4	Income Tax matters in appeal (Net of taxes paid)	1,116,293	960,320

#### (B) Commitments:-

Sr.No.	Particulars	As at 31 <sup>st</sup> March, 2017 Amount (₹)	As at 31 <sup>st</sup> March, 2016 Amount (₹)
1	Estimated amounts of Contracts remaining to be executed on Capital Account and not provided for (net of advances)	924,540	1,967,215



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

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 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 Clearing Corporations / Professional Clearing Member and are utilized towards Additional Base Capital/ Exposure/ Margin requirement of the Company.
9. Payment to Auditors includes ₹ 6,874/- (PY 5,750/-) in Audit Fees, ₹ 500/- (PY 500/-) in Tax Audit Fees, ₹ 1,221/- (PY 2,250/-) in Taxation Matter, ₹ 1,763/- (PY 563/-) in Other Services towards Swachh Bharat Cess.
10. Other Current Liabilities includes ₹ 10,68,147/- (P.Y. ₹ 11,45,504/-) 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.
11. Income includes Nil (P.Y.4,92,339/-) and expenses includes ₹ 12,96,633/- (P.Y.26,68,887/-) pertaining to earlier year.
12. Details of Specified Bank Notes (SBN) held and transacted during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 as follows:-

Particulars	SBNs	Other Denominations	Total
Closing Cash in Hand as on 08.11.2016	177,000	282,634	459,634
Add: Permitted Receipts	-	653,770	653,770
Less: Permitted Payments	-	567,675	567,675
Less: Amount Deposited in Banks	177,000	-	177,000
Closing Cash in Hand as on 30.12.2016	-	368,729	368,729

13. Disclosure in respect of Loans and Advances in the nature of Loans pursuant to Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:-

Particulars	As at 31 <sup>st</sup> March, 2017 Amount (₹)		As at 31 <sup>st</sup> March, 2016 Amount (₹)	
	Outstanding Balance	Maximum Balance during the year	Outstanding Balance	Maximum Balance during the year
<b>To Subsidiary</b>				
- Emkay Commotrade Limited	-	-	-	450,00,000
- Emkay Fincap Limited	-	450,00,000	-	-



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

### 14. Assets taken on Operating Leases (on and after 1<sup>st</sup> 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 ₹ 1,69,29,548/- (P.Y. ₹ 1,74,66,573/-)
- (b) The future minimum lease payments in respect of non-cancellable operating leases are as follows:

Particulars	Year Ended 31 <sup>st</sup> March, 2017 Amount (₹)	Year Ended 31 <sup>st</sup> March, 2016 Amount (₹)
a) Payments not later than one year	79,36,897	18,02,477
b) Payable later than one year and not later than five years	51,91,026	2,68,400
c) Payable later than five years	-	-
<b>Total</b>	<b>131,27,923</b>	<b>20,70,877</b>

### 15. Earnings per share

Particulars	Year Ended 31 <sup>st</sup> March, 2017 Amount (₹)	Year Ended 31 <sup>st</sup> March, 2016 Amount (₹)
Profit/(Loss) available for Equity Shareholders (₹)	46,158,897	98,085,016
Weighted average number of Shares used in Computing Basic Earning per share	24,437,907	24,437,750
Add : Potential number of Equity shares that could arise on exercise of Employee Stock Options	39,085	56,827
Weighted average number of Shares used in Computing Diluted Earning per share	24,476,992	24,494,577
Nominal Value of Equity Shares (₹)	10	10
Basic Earnings per Share (₹)	1.89	4.01
Diluted Earnings per Share (₹)	1.89	4.00

### 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 therefore primary business segment reporting as required by Accounting Standard 17 "Segment Reporting" is not applicable.

#### (b) Secondary Segment:

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



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

### 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) Krishna Kumar Karwa	Managing Director & CFO
	b) Prakash Kacholia	Managing Director
(ii)	<b>Relatives of Key Management Personnel//Individuals having control or significant influence</b>	
	a) Preeti Kacholia	Director and 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) Nidhi Kacholia	
	i) Divya Kacholia	Relatives of Managing Director
	j) Krishna R. Kacholia	
	k) Deepak Kacholia	
(iii)	<b>Subsidiaries</b>	
	a) Emkay Fincap Limited	
	b) Emkay Commotrade Limited	Subsidiary
	c) Emkay Insurance Brokers Limited	
	d) Emkay Investment Managers Limited	
(iv)	<b>Enterprises owned/ controlled by Key Management Personnel / Individuals having control or significant influence 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 Individuals/having control or significant influence or their relatives
	d) Krishna Investments	
	e) Seven Hills Capital	
(v)	<b>Others</b>	
	a) Emkay Charitable Foundation	Others



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017(B) Related Party Transactions for the year ended 31<sup>st</sup> March, 2017

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/Individuals having control or significant influence			Enterprises owned/controlled by Key Management Personnel/Individuals having control or significant influence or their relatives					
		16-17 12M	15-16 12M	16-17 12M	15-16 12M	16-17 12M	15-16 12M	16-17 12M	15-16 12M	16-17 12M	15-16 12M	16-17 12M	15-16 12M
		(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
<b>I</b>	<b>Expenditure</b>												
(a)	Salaries & Other Benefits *	17,808,000	12,000,000	-	-	-	-	-	-	-	-	-	-
	- Krishna Kumar Karwa	8,904,000	6,000,000	-	-	-	-	-	-	-	-	-	-
	- Prakash Kacholia	8,904,000	6,000,000	-	-	-	-	-	-	-	-	-	-
(b)	Brokerage & Commission	-	-	-	-	-	-	-	-	67,476	31,976	-	-
	- Krishna Investments	-	-	-	-	-	-	-	-	67,476	31,976	-	-
(c)	Interest Paid	-	-	-	-	15,068	751,232	-	-	-	-	-	-
	- Emkay Fincap Limited	-	-	-	-	15,068	751,232	-	-	-	-	-	-
(d)	Donation / Contribution	-	-	-	-	-	-	-	-	-	-	-	100,000
	- Emkay Charitable Foundation	-	-	-	-	-	-	-	-	-	-	-	100,000
(e)	Interim Dividend Paid	-	9,672,500	-	4,075,000	-	-	-	-	-	4,150,000	-	-
	- Krishna Kumar Karwa	-	4,922,500	-	-	-	-	-	-	-	-	-	-
	- Prakash Kacholia	-	4,750,000	-	-	-	-	-	-	-	-	-	-
	- Preeti Kacholia	-	-	-	2,125,000	-	-	-	-	-	-	-	-
	- Krishna Kumar Karwa HUF	-	-	-	100,000	-	-	-	-	-	-	-	-
	- Raunak Karwa	-	-	-	1,750,000	-	-	-	-	-	-	-	-
	- M.D.Karwa HUF	-	-	-	100,000	-	-	-	-	-	-	-	-
	- Emkay Corporate Services Pvt. Ltd.	-	-	-	-	-	-	-	-	-	4,150,000	-	-
<b>II</b>	<b>Income</b>												
(a)	Brokerage	176,170	365,206	414,474	517,038	847,713	139,258	1,162,796	1,037,532	-	-	-	-
	- Krishna Kumar Karwa	148,397	344,990	-	-	-	-	-	-	-	-	-	-
	- Prakash Kacholia	27,773	20,216	-	-	-	-	-	-	-	-	-	-
	- Preeti Kacholia	-	-	373,825	295,233	-	-	-	-	-	-	-	-
	- Krishna Kacholia	-	-	-	37	-	-	-	-	-	-	-	-
	- Priti Karwa	-	-	11,312	61,464	-	-	-	-	-	-	-	-
	- Krishna Kumar Karwa HUF	-	-	8,200	9,040	-	-	-	-	-	-	-	-
	- Raunak Karwa	-	-	7,977	62,957	-	-	-	-	-	-	-	-
	- Soumya K Karwa	-	-	12,840	81,530	-	-	-	-	-	-	-	-
	- Murrldhar Karwa HUF	-	-	-	6,670	-	-	-	-	-	-	-	-
	- Divya Kacholia	-	-	160	-	-	-	-	-	-	-	-	-
	- Nidhi Kacholia	-	-	160	107	-	-	-	-	-	-	-	-

# NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

## (B) Related Party Transactions for the year ended 31<sup>st</sup> March, 2017

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/Individuals having control or significant influence			Enterprises owned/controlled by Key Management Personnel/Individuals having control or significant influence or their relatives										
		16-17 12M	15-16 12M	16-17 12M	15-16 12M	16-17 12M	15-16 12M	16-17 12M	15-16 12M	16-17 12M	15-16 12M	16-17 12M	15-16 12M	16-17 12M	15-16 12M	16-17 12M	15-16 12M	
		(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
-	Emkay Investment Managers Limited	-	-	-	-	-	9,850	5,124	-	-	-	-	-	-	-	-	-	-
-	Emkay Fincap Limited	-	-	-	-	-	745,913	134,134	-	-	-	-	-	-	-	-	-	-
-	Emkay Comtrade Limited	-	-	-	-	-	91,950	-	-	-	-	-	-	-	-	-	-	-
-	Emkay Corporate Services Pvt. Ltd.	-	-	-	-	-	-	-	-	-	3,305	4,500	-	-	-	-	-	-
-	Seven Hills Capital	-	-	-	-	-	-	-	-	-	392,852	21,175	-	-	-	-	-	-
-	Synthetic Fibres Trading Co.	-	-	-	-	-	-	-	-	-	766,639	1,011,857	-	-	-	-	-	-
(b)	Depository Charges	2,315	2,085	10,470	9,188	221,510	188,556	3,365	3,248	-	-	-	-	-	-	-	-	-
-	Krishna Kumar Karwa	870	1,485	600	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	Prakash Kacholia	1,445	600	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	Preeti Kacholia	-	-	7,620	4,592	-	-	-	-	-	-	-	-	-	-	-	-	-
-	Priti Karwa	-	-	735	1,062	-	-	-	-	-	-	-	-	-	-	-	-	-
-	Krishna Kacholia	-	-	-	1,090	-	-	-	-	-	-	-	-	-	-	-	-	-
-	Murliidhar Karwa HUF	-	-	-	502	-	-	-	-	-	-	-	-	-	-	-	-	-
-	Krishna Kumar Karwa HUF	-	-	600	637	-	-	-	-	-	-	-	-	-	-	-	-	-
-	Soumya K Karwa	-	-	570	840	-	-	-	-	-	-	-	-	-	-	-	-	-
-	Raunak Karwa	-	-	570	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	Divya Kacholia	-	-	330	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	Nidhi Kacholia	-	-	45	465	-	-	-	-	-	-	-	-	-	-	-	-	-
-	Emkay Fincap Limited	-	-	-	-	156,955	147,268	-	-	-	-	-	-	-	-	-	-	-
-	Emkay Comtrade Limited	-	-	-	-	4,320	2,916	-	-	-	-	-	-	-	-	-	-	-
-	Emkay Investment Managers Limited	-	-	-	-	60,235	38,372	-	-	-	-	-	-	-	-	-	-	-
-	Cambridge Securities	-	-	-	-	-	-	-	-	-	315	15	-	-	-	-	-	-
-	Seven Hills Capital	-	-	-	-	-	-	-	-	-	765	-	-	-	-	-	-	-
-	Synthetic Fibres Trading Co.	-	-	-	-	-	-	-	-	-	1,380	2,331	-	-	-	-	-	-
-	Emkay Corporate Services Pvt. Ltd	-	-	-	-	-	-	-	-	-	905	902	-	-	-	-	-	-
(c)	Infrastructure Maintenance Charges	-	-	-	-	400,000	400,000	-	-	-	-	-	-	-	-	-	-	-
-	Emkay Comtrade Limited	-	-	-	-	400,000	400,000	-	-	-	-	-	-	-	-	-	-	-
(d)	Interest Received	-	-	-	-	13,562	1,612,603	-	-	-	-	-	-	-	-	-	-	-
-	Emkay Fincap Limited	-	-	-	-	13,562	-	-	-	-	-	-	-	-	-	-	-	-
-	Emkay Comtrade Limited	-	-	-	-	-	1,612,603	-	-	-	-	-	-	-	-	-	-	-
(e)	Dividend Received on Investments	-	-	-	-	-	11,000,000	-	-	-	-	-	-	-	-	-	-	-
-	Emkay Fincap Limited	-	-	-	-	-	11,000,000	-	-	-	-	-	-	-	-	-	-	-

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017(B) Related Party Transactions for the year ended 31<sup>st</sup> March, 2017

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/Individuals having control or significant influence		Subsidiaries		Enterprises owned/controlled by Key Management Personnel/Individuals having control or significant influence or their relatives		Others			
		16-17 12M	15-16 12M	16-17 12M	15-16 12M	16-17 12M	15-16 12M	16-17 12M	15-16 12M	16-17 12M	15-16 12M	16-17 12M	15-16 12M
		(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
<b>III Others</b>													
(a)	Expenses Recovered	-	-	-	-	4,843,000	6,575,700	-	-	-	-	-	
	- Emkay Fincap Limited	-	-	-	-	1,500,000	2,178,450	-	-	-	-	-	
	- Emkay Investment Managers Limited	-	-	-	-	1,471,000	1,699,350	-	-	-	-	-	
	- Emkay Insurance Brokers Limited	-	-	-	-	1,872,000	2,697,900	-	-	-	-	-	
(b)	Payments made on behalf of	-	-	-	-	-	-	-	-	-	200	-	
	- Emkay Charitable Foundation	-	-	-	-	-	-	-	-	-	200	-	
(c)	Payments received on behalf of Clients	-	-	-	-	18,993	24,135	-	-	-	-	-	
	- Emkay Comtrade Limited	-	-	-	-	18,993	24,135	-	-	-	-	-	
(d)	Investment made	-	-	-	-	15,000,000	10,000,000	-	-	-	-	-	
	- Emkay Comtrade Ltd.	-	-	-	-	15,000,000	10,000,000	-	-	-	-	-	
(e)	Loan Granted	-	-	-	-	45,000,000	75,000,000	-	-	-	-	-	
	- Emkay Fincap Limited	-	-	-	-	45,000,000	75,000,000	-	-	-	-	-	
(f)	Loan Granted Received Back	-	-	-	-	45,000,000	75,000,000	-	-	-	-	-	
	- Emkay Fincap Limited	-	-	-	-	45,000,000	75,000,000	-	-	-	-	-	
(g)	Short Term Borrowing	-	-	-	-	50,000,000	217,500,000	-	-	-	-	-	
	- Emkay Fincap Limited	-	-	-	-	50,000,000	217,500,000	-	-	-	-	-	
(h)	Repayment of Short Term Borrowing	-	-	-	-	50,000,000	302,500,000	-	-	-	-	-	
	- Emkay Fincap Limited	-	-	-	-	50,000,000	302,500,000	-	-	-	-	-	
(i)	Purchase of Meal & Gift Coupon	-	-	-	-	-	12,130	-	-	-	-	-	
	- Emkay Fincap Limited	-	-	-	-	-	1,840	-	-	-	-	-	
	- Emkay Investment Managers Limited	-	-	-	-	-	3,680	-	-	-	-	-	
	- Emkay Insurance Brokers Limited	-	-	-	-	-	3,250	-	-	-	-	-	
	- Emkay Comtrade Limited	-	-	-	-	-	3,360	-	-	-	-	-	
(j)	Other Long Term Liabilities :	-	-	-	-	-	-	-	-	200,000	-	-	
	Security/Margin Money Refunded	-	-	-	-	-	-	-	-	200,000	-	-	
	- Krishna Investments	-	-	-	-	-	-	-	-	200,000	-	-	
<b>IV Outstanding</b>													
(a)	Trade Payables	397,841	2,654,518	3,285,661	763,427	-	-	-	-	-	-	-	
	- Krishna Kumar Karwa	36,908	-	-	-	-	-	-	-	-	-	-	
	- Prakash Kacholia	360,933	2,654,518	-	-	-	-	-	-	-	-	-	
	- Preeti Kacholia	-	-	3,285,516	763,427	-	-	-	-	-	-	-	
	- Soumya K Karwa	-	-	-	145	-	-	-	-	-	-	-	



# NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

## (B) Related Party Transactions for the year ended 31<sup>st</sup> March, 2017

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/Individuals having control or significant influence			Enterprises owned/controlled by Key Management Personnel/Individuals having control or significant influence or their relatives					
		16-17 12M	15-16 12M	16-17 12M	15-16 12M	16-17 12M	15-16 12M	16-17 12M	15-16 12M	16-17 12M	15-16 12M	16-17 12M	15-16 12M
		(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
	- Synthetic Fibres Trading Co.	-	-	-	-	-	-	-	-	5,228,968	-	-	-
	- Seven Hills Capital	-	-	-	-	-	-	-	-	33,796,478	-	-	-
(b)	Trade Receivables	-	103	628	51,038	32,381	11,867	4,168,838	-	-	-	-	-
	- Krishna Kumar Karwa	-	103	-	-	-	-	-	-	-	-	-	-
	- Priti Karwa	-	-	52	34	-	-	-	-	-	-	-	-
	- Raunak Karwa	-	-	397	395	-	-	-	-	-	-	-	-
	- Soumya K Karwa	-	-	-	52	-	-	-	-	-	-	-	-
	- Krishna Kumar Karwa HUF	-	-	52	34	-	-	-	-	-	-	-	-
	- Murlidhar Karwa HUF	-	-	128	128	-	-	-	-	-	-	-	-
	- Nidhi Kacholia	-	-	-	50,395	-	-	-	-	-	-	-	-
	- Emkay Fincap Limited	-	-	-	-	20,168	10,198	-	-	-	-	-	-
	- Emkay Investment Managers Limited	-	-	-	-	12,055	1,539	-	-	-	-	-	-
	- Emkay Comtrade Limited	-	-	-	-	158	130	-	-	-	-	-	-
	- Krishna Investments	-	-	-	-	-	-	1,110,663	1,676,286	-	-	-	-
	- Seven Hills Capital	-	-	-	-	-	-	-	2,492,552	-	-	-	-
(c)	Interest Accrued & Due on Loan Given	-	-	-	-	12,205	-	-	-	-	-	-	-
	- Emkay Fincap Limited	-	-	-	-	12,205	-	-	-	-	-	-	-
(d)	Recoverable towards expenses	-	-	-	-	-	-	49,928	-	-	-	-	-
	- Emkay Investment Managers Limited	-	-	-	-	-	-	44,783	-	-	-	-	-
	- Emkay Comtrade Limited	-	-	-	-	-	-	5,145	-	-	-	-	-
(e)	Non-Current Investments	-	-	-	-	371,000,000	356,000,000	-	-	-	-	-	-
	- Emkay Fincap Ltd - Eq. Shares	-	-	-	-	220,000,000	220,000,000	-	-	-	-	-	-
	- Emkay Comtrade Ltd - Eq. Shares	-	-	-	-	60,000,000	60,000,000	-	-	-	-	-	-
	- Emkay Comtrade Ltd - Pref Shares	-	-	-	-	25,000,000	10,000,000	-	-	-	-	-	-
	- Emkay Insurance Brokers Ltd - Eq. Shares	-	-	-	-	41,000,000	41,000,000	-	-	-	-	-	-
	- Emkay Investment Managers Ltd - Eq Shares	-	-	-	-	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 except provision for diminution in value of investment made in case of investment in Emkay Insurance Brokers Limited, a Wholly Owned Subsidiary.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

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

Particulars	Purchases (₹)		Sales (₹)	
	2016-17	2015-16	2016-17	2015-16
Shares & Securities	143,297,948	88,611,571	185,160,204	61,738,177

### 19. (a) Detailed information in respect of Equity Index / Stock Futures contracts outstanding and held for trading purpose (Open Interest) :-

Name of Equity Index / Stock Futures	As at 31 <sup>st</sup> March, 2017			As at 31 <sup>st</sup> March, 2016		
	No. of Contracts	No. of Units		No. of Contracts	No. of Units	
		Long	Short		Long	Short
Nifty	14	-	1050	-	-	-

### (b) Detailed information in respect of Equity Index / Stock Options contracts outstanding and held for trading purpose (Open Interest):-

Name of Equity Index / Stock Options	Premium carried forward as at 31 <sup>st</sup> March, 2017 [net of provisions made] (₹)	Premium carried forward as at 31 <sup>st</sup> March, 2016 [net of provisions made] (₹)
Nifty	44,61,220	35,44,743
<b>Total</b>	<b>44,61,220</b>	<b>35,44,743</b>

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

21. 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) and Note No.17(B)(III)(e)
- Investments made – Refer Note No.3.10 and Note No. 17(B)(III)(d)
- Guarantee given – Refer Note No.7(A)(3)

22. Commission to Directors of ₹ 830,875/- (PY ₹ 3,50,000/-) represents Commission to Independent Directors and Service Tax thereon.

23. Provision for Taxation has been made considering the provisions of Section 115JB of the Income Tax Act 1961.

24. The Company is entitled to MAT credit of ₹ 4,78,83,407/- ( P.Y.₹ 238,83,407/- ) which shall be recognized as an asset as and when there are convincing evidence for the realization of the same.



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

### 25. Exceptional Items :-

Particulars	2016-17	2015-16
	Amount (₹)	Amount (₹)
Provision for Diminution in value of Investment	33,500,000	-

The Company has Investment of ₹ 41,000,000/- in Equity Shares of Emkay Insurance Brokers Limited (EIBL), a wholly owned subsidiary as at 31<sup>st</sup> March, 2017. EIBL, though a going concern, is incurring losses and has huge accumulated losses. Based on EIBL's Networth as at 31<sup>st</sup> March, 2017, and in accordance with the requirement of the Accounting Standard (AS)-13 - Accounting for Investments, the management of the Company has estimated a provision of ₹ 33,500,000/- towards diminution in value of its investment in EIBL which is other than temporary in nature.

26. As at 31<sup>st</sup> March, 2017 the Company has an aggregate investment of ₹ 85,000,000/- in Equity and Preference Shares of Emkay Commotrade Limited (ECL), a wholly owned subsidiary and provided Corporate Guarantee of ₹ 200,000,000/-towards fund/non-fund based facilities availed by ECL from bank. ECL is engaged in commodity broking and has accumulated losses of ₹ 47,744,188/- as at 31<sup>st</sup> March, 2017, which has resulted in substantial erosion of ECL's Networth. However, ECL has stopped incurring losses and has earned profits during the last two financial years resulting into reduction in accumulated losses from ₹ 59,789,340/- as at 31<sup>st</sup> March, 2015 to ₹ 47,744,188/- as at 31<sup>st</sup> March, 2017. Also ECL has reached settlement with certain debtors for recovery of dues of ₹ 40,000,000/- which were fully provided earlier and out of the said dues, a sum of ₹ 2,400,000/- is recovered during this year and balance amount of ₹ 37,600,000/- is being realized in a phased manner as per consent terms executed before the Hon'ble High Court of Judicature at Bombay. Accordingly, ECL's management expects to generate sufficient profits in the future years. Therefore, in the opinion of the management of the Company the carrying value of its investment in ECL as at 31<sup>st</sup> March, 2017 is appropriate and diminution in the value of investment is considered as temporary in nature.

27. The Board of Directors at their meeting held on May 24<sup>th</sup>, 2017 proposed a dividend of ₹ 1.00 per Share for the year ended March 31<sup>st</sup>, 2017, subject to the approval of the members at the ensuing Annual General Meeting. In terms of Revised Accounting Standard (AS) 4 "Contingencies and Events occurring after the Balance Sheet date", the Company is not required to provide for dividend proposed/ declared after the Balance Sheet date. Consequently, no provision has been made in respect of the aforesaid dividend proposed by the Board of Directors for the year ended March 31, 2017. If approved, the total liability arising to the Company would be ₹ 294.13 Lakhs including dividend tax.

### 28. (i) Additional information required pursuant to Part II of Schedule III to the Companies Act, 2013:-

Particulars	Year ended 31 <sup>st</sup> March, 2017 Amount (₹)	Year ended 31 <sup>st</sup> March, 2016 Amount (₹)
<b>(a) Expenditure in Foreign Currency</b>		
- Travelling Expenses	3,425,947	2,809,389
- Membership & Subscription	4,678,181	2,618,373
- Advertisement & Business Promotion	221,689	-
- Brokerage & Commission	4,078,023	2,420,511
- Others	495,325	150,998



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

Particulars	Year ended 31 <sup>st</sup> March, 2017 Amount (₹)	Year ended 31 <sup>st</sup> March, 2016 Amount (₹)
<b>(b) Earning in Foreign Currency</b>		
- Research Fees	10,671,513	9,560,877
- IB Advisory Fees	-	10,380,504
- Miscellaneous Income	315,885	236,607

(ii) Other additional information required pursuant to Part II of Schedule III of the Companies Act, 2013 are not applicable to the Company.

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

30. Figures in brackets indicate previous year's figures.

31. 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**

**Krishna Kumar Karwa**  
Managing Director & CFO

**Prakash Kacholia**  
Managing Director

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

**Bhalchandra Raul**  
Company Secretary

Place: Mumbai  
Dated: 24<sup>th</sup> May, 2017

Place: Mumbai  
Dated: 24<sup>th</sup> May, 2017



# INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

## To the Members of EMKAY GLOBAL FINANCIAL SERVICES LIMITED

### Report on the Consolidated Financial Statements

1. 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 31<sup>st</sup> March, 2017, 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

2. 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

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

4. 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.

5. 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 an opinion on whether the Holding Company has an adequate internal financial



## INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

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.

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

### Opinion

7. 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 31<sup>st</sup> March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

8. 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 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.

- (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 Companies in the Group as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors of the respective Companies in the Group, none of the Directors of the Group companies is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiaries and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group— Refer Note 6(A) to the Consolidated Financial Statements.



## INDEPENDENT AUDITOR'S REPORT ON 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the the Holding Company and its subsidiaries companies.
- (iv) The requisite disclosures as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 by the Holding Company and its subsidiaries has been made in the Consolidated Financial Statements, on the basis of information available with the Company. Based on

audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Holding Company and its Subsidiary Companies and as produced to us by the Management.(Refer Note 28 to the Consolidated Financial Statements).

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

Place: Mumbai  
Date :24<sup>th</sup> May, 2017

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



## INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

### ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF EMKAY GLOBAL FINANCIAL SERVICES LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

#### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the Consolidated Financial Statements of the Company as at and for the year ended 31<sup>st</sup> March, 2017, we have audited the Internal Financial Controls over financial reporting of EMKAY GLOBAL FINANCIAL SERVICES LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary companies as on that date.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's Internal Financial Controls over financial

reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over financial reporting and their operating effectiveness. Our audit of Internal Financial Controls over financial reporting included obtaining an understanding of Internal Financial Controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls system over financial reporting.



## INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

### Meaning of Internal Financial Controls Over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

8. In our opinion, the Holding Company and its subsidiary companies have, in all material respects, an adequate Internal Financial Controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Place: Mumbai

Partner

Date : 24<sup>th</sup> May, 2017

Membership No. 014568

# CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2017

PARTICULARS	Note No.	As at 31 <sup>st</sup> March, 2017 (₹)	As at 31 <sup>st</sup> March, 2016 (₹)
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	2.1	244,381,500	244,377,500
Reserves and Surplus	2.2	1,106,428,647	984,489,452
		<b>1,350,810,147</b>	<b>1,228,866,952</b>
Share Application Money Pending Allotment		555,000	-
<b>MINORITY INTEREST</b>			
		-	-
<b>NON-CURRENT LIABILITIES</b>			
Deferred Tax Liabilities (Net)	2.3	6,316,850	1,665,310
Other Long-Term Liabilities	2.4	18,107,142	18,702,062
Long-Term Provisions	2.5	798,014	601,232
		<b>25,222,006</b>	<b>20,968,604</b>
<b>CURRENT LIABILITIES</b>			
Short-Term Borrowings	2.6	486,310,427	113,095,344
Trade Payables			
- Micro, Small and Medium Enterprises	2.7	-	-
- Others	2.7	683,435,313	510,310,799
Other Current Liabilities	2.8	441,609,771	387,657,027
Short-Term Provisions	2.9	9,142,379	2,347,821
		<b>1,620,497,890</b>	<b>1,013,410,991</b>
<b>TOTAL</b>		<b>2,997,085,043</b>	<b>2,263,246,547</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed Assets			
- Tangible Assets	2.10 (a)	339,857,889	343,797,443
- Intangible Assets	2.10 (b)	13,510,718	3,154,497
- Capital Work In Progress		2,862,000	-
Non-Current Investments	2.11 (a)	228,579,635	80,205,423
Long-Term Loans and Advances	2.12	117,115,201	150,064,310
Other Non Current Assets	2.13	1,003,576	1,004,303
		<b>702,929,019</b>	<b>578,225,976</b>
<b>CURRENT ASSETS</b>			
Current Investments	2.11 (b)	35,363,914	32,445,209
Inventories	2.14	29,109,882	53,133,537
Trade Receivables	2.15	650,443,846	190,722,639
Cash and Cash Equivalents	2.16	1,153,968,195	1,102,411,082
Short-Term Loans and Advances	2.17	406,504,643	289,020,129
Other Current Assets	2.18	18,765,544	17,287,975
		<b>2,294,156,024</b>	<b>1,685,020,571</b>
<b>TOTAL</b>		<b>2,997,085,043</b>	<b>2,263,246,547</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	<b>1</b>	<b>-</b>	<b>-</b>

The accompanying notes are an integral part of the Consolidated 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: May 24, 2017

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

**Krishna Kumar Karwa**  
 Managing Director & CFO

**Bhalchandra Raul**  
 Company Secretary

Place: Mumbai  
 Dated: May 24, 2017

**Prakash Kacholia**  
 Managing Director



# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

PARTICULARS	Note No.	For the Year Ended 31 <sup>st</sup> March, 2017 (₹)	For the Year Ended 31 <sup>st</sup> March, 2016 (₹)
<b>INCOME</b>			
Revenue from Operations	2.19	1,052,338,818	1,030,446,342
Other Income	2.20	36,075,813	22,811,666
<b>Total Revenue</b>		<b>1,088,414,631</b>	<b>1,053,258,008</b>
<b>EXPENSES</b>			
Employee Benefits Expense	2.21	477,601,417	442,489,634
Finance Costs	2.22	31,966,627	35,177,847
Depreciation and Amortization Expense	2.23	41,152,686	35,946,116
Other Expenses	2.24	373,459,254	373,071,790
<b>Total Expenses</b>		<b>924,179,984</b>	<b>886,685,387</b>
<b>Profit Before Tax</b>		<b>164,234,647</b>	<b>166,572,621</b>
<b>Tax Expense:</b>			
- Current Tax		37,690,000	38,856,000
- Deferred Tax - for the year		4,651,540	2,349,380
- for earlier year		-	(450,340)
- Short/(Excess) Provision for Tax for Earlier Years		(24,888)	5,481,901
<b>Profit for the year before Minority Interest</b>		<b>121,917,995</b>	<b>120,335,680</b>
Less: Minority Interest		-	-
<b>Profit for the year</b>		<b>121,917,995</b>	<b>120,335,680</b>
<b>Earnings per Equity Shares of Nomial Value of ₹10/- each</b>			
-Basic		4.99	4.92
-Diluted		4.98	4.91

**SIGNIFICANT ACCOUNTING POLICIES**

1

The accompanying notes are an integral part of the Consolidated 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: May 24, 2017

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

**Krishna Kumar Karwa**  
Managing Director & CFO

**Bhalchandra Raul**  
Company Secretary

Place: Mumbai  
Dated: May 24, 2017

**Prakash Kacholia**  
Managing Director



# CONSOLIDATED CASH FLOW STATEMENT

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

Particulars	Year ended 31 <sup>st</sup> March, 2017		Year ended 31 <sup>st</sup> March, 2016	
	(₹)	(₹)	(₹)	(₹)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before tax, exception/extraordinary items		164,234,647		166,572,621
Adjustment for :				
Finance Costs	26,595,855		27,631,049	
Depreciation and Amortization Expense	41,152,686		35,946,116	
Net Gain on Sale of Investments	(25,703,425)		(3,671,095)	
(Profit)/Loss on Sale/Discard of Fixed Assets	664,366		(152,052)	
Interest Received	(8,348,023)		(16,455,071)	
Dividend Received	(667,419)		(1,401,965)	
Unrealised Foreign Exchange Loss (Net)	(174,985)		279,212	
Provision for Standard & Sub-Standard Assets (net off Write Back)	210,303		(670,042)	
Provision for Doubtful Debts/Deposits/Advances (net off Write Back)	(73,342,731)		(3,911,202)	
Provision for Loss on Equity Index/Stock Futures	-		(83,960)	
Written Back		(39,613,373)		37,510,990
<b>Operating Profit before Working Capital Changes</b>		<b>124,621,274</b>		<b>204,083,611</b>
Adjustment for :				
Trade and other receivables	(506,518,062)		741,890,982	
Deposits with Banks and Other items not considered as Cash Equivalents (Refer Note 3 below)	(76,569,633)		(95,581,967)	
Inventories	24,023,655		(28,901,392)	
Trade and other payables	230,963,167	(328,100,873)	(194,948,038)	422,459,585
<b>Cash Generated from Operations</b>		<b>(203,479,599)</b>		<b>626,543,196</b>
Direct taxes (Paid)/Refund		(21,036,819)		(14,623,373)
<b>Cash Flow before Extraordinary/Exceptional items</b>		<b>(224,516,418)</b>		<b>611,919,823</b>
Exceptional/Extraordinary items		-		-
<b>Net Cash from/ (used in) Operating Activities</b>		<b>(224,516,418)</b>		<b>611,919,823</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	(51,980,133)		(24,905,525)	
Sale of fixed assets	884,415		1,301,450	
Current Investments (Purchased)/Redeemed	(2,918,705)		(3,772,653)	
Non Current Investments (Purchased)/Disposed Off	(148,374,212)		(71,398,779)	
Net Gain on Sale of Investments	25,703,425		3,671,095	
Loans received back from ESOP Trust	20,000,000		600,000	
Interest received	8,348,023		16,455,071	
Dividend received	667,419	(147,669,768)	1,401,965	(76,647,376)
<b>Net Cash from/ (used in) Investing Activities</b>		<b>(147,669,768)</b>		<b>(76,647,376)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds/(Repayment) of Short Term Borrowings	373,215,083		(240,423,042)	
Share Application Money Pending Allotment	555,000		-	
Proceeds from Issue of ESOP Shares	25,200		-	
Finance Costs	(26,595,855)		(27,631,049)	
Dividend paid (including dividend tax)	(201,892)	346,997,536	(29,226,024)	(297,280,115)
<b>Net cash from/ (used in) financing activities</b>		<b>346,997,536</b>		<b>(297,280,115)</b>
<b>Net increase in Cash and Cash Equivalents (A+B+C)</b>		<b>(25,188,650)</b>		<b>237,992,332</b>



# CONSOLIDATED CASH FLOW STATEMENT

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

Particulars	Year ended 31 <sup>st</sup> March, 2017 (₹)	Year ended 31 <sup>st</sup> March, 2016 (₹)
Cash and cash equivalents at the beginning of the year	321,325,345	83,333,013
Cash and cash equivalents at the close of the year	296,136,695	321,325,345
<b>Note:</b>		
1. Cash and cash equivalents comprise of :		
Cash on hand	885,724	514,440
Cheques on hand	2,948,662	18,981,756
Balances with Scheduled Banks		
- In Current Accounts	288,474,770	298,378,829
- In Deposit Accounts	3,500,000	3,000,000
Balances in Prepaid Cards	244,071	190,722
	<b>296,053,227</b>	<b>321,065,747</b>
Add / (Less) : Exchange difference on translation of foreign currency cash and cash equivalents	83,468	259,598
	<b>296,136,695</b>	<b>321,325,345</b>

2. Cash flow statement has been prepared under the Indirect Method as set out in the Accounting Standard - 3 (AS-3) "Cash Flow Statement".

3. Cash and cash equivalent excludes deposit with banks towards margin/security for Bank Guarantees, borrowings and other commitments, balance in Unclaimed Dividend account.

4. Finance Cost excludes incurred by a subsidiary engaged in NBFC activities.

5. 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: May 24, 2017

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

**Krishna Kumar Karwa**  
Managing Director & CFO

**Bhalchandra Raul**  
Company Secretary

Place: Mumbai  
Dated: May 24, 2017

**Prakash Kacholia**  
Managing Director



# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

### 1. Significant Accounting Policies:

#### 1.1 Basis of Preparation of Consolidated Financial Statements

- a) The accompanying Consolidated Financial Statements are prepared on going concern basis 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.
- b) In view of criteria set out in the Schedule III to the Companies Act, 2013, the Company has considered 12 months period as its operating cycle for classifying its assets and liabilities as current and non-current.

#### 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

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

which investment in subsidiaries was made is recognized in the financial statements as goodwill and vice versa is recognized in financial statements as capital reserve. The Parent Company's portion of equity in the subsidiaries is determined on the basis of the value of assets and liabilities as per the financial statements of the subsidiaries as on the date of investment.

#### 1.4 Revenue Recognition:

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

- (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) Brokerage and other revenue from operations is net of service tax wherever applicable.
- (d) Income from Investment Banking activities and other fees is recognized as and when such services are completed / performed.
- (e) 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.
- (f) Income from trades in securities and derivative instruments comprises of Profit/(Loss) on sale of securities held as stock-in-trade and Profit/(Loss) in derivative instruments being equity derivative transactions in the nature of Futures and Options in Equity Stock/Index and currency derivative transactions in the nature of Futures and Options in foreign currencies both entered into for trading purposes and is determined as follows:-
  - (i) in case of sale of securities, it is determined based on First-in-First-out (FIFO) basis of cost of securities sold, and
  - (ii) in case of derivative instruments, it is determined as follows in accordance with "Guidance Note on Accounting for Derivative Contracts" issued by The Institute of Chartered Accountants of India:-
    - All directly attributable transaction costs on derivative transactions are recognized in Statement of Profit and Loss as they are incurred. Subsequent to initial recognition, derivatives are measured at fair value at each Balance Sheet date, and changes therein are recognized in Statement of Profit and Loss. Fair Value is determined using quoted market prices on respective Exchanges.

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

- Balance in “Options Premium Account” represents the fair value of premium paid or received for buying or selling the Options, respectively. Debit or Credit balance in the said account is disclosed under Short Term Loans and Advances or Other Current Liabilities as the case may be.
- (g) Profit/(Loss) earned on sale of Investments is recognized on trade date basis. Profit or Loss on sale of Investments is determined on the basis of the Weighted Average Cost method. On disposal of an Investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of profit and loss.
- (h) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. In case of a subsidiary carrying on Non-banking Financial business, in case of non-performing assets, interest income is recognized on receipt basis, as per Non Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 (NBFC Prudential norms).
- (i) (i) Trading Income in Corporate Bonds and Government Securities comprises of Profit/(Loss) on Sale of these instruments held as Stock-in-Trade and is recognized on settlement date. Profit on sale of securities is netted with loss on sale of securities. Profit/(Loss) on Sale of these Instruments is determined based on first-in-first-out (FIFO) basis of cost of these instruments sold.
- (ii) Purchase and Sale price of Securities is bifurcated into cost and accrued interest paid or realized. Accrued interest paid on purchase and received on sale is netted and reckoned as expense/ income.
- (j) Insurance brokerage income on first year premium of insurance policies is recognized, when an insurance policy sold by the Company is accepted by the insurer. Renewal brokerage on policies is accounted for on receipt of renewal premium by the insurer.
- (k) Dividend including interim are accounted when the right to receive payment is established.

#### 1.5 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 Leasehold Improvements 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) Leasehold Improvements are depreciated on a straight-line method over the Primary Lease Period or over a period of 3 years whichever is less.

#### 1.6 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.



# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

### 1.7 Stock – in – Trade

Securities acquired with the intention to trade are classified as Stock – in – Trade. Stock – in – Trade of securities is valued at lower of the cost or fair value on individual scrip by scrip basis. Cost is determined on First-in-First-Out (FIFO) basis.

### 1.8 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 Non-Current Investments.

Non-Current 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.

### 1.9 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.

##### (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.

### 1.10 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.

### 1.11 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.

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

### 1.12 Share Issue/Preliminary Expenses

Share Issue / Preliminary Expenses are recognized as an expense in the year in which they are incurred in accordance with Accounting Standard – 26 on “Intangible Assets”.

### 1.13 Taxation

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

### 1.14 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 group 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.

### 1.15 Minimum Alternative Tax (MAT) Credit Entitlement

MAT Credit is recognized as an asset only when and to the extent there is convincing evidence that the group will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said is created by way of a credit to the statement of Profit & Loss and shown as MAT Credit Entitlement. The group reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that group will pay normal income tax during the specified period.

### 1.16 Provisioning/Write-off on assets

In case of a subsidiary company carrying on Non-Banking Financial business :-

a) Provisioning/Write-off on overdue assets

The Provisioning/Write-off on overdue assets is as per the management estimates, subject to the minimum provision required as per NBFC Prudential norms.

The Company classifies non-performing assets which are overdue for six months or more. The Company accounts for provision for non-performing assets after taking into account the time lag between an accounts becoming overdue, its recognition as such and realization of available security.

b) Provision on standard assets

Provision on standard assets is made @ 0.25% as prescribed by NBFC Prudential norms.

### 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.

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

### 1.18 Impairment

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

### 1.19 Provisions, Contingent Liabilities & Contingent Assets

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

### 1.20 Foreign Currency Transactions

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

### 1.21 Employee Stock Compensation Cost

The Parent Company follows the intrinsic value method for valuation of Employee Stock Option in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014 {erstwhile SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 } and the Guidance Note on Accounting for Employee Share based payments, issued by the Institute of Chartered Accounts of India. The excess of market price of shares at the time of grant of options, over the exercise price to be paid by the option holder is considered as employee compensation expense and is amortised in the Statement of Profit and Loss over the period of vesting, adjusting for the actual and expected vesting.

### 1.22 Cash And Cash Equivalent

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

### 1.23 Segments

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the group. Revenue, expenses, assets and liabilities are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the group as a whole and are not allocable to segments on a reasonable basis, are included under "Unallocated".

### 1.24 Earning Per Share

The group reports basic and diluted earnings per share (EPS) in accordance with Accounting Standard 20 on "Earnings Per Share". Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

### 2.1 Share Capital

Particulars	As at	
	31 <sup>st</sup> March, 2017 (₹)	31 <sup>st</sup> March, 2016 (₹)
<b>Authorised</b>		
40,000,000 (PY 40,000,000) Equity Shares of ₹ 10/- each	400,000,000	400,000,000
<b>Issued, Subscribed and Paid Up</b>		
24,438,150 (PY 24,437,750) Equity Shares of ₹ 10/- each fully paid up	244,381,500	244,377,500
	<b>244,381,500</b>	<b>244,377,500</b>

#### Notes:-

#### a: Reconciliation of the Shares outstanding at the beginning and end of the reporting period:

Particulars	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
	No of shares	Amount (₹)	No of shares	Amount (₹)
At the beginning of the reporting period	24,437,750	244,377,500	24,437,750	244,377,500
Add: Shares issued during the reporting period under ESOP	400	4,000	-	-
Outstanding at the end of the reporting period	24,438,150	244,381,500	24,437,750	244,377,500

#### b: Terms/Rights attached to Equity Shares

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

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

#### c: Details of Shareholders holding more than 5% Shares in the Company

Name of the shareholder	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
	No of Shares	% held	No of Shares	% held
Equity shares of ₹ 10 each fully paid				
Mr.Krishna Kumar Karwa	4,922,500	20.14	4,922,500	20.14
Mr.Prakash Kacholia	4,750,000	19.44	4,750,000	19.44
Emkay Corporate Services Private Limited	4,150,000	16.98	4,150,000	16.98
Mrs.Preeti Kacholia	2,125,000	08.70	2,125,000	08.70
Mr.Raunak Karwa	1,750,000	07.16	1,750,000	07.16

#### d: Shares Reserved for issue under options:

The Parent Company has reserved issuance of 23,50,925 ( Previous Year 23,66,325 ) Equity Shares of ₹ 10/- each for offering to eligible employees of the Company and its subsidiaries under Employees Stock Option Schemes. The Options would vest over a maximum period of four years or such other period as may be decided by the Board/ Remuneration Committee subject to the applicable law.

e: Share Application Money Pending Allotment represents application money received on account of Employee Stock Option Scheme.

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

### 2.2 Reserves and Surplus

Particulars	As at	
	31 <sup>st</sup> March, 2017 (₹)	31 <sup>st</sup> March, 2016 (₹)
<b>Capital Redemption Reserve</b>		
Balance as per Last Financial Statements	50,000,000	50,000,000
<b>Securities Premium Reserve</b>		
Balance as per last Financial Statements	691,353,584	691,353,584
Add: Additions on ESOPs exercised	21,200	-
<b>Closing Balance</b>	<b>691,374,784</b>	<b>691,353,584</b>
<b>Special Reserve u/s 45-IC of the Reserve Bank of India Act, 1934</b>		
Balance as per Last Financial Statements	37,272,234	31,512,247
Add: Transfer from Surplus in the statement of Profit and Loss	5,467,622	5,759,987
<b>Closing Balance</b>	<b>42,739,856</b>	<b>37,272,234</b>
<b>General Reserve</b>		
Balance as per last Financial Statements	180,365,380	180,365,380
<b>Capital Reserve on Consolidation</b>		
Balance as per last Financial Statements	102,723	102,723
<b>Surplus in the Statement of Profit and Loss</b>		
Balance as per last Financial Statements	25,395,531	(59,767,376)
Add : Profit for the year	121,917,995	120,335,680
<b>Amount available for appropriations</b>	<b>147,313,526</b>	<b>60,568,304</b>
<b>Less: Appropriations:</b>		
Interim Dividend paid on Equity Shares	-	24,437,750
Dividend Distribution Tax - on Interim Dividend	-	4,975,036
Transfer to Special Reserve u/s 45-IC of the RBI Act, 1934	5,467,622	5,759,987
<b>Total of appropriations</b>	<b>5,467,622</b>	<b>35,172,773</b>
<b>Net Surplus in the Statement of Profit and Loss</b>	<b>141,845,904</b>	<b>25,395,531</b>
	<b>110,642,8647</b>	<b>984,489,452</b>

### 2.3 Deferred Tax Liabilities (Net)

Particulars	As at	
	31 <sup>st</sup> March, 2017 (₹)	31 <sup>st</sup> March, 2016 (₹)
<b>Deferred Tax Assets</b>		
Provisions	384,761	344,640
Disallowances	-	-
	384,761	344,640
<b>Deferred Tax Liability</b>		
Differences between book and tax depreciation	6,701,611	2,009,950
	6,701,611	2,009,950
<b>Net Deferred Tax Liabilities</b>	<b>6,316,850</b>	<b>1,665,310</b>

In view of unabsorbed depreciation and carry forward losses under tax laws and considering the principle of virtual certainty as stated in the Accounting Standard 22 "Accounting for Taxes on Income", the Company and two of its subsidiaries have not recognised deferred tax assets available to them and have recognised deferred tax liabilities to which they are liable.

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

### 2.4 Other Long-Term Liabilities

Particulars	As at	
	31 <sup>st</sup> March, 2017 (₹)	31 <sup>st</sup> March, 2016 (₹)
<b>Others</b>		
-Security Deposits	18,107,142	18,702,062
	<b>18,107,142</b>	<b>18,702,062</b>

### 2.5 Long-Term Provisions

Particulars	As at	
	31 <sup>st</sup> March, 2017 (₹)	31 <sup>st</sup> March, 2016 (₹)
Provision for Standard Assets	798,014	601,232
	<b>798,014</b>	<b>601,232</b>

### 2.6: Short-Term Borrowings

Particulars	As at	
	31 <sup>st</sup> March, 2017 (₹)	31 <sup>st</sup> March, 2016 (₹)
<b>Secured</b>		
Loan repayable on demand:		
- Overdraft from a Bank	202,310,427	23,095,344
Short Term Loan from a Bank	50,000,000	45,000,000
<b>Unsecured</b>		
- Short Term Loan from a Bank	50,000,000	45,000,000
- from other parties	184,000,000	-
	<b>486,310,427</b>	<b>113,095,344</b>

Note: (1) Overdraft referred above to the extent of :

- (a) ₹ 188,108,349/- (P.Y.Nil) is secured by equitable mortgage of office premises and  
 (b) ₹ 14,202,078/- (P.Y.23,095,344/-) is secured by way of lien against term deposits with bank

(2) Short Term Loan is secured by way of margin money with bank as at 31<sup>st</sup> March, 2017 and by way of lien against term deposits as at 31<sup>st</sup> March, 2016.

### 2.7 Trade Payables

Particulars	As at	
	31 <sup>st</sup> March, 2017 (₹)	31 <sup>st</sup> March, 2016 (₹)
Micro, Small and Medium Enterprises	-	-
<b>The details of amount outstanding to Micro, Small and Medium Enterprises as identified based on information available with the company and relied upon by the Auditors is as under -</b>		
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-
	-	-
Others	683,435,313	510,310,799
	<b>683,435,313</b>	<b>510,310,799</b>

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

### 2.8 Other Current Liabilities

Particulars	As at	
	31 <sup>st</sup> March, 2017 (₹)	31 <sup>st</sup> March, 2016 (₹)
Interest Accrued and Not Due on Borrowings	389,411	711,726
Income Received in advance	1,784,450	2,033,556
Unclaimed Dividend *	216,857	418,749
<b>Other Payables</b>		
Advance Received from Clients	5,937,416	10,387,790
Payable for Expenses	96,929,074	93,991,285
Statutory Liabilities	39,367,876	35,879,827
Deposit towards Margin and other from Clients	293,434,361	242,493,446
Other Liabilities	2,743,011	1,740,648
Cheques Overdrawn	807,315	-
	<b>441,609,771</b>	<b>387,657,027</b>

\* There is no amount due and outstanding to be transferred to the Investor Education and Protection Fund (IEPF) as on 31<sup>st</sup> March, 2017. Unclaimed Dividend, if any, shall be transferred to IEPF as and when they become due.

### 2.9 Short-Term Provisions

Particulars	As at	
	31 <sup>st</sup> March, 2017 (₹)	31 <sup>st</sup> March, 2016 (₹)
<b>Provision for Employee Benefits</b>		
Gratuity Obligation	6,625,521	2,347,821
<b>Others</b>		
Income Tax (Net of taxes paid)	2,516,858	-
	<b>9,142,379</b>	<b>2,347,821</b>

### 2.10 (a) Tangible Assets

	Office Premises	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Air Conditioners	Leasehold Improvement	Total
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
<b>Gross Block (At Cost)</b>								
At 1 <sup>st</sup> April 2015	380,475,731	40,195,573	7,111,265	23,273,461	83,450,072	7,148,631	35,246,207	576,900,940
Additions	-	448,712	7,870,661	1,660,815	10,835,654	344,959	895,643	22,056,444
Deductions	-	472,981	2,672,935	3,164,316	10,393,457	577,529	5,313,172	22,594,390
<b>At 31<sup>st</sup> March 2016</b>	<b>380,475,731</b>	<b>40,171,304</b>	<b>12,308,991</b>	<b>21,769,960</b>	<b>83,892,269</b>	<b>6,916,061</b>	<b>30,828,678</b>	<b>576,362,994</b>
Additions	-	520,348	-	1,924,961	24,978,383	926,196	1,876,168	30,226,056
Deductions	-	706,702	-	2,448,183	9,352,030	1,568,788	8,450,558	22,526,261
<b>At 31<sup>st</sup> March 2017</b>	<b>380,475,731</b>	<b>39,984,950</b>	<b>12,308,991</b>	<b>21,246,738</b>	<b>99,518,622</b>	<b>6,273,469</b>	<b>24,254,288</b>	<b>584,062,789</b>
<b>Depreciation/ Amortization</b>								
At 1 <sup>st</sup> April 2015	62,748,420	24,348,326	5,520,475	19,102,442	72,190,897	3,989,231	33,608,443	221,508,234
Charge for the Year	15,441,149	4,576,628	1,414,209	2,350,680	7,051,730	638,653	1,029,260	32,502,309
Deductions	-	419,417	2,341,065	2,904,519	10,075,729	410,015	5,294,247	21,444,992
<b>At 31<sup>st</sup> March 2016</b>	<b>78,189,569</b>	<b>28,505,537</b>	<b>4,593,619</b>	<b>18,548,603</b>	<b>69,166,898</b>	<b>4,217,869</b>	<b>29,343,456</b>	<b>232,565,551</b>
Charge for the Year	14,690,729	3,402,219	2,433,406	1,532,641	8,925,209	549,376	1,083,249	32,616,829
Deductions	-	702,251	-	2,130,975	8,838,158	1,123,118	8,182,978	20,977,480
<b>At 31<sup>st</sup> March 2017</b>	<b>92,880,298</b>	<b>31,205,505</b>	<b>7,027,025</b>	<b>17,950,269</b>	<b>69,253,949</b>	<b>3,644,127</b>	<b>22,243,727</b>	<b>244,204,900</b>
<b>Net Block</b>								
<b>At 31<sup>st</sup> March 2016</b>	<b>302,286,162</b>	<b>11,665,767</b>	<b>7,715,372</b>	<b>3,221,357</b>	<b>14,725,371</b>	<b>2,698,192</b>	<b>1,485,222</b>	<b>343,797,443</b>
<b>At 31<sup>st</sup> March 2017</b>	<b>287,595,433</b>	<b>8,779,445</b>	<b>5,281,966</b>	<b>3,296,469</b>	<b>30,264,673</b>	<b>2,629,342</b>	<b>2,010,561</b>	<b>339,857,889</b>

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

### 2.10 (b) Intangible Assets

	Software (₹)	Total (₹)
<b>Gross Block (At Cost)</b>		
At 1 <sup>st</sup> April 2015	66,606,802	66,606,802
Additions	2,849,081	2,849,081
<b>At 31<sup>st</sup> March 2016</b>	<b>69,455,883</b>	<b>69,455,883</b>
Additions	18,892,077	18,892,077
Deductions	30,808,926	30,808,926
<b>At 31<sup>st</sup> March 2017</b>	<b>57,539,034</b>	<b>57,539,034</b>
<b>Depreciation/ Amortization</b>		
At 1 <sup>st</sup> April 2015	62,857,578	62,857,578
Charge for the Year	3,443,807	3,443,807
<b>At 31<sup>st</sup> March 2016</b>	<b>66,301,385</b>	<b>66,301,385</b>
Charge for the Year	8,535,857	8,535,857
Deductions	30,808,926	30,808,926
<b>At 31<sup>st</sup> March 2017</b>	<b>44,028,316</b>	<b>44,028,316</b>
<b>Net Block</b>		
<b>At 31<sup>st</sup> March 2016</b>	<b>3,154,498</b>	<b>3,154,498</b>
<b>At 31<sup>st</sup> March 2017</b>	<b>13,510,718</b>	<b>13,510,718</b>

### 2.11 (a) Non-Current Investments

Particulars	Face Value Per Share (₹)	No. of Shares As At		Amount As At	
		31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
<b>At Cost</b>					
<b>(I) Investment in Equity Instruments</b>					
<b>(A) Trade Investments</b>					
<b>Unquoted, fully Paid-up</b>					
- Bombay Stock Exchange Limited	1	-	58,838	-	4,526
<b>Total Trade Investments (A)</b>				-	<b>4,526</b>
<b>(B) Other Investments</b>					
<b>Quoted, fully Paid-up</b>					
- Aurobindo Pharma Ltd	1	11,000	11,000	9,241,759	9,241,759
- Aegis Logistics Ltd	1	40,000	-	6,354,936	-
- Bhartiya International Ltd	10	17,789	-	9,627,355	-
- Capital Trust Ltd <sup>1</sup>	10	125,000	125,000	27,125,000	27,125,000
- Claris Lifesciences Ltd	10	25,000	-	8,090,659	-
- Den Networks Ltd	10	81,525	-	6,873,733	-
- GHCL Ltd	10	50,000	-	6,974,495	-
- Gulf Oil Lubricants India Ltd	2	10,265	-	7,479,329	-
- Himadri Speciality Chemical Ltd	1	150,000	-	5,069,146	-
- Kridhan Infra Ltd.	2	-	249,750	-	23,484,635
- Motherson Sumi Systems Ltd	1	-	4,050	-	994,248
- Muthoot Capital Services Ltd	10	23,483	-	6,594,203	-
- Neuland Laboratories Ltd	10	10,224	-	8,941,535	-
- NOCIL Ltd	10	65,000	-	5,051,410	-
- NCL Industries Ltd	10	30,000	-	4,481,053	-
- NR Agarwal Industries Ltd	10	27,746	-	6,155,017	-
- Ok Play India Ltd <sup>2</sup>	10	142,379	-	19,999,978	-
- Parag Milk Foods Ltd	10	28,405	-	6,998,065	-
- Ratnamani Metals & Tubes Ltd	2	9,691	-	5,611,291	-



# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

Particulars	Face Value Per Share	No. of Shares As At		Amount As At	
		31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
	(₹)				(₹)
- Radico Khaitan Ltd	2	90,000	-	10,458,133	-
- Rallis India Ltd	1	20,000	-	4,580,059	-
- Surya Roshni Ltd	10	35,000	-	7,888,540	-
- Somany Ceramics Ltd	2	14,900	-	7,686,576	-
- Sintex Industries Ltd	1	110,000	-	9,590,824	-
- Sun TV Networks Ltd	5	7,000	-	4,775,738	-
- Shriram Transport Finance Ltd	10	5,370	-	5,182,547	-
- UFO Moviez India Ltd	10	17,500	6,100	8,018,941	2,490,854
- Vishnu Chemicals Ltd	10	9,839	-	2,647,157	-
- Vadilal Industries Ltd	10	-	2,000	-	987,972
- Aditya Birla Fashion & Retail Ltd.	10	962	962	2,730	2,730
- Aditya Birla Nuvo Ltd.	10	-	185	-	310,595
- Bajaj Corp. Ltd.	1	1,705	1,705	489,233	489,233
- Bajaj Finance Ltd.	2	-	50	-	72,573
- Bayer Cropscience Ltd.	10	185	185	363,744	363,744
- Centum Electronics Ltd.	10	1,131	1,131	602,541	602,541
- Cipla Ltd.	2	700	700	281,902	281,902
- Divi's Laboratories Ltd.	2	1,035	390	705,497	205,891
- Gujarat Pipavav Port Ltd.	10	4,025	4,025	205,075	205,075
- HDFC Bank Ltd.	2	1,098	1,098	784,931	784,931
- Hero Motocorp Ltd.	2	75	75	114,724	114,724
- Housing Development Finance Corporation Ltd.	2	150	150	123,186	123,186
- ICICI Bank Ltd.	2	3,630	3,620	617,188	614,325
- IDFC Bank Ltd.	10	-	4,802	-	221,570
- IDFC Ltd.	10	-	4,802	-	340,505
- Infosys Ltd.	5	571	571	499,977	499,977
- Karur Vysya Bank Ltd.	10	-	975	-	415,530
- L&T Finance Holdings Ltd.	10	8,134	-	605,452	-
- Lakshmi Machine Works Ltd.	10	-	100	-	240,077
- LIC Housing Finance Ltd.	2	2,318	2,318	860,764	860,764
- Mahindra & Mahindra Ltd.	5	513	465	416,184	356,163
- Mahindra Holidays & Resorts India Ltd.	10	2,267	1,363	762,110	375,583
- NESCO Ltd.	10	494	-	835,484	-
- Pidilite Industries Ltd.	1	1,250	1,250	282,444	282,444
- Power Grid Corporation of India Ltd.	10	6,350	6,350	804,903	804,903
- Praj Industries Ltd.	10	-	5,211	-	376,615
- PTC India Ltd.	2	8,743	8,743	634,066	634,066
- SKS Microfinance Ltd.	10	-	875	-	364,740
- Sundram Fasteners Ltd.	1	2,945	-	484,725	-
- TD Power Systems Ltd.	10	1,600	1,600	567,993	567,993
- Tech Mahindra Ltd.	5	900	900	224,310	224,310
- TV18 Broadcast Ltd.	2	5,000	5,000	134,743	134,743
- VRL Logistics Ltd.	10	2,380	-	673,254	-
<b>Total Quoted Investments</b>				<b>223,574,639</b>	<b>75,195,901</b>
<b>Unquoted, fully Paid-up</b>					
- Prothom Industries India Pvt Ltd	10	14,764	14,764	5,004,996	5,004,996
<b>Total Other Investments (B)</b>				<b>228,579,635</b>	<b>80,200,897</b>
<b>TOTAL (A + B)</b>				<b>228,579,635</b>	<b>80,205,423</b>

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

Particulars	Face Value Per Share (₹)	No. of Shares As At		Amount As At	
		31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
				(₹)	(₹)
<b>Note :</b>					
<b>Aggregate of Quoted Investments in Shares</b>					
- Cost				223,574,639	75,195,901
- Market Value				282,086,779	88,500,742
<b>Aggregate of Unquoted Investments in Shares</b>					
- Cost				5,004,996	5,009,522

<sup>1</sup> Allotted on 29<sup>th</sup> March, 2016 with lock-in for transfer till 28<sup>th</sup> April, 2017.

<sup>2</sup> Allotted on 14<sup>th</sup> December, 2016 with lock-in for transfer till 31<sup>st</sup> January, 2018.

### 2.12 Long-Term Loans and Advances

Particulars	As at	
	31 <sup>st</sup> March, 2017 (₹)	31 <sup>st</sup> March, 2016 (₹)
<b>Unsecured, Considered Good</b>		
Capital Advances	2,333,190	1,102,500
Deposits	34,194,167	38,003,827
Loan to ESOP Trust ( Refer Note No.3(ii) )	37,400,000	57,400,000
Advances recoverable in cash or kind for value to be received	1,965	126,257
<b>Other Loans and Advances</b>		
Income Tax Paid ( Net of Provisions )	37,363,746	51,475,179
Fringe Benefit Tax Refundable	528,303	528,303
Prepaid Expenses	4,308,130	1,376,244
Loan to Staff	985,700	52,000
	<b>117,115,201</b>	<b>150,064,310</b>

### 2.13 Other Non Current Assets

Particulars	As at	
	31 <sup>st</sup> March, 2017 (₹)	31 <sup>st</sup> March, 2016 (₹)
<b>Other Bank Balances</b>		
- In Deposit Account with maturity more than 12 months	1,000,000	1,000,000
Accrued Interest on Fixed Deposits	3,576	4,303
	1,003,576	1,004,303

Note:- Deposits with banks includes of ₹ 10,00,000/- (P.Y ₹ 10,00,000/-) with maturity of more than 12 months which is lien marked in favour of a Regulatory Authority.



# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

### 2.11 (b) : Current Investments

Particulars	Face Value Per Unit (₹)	No. of Units As At		Amount As At	
		31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2017 (₹)	31 <sup>st</sup> March 2016 (₹)
<b>(Valued at lower of cost and fair value)</b>					
<b>Investments in Units of Mutual Funds</b>					
<b>Quoted, Fully Paid-up</b>					
- Goldman Sachs Liquid Exchange Traded Scheme (Liquid Bees)*	1000	-	1,848.505	-	1,848,513
- Reliance ETF Liquid Bees*	1000	1,621.284	-	1,621,291	-
- Goldman Sachs MF - CPSE ETF*	10	-	30,091.000	-	742,623
- Reliance MF - CPSE ETF*	10	30,091.000	-	742,623	-
<b>(A)</b>				<b>2,363,914</b>	<b>2,591,136</b>
<b>Unquoted, Fully Paid-up</b>					
- IDFC Cash Fund - Growth	1000	8,373.796	8,171.005	16,500,000	15,000,000
- Reliance Liquid Fund - Treasury Plan - Growth	1000	-	4,075.722	-	15,000,000
- HDFC Liquid Fund - Growth	1000	5,158.405	-	16,500,000	-
<b>(B)</b>				<b>33,000,000</b>	<b>30,000,000</b>
<b>(A+B)</b>				<b>35,363,914</b>	<b>32,591,136</b>
<b>Less:</b> Reduction in Carrying Amount of Current Investments				-	145,927
<b>Total</b>				<b>35,363,914</b>	<b>32,445,209</b>
<b>Notes:</b>					
<b>Aggregate Amount of Quoted Investments</b>					
-Cost				2,363,914	2,591,136
-Market Value				2,470,468	2,446,413
<b>Aggregate Amount of Unquoted Investments</b>					
-Cost				33,000,000	30,000,000
-Net Asset Value				33,009,191	30,046,138

\* On merger/acquisition of the schemes of Goldman Sachs Mutual Fund by Reliance Mutual Fund

### 2.14 Inventories

Particulars	As at	
	31 <sup>st</sup> March, 2017 (₹)	31 <sup>st</sup> March, 2016 (₹)
<b>Stock in Trade (Valued at lower of cost or fair value)</b>		
- Shares and Securities	29,109,882	53,133,537
	<b>29,109,882</b>	<b>53,133,537</b>



# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

### 2.15 Trade Receivables

Particulars	As at	
	31 <sup>st</sup> March, 2017 (₹)	31 <sup>st</sup> March, 2016 (₹)
<b>Trade Receivable outstanding for a period exceeding six months from the date they are due for payment:</b>		
Secured, considered good	543,781	456,705
Unsecured, considered good	3,356,948	7,385,556
Unsecured, considered doubtful	43,643,041	114,563,524
	<b>47,543,770</b>	<b>122,405,785</b>
Less: Provision for Doubtful Debts	43,643,041	114,563,524
	<b>3,900,729</b>	<b>7,842,261</b>
<b>Trade Receivable outstanding for a period less than six months from the date they are due for payment:</b>		
Secured, considered good	378,247,755	30,535,971
Unsecured, considered good	268,295,362	152,344,407
Unsecured, considered doubtful	667,980	3,173,063
	<b>647,211,097</b>	<b>186,053,441</b>
Less: Provision for Doubtful Debts	667,980	3,173,063
	<b>646,543,117</b>	<b>182,880,378</b>
	<b>650,443,846</b>	<b>190,722,639</b>
<b>Note: Above includes due from :</b>		
- Director/s (Refer Note No.17(B)(IV)(b))	85,702	73,535
- a Firm in which a Director is a Partner (Refer Note No.17(B)(IV)(b))	-	2,492,552

### 2.16 Cash and Cash Equivalents

Particulars	As at	
	31 <sup>st</sup> March, 2017 (₹)	31 <sup>st</sup> March, 2016 (₹)
<b>Cash and Cash Equivalents</b>		
Balances with Banks		
- Current Accounts	288,474,770	298,378,829
- Deposit Accounts	3,500,000	3,000,000
Cheque on Hand	2,948,662	18,981,756
Cash on Hand	885,724	514,440
Balance in Prepaid Cards	244,071	190,722
	<b>296,053,227</b>	<b>321,065,747</b>
<b>Other Bank Balances</b>		
- In Deposit Accounts towards Margin/Security for Bank Guarantees, Borrowings and Other Commitments	807,698,111	780,926,586
- In Margin Account towards Security for borrowings	50,000,000	-
- In Earmarked Accounts		
Unclaimed Dividend	216,857	418,749
	<b>1,153,968,195</b>	<b>1,102,411,082</b>

#### Note:-

- Deposits with banks includes deposits of ₹ 34,20,00,000/- ( P.Y. ₹ 62,15,73,950/-) with maturity of more than 12 months, but within one year from the reporting date.
- Cash and Cash Equivalents includes deposits maintained with banks, which can be withdrawn at any point of time without prior notice or penalty on Principal.



# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

### 2.17 Short-Term Loans and Advances

Particulars	As at	
	31 <sup>st</sup> March, 2017 (₹)	31 <sup>st</sup> March, 2016 (₹)
<b>Unsecured Considered Good, Unless otherwise stated</b>		
Deposits		
- Considered Good	62,271,927	36,821,790
- Considered Doubtful	632,858	632,858
	<b>62,904,785</b>	<b>37,454,648</b>
Less: Provision for Doubtful Deposits	632,858	632,858
	<b>62,271,927</b>	<b>36,821,790</b>
<b>Loans relating to Financing Activity</b>		
- Secured, Considered Good	318,605,760	224,741,586
-Unsecured Considered Good	600,000	751,172
-Secured, Considered Sub-Standard	1,302,523	1,167,309
Less: Provision for Sub-Standard Assets	130,252	116,731
	<b>1,172,271</b>	<b>1,050,578</b>
	<b>320,378,031</b>	<b>226,543,336</b>
<b>Advances recoverable in Cash or Kind or for value to be received</b>		
- Considered Good	2,087,377	1,334,787
- Considered Doubtful	104,260	-
	<b>2,191,637</b>	<b>1,334,787</b>
Less: Provision for Doubtful Advances	104,260	-
	<b>2,087,377</b>	<b>1,334,787</b>
<b>Other Loans and Advances</b>		
Prepaid Expenses	11,059,391	10,759,119
Loans to Staff		
- Considered Good	2,456,214	2,272,399
- Considered Doubtful	20,356	41,781
	<b>2,476,570</b>	<b>2,314,180</b>
Less: Provision for Doubtful Loans	20,356	41,781
	<b>2,456,214</b>	<b>2,272,399</b>
Service Tax Input Credit Available / Receivable	3,790,483	7,743,955
Equity Index/Stock Options Premium	4,461,220	3,544,743
	<b>406,504,643</b>	<b>289,020,129</b>

### 2.18 Other Current Assets

Particulars	As at	
	31 <sup>st</sup> March, 2017 (₹)	31 <sup>st</sup> March, 2016 (₹)
Interest Accrued on Deposits with Banks	12,172,902	10,862,697
Interest Accrued on Financing Activities	2,978,010	1,833,517
Dividend Receivable	-	10,572
Income Receivable	3,614,632	4,581,189
	<b>18,765,544</b>	<b>17,287,975</b>



# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

### 2.19 Revenue from Operations

Particulars	For the year ended 31 <sup>st</sup> March, 2017 (₹)	For the year ended 31 <sup>st</sup> March, 2016 (₹)
<b>Sale of Services</b>		
<b>Advisory and Transactional Services</b>		
- Brokerage and Commission	810,894,691	776,246,138
- Investment Banking Activities	13,299,000	23,280,477
- Portfolio Management Fees	17,718,967	13,990,532
- Depository Operations	9,035,040	8,849,610
- Other Fees	35,848,331	63,301,864
<b>Income from Financing &amp; Investment Activities</b>		
- Interest on Loan from Financing Activities	29,953,654	48,085,166
- Gain from Investing Activities	23,630,186	7,505,570
- Dividend from Investing Activities	1,085,118	87,775
- Income from Trading in Corporate Bonds	862,658	251,692
	<b>942,327,645</b>	<b>941,598,824</b>
<b>Other Operating Income</b>		
Interest on Deposit* with		
- Banks	56,432,661	54,037,463
- Others	3,697,781	605,367
Income from Trades in Securities/Derivatives Instruments (Net)	17,625,230	3,943,070
Less : Provision for Loss on Equity Index/Stock Futures Written Back	-	83,960
	<b>17,625,230</b>	<b>4,027,030</b>
Delayed Payments Charges	20,874,592	21,477,201
Provision for Doubtful Debts Written Back	2,908,009	471,350
Provision for Standard Assets Written Back	-	786,773
Provision for Sub Standard Assets Written Back	116,731	-
Bad Debts Recovered	93,063	283,595
Miscellaneous Income	8,263,106	7,158,739
	<b>110,011,173</b>	<b>88,847,518</b>
<b>Revenue from Operations</b>	<b>1,052,338,818</b>	<b>1,030,446,342</b>

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

### 2.20 Other Income

Particulars	For the year ended 31 <sup>st</sup> March, 2017 (₹)	For the year ended 31 <sup>st</sup> March, 2016 (₹)
<b>Interest</b>		
-On Deposit with Banks*	5,712,959	9,201,885
-Others	2,635,064	7,253,186
<b>Dividend</b>		
- On Current Investments	77,037	130,326
- On Non Current Investments	436,382	693,504
- On Stock in Trade	154,000	578,135
<b>Gain on Sale of</b>		
- Current Investments	2,531,588	3,451,402
- Non Current Investments	23,171,837	219,693
Profit on Sale of Fixed Assets (Net of Loss on Discard )	-	152,052
Reduction in Carrying Amount of Current Investments Written Back	145,927	-
Other Miscellaneous Income	1,211,019	1,131,483
	<b>36,075,813</b>	<b>22,811,666</b>

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

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

### 2.21 Employee Benefits Expenses

Particulars	For the year ended 31 <sup>st</sup> March, 2017 (₹)	For the year ended 31 <sup>st</sup> March, 2016 (₹)
Salaries and Other Benefits	455,929,103	427,122,303
Contribution to Provident and Other Funds	10,415,594	8,351,941
Gratuity	6,691,669	2,274,858
Staff Welfare Expenses	4,565,051	4,740,532
	<b>477,601,417</b>	<b>442,489,634</b>

### 2.22 Finance Costs

Particulars	For the year ended 31 <sup>st</sup> March, 2017 (₹)	For the year ended 31 <sup>st</sup> March, 2016 (₹)
Interest Expense	18,145,087	23,271,385
Other Borrowing Costs	13,821,540	11,906,462
	<b>31,966,627</b>	<b>35,177,847</b>

### 2.23 Depreciation and Amortization Expenses

Particulars	For the year ended 31 <sup>st</sup> March, 2017 (₹)	For the year ended 31 <sup>st</sup> March, 2016 (₹)
Depreciation of Tangible assets	32,616,829	32,502,309
Amortization of Intangible assets	8,535,857	3,443,807
	<b>41,152,686</b>	<b>35,946,116</b>

### 2.24 Other Expenses

Particulars	For the year ended 31 <sup>st</sup> March, 2017 (₹)	For the year ended 31 <sup>st</sup> March, 2016 (₹)
Brokerage & Commission	108,640,262	111,412,615
Communication, Postage and Courier Charges	23,162,711	23,320,119
Fees & Stamps	2,316,660	2,900,716
Contribution/Payments to Exchanges / Professional Clearing Member	7,850,525	7,800,005
Membership & Subscription	29,300,839	27,831,220
Registration Fees	1,080,781	5,141,560
Depository Charges	1,436,794	473,312
Consultancy Fees	-	1,153,432
Loss due to Execution of Error Trades	7,605,397	11,036,415
Claims/ Compensation/ Settlement Charges	230,000	2,600,800
Expenses Attributable to Trades in Securities/Derivative Instruments	227,198	726,368
Electricity Charges	16,185,461	18,289,025
Insurance	1,256,291	1,248,757



# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

Particulars	For the year ended 31 <sup>st</sup> March, 2017 (₹)	For the year ended 31 <sup>st</sup> March, 2016 (₹)
Repair & Maintenance - Building	5,382,413	6,156,458
Repair & Maintenance - Others	18,296,396	16,751,288
Advertisement & Business Promotion Expenses	22,331,362	13,795,808
Printing & Stationery	4,434,767	6,215,431
Travelling, Conveyance & Vehicle Expenses	44,962,100	42,246,237
Provision for Doubtful Debts	1,312,870	1,917,992
Provision for Doubtful Deposits / Loans /Advances	104,260	674,639
Provision for Standard Assets	196,782	-
Provision for Sub-Standard Assets	130,252	116,731
Bad Debts Written off	72,300,108	7,927,071
Less : Provision Written Back	(71,830,427)	(5,770,199)
	<b>469,681</b>	<b>2,156,872</b>
Deposits & Advances Written off	4,743,137	300,972
Less: Provision Written Back	(21,425)	(262,284)
	<b>4,721,712</b>	<b>38,688</b>
Software Expenses	16,652,787	11,367,264
Legal & Professional Fees	16,050,082	20,901,561
Payment to Auditors		
As Auditors		
- Audit Fees	1,833,922	1,538,388
- Tax Audit Fees	230,625	230,325
In Other Capacity		
- Taxation Matter	480,018	602,852
- Other Matters	535,408	465,584
	<b>3,079,973</b>	<b>2,837,149</b>
Commission to Independent Directors	864,625	605,900
Rent	19,658,900	21,250,933
Service Tax	820,231	556,631
Rates & Taxes	2,512,730	965,781
Reduction in Carrying Amount of Current Investments	-	145,927
Miscellaneous Expenses	11,082,660	10,296,985
Foreign Exchange Rate Fluctuations Loss (Net)	272,386	39,171
Loss on Sale/Discard of Fixed Assets	664,366	-
Donation	165,000	100,000
	<b>373,459,254</b>	<b>373,071,790</b>



## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

#### 3. Employees Stock Option Schemes

(i) Disclosure in connection with 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 31<sup>st</sup> March, 2017, 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 consequently set up “Emkay Employees Welfare Trust (ESOP Trust)” to administer and implement the said Scheme in accordance with recommendations of the Nomination, Remuneration and Compensation Committee of the Parent Company. Consequent to various Circulars and Notifications issued by SEBI from January 2013 onwards (including Notification of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 on 28.10.2014 and subsequent amendments thereof), the Parent Company first modified its Employee Stock Option Plan 2010 (ESOP-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 were allowed. Subsequently, the Parent Company for the second time modified its Employee Stock Option Plan 2010 by passing members special resolution through postal ballot process on 9<sup>th</sup> March 2016 whereby ESOP Trust is authorized to purchase shares of the Parent Company from the secondary market, some changes made in the definition of employee(s), number of shares held by the ESOP Trust from secondary market acquisition not to exceed 5% of the paid up equity capital and power to borrow money from Parent Company so as to be in complete compliance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 including any subsequent amendments thereof

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

Particulars	ESOP-2007		ESOP-2010	
	2016-17	2015-16	2016-17	2015-16
Options Outstanding at the beginning of the year	5,70,800	7,95,300	87,500	87,500
Options Granted during the year	-	-	-	-
Options Forfeited during the year	-	-	-	-
Options Exercised and Shares Allotted	400	-	-	-
Options Exercised and Shares Pending for Allotment	15,000	-	-	-
Options Expired/ Lapsed during the year	2,02,350	224,500	22,500	-
Options Outstanding at the end of the year	3,53,050	570,800	65,000	87,500
Options Exercisable at the end of the year	3,53,050	530,800	65,000	82,500
Weighted Average remaining contractual life (in years)	1.22	2.01	1.62	2.59

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

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

Particulars	Year Ended	Year Ended
	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
	Amount (₹)	Amount (₹)
Net Income as reported	12,19,17,995	12,03,35,680
Add: - Intrinsic Value Compensation Cost	Nil	Nil
Less :- Fair Value Compensation Cost	(38,82,656)	(3,44,38,232)
<b>Adjusted Pro-forma Net Income</b>	<b>12,58,00,651</b>	<b>15,47,73,912</b>
<b>Earnings per Share</b>		
<b>Basic</b>		
- As reported	4.99	4.92
- Proforma	5.15	6.33
<b>Diluted</b>		
- As reported	4.98	4.91
- Proforma	5.14	6.32

- 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 31<sup>st</sup> March, 2017 is ₹ 374.00 Lac (Previous Year ₹ 574.00 Lac). As on 31<sup>st</sup> March, 2017, the trust has 4,27,630 (net of 3,27,018 Equity Shares sold during financial year 2016-2017 in the secondary market) Equity Shares of the Parent Company purchased from the market (having cost of acquisition amounting to ₹ 333.71 Lac) during the period commencing from September,2010 to July,2011 for Stock Options granted/ to be granted from time to time to the eligible employees. The said holding of 4,27,630 Equity Shares comprises of 3,62,630 Equity Shares of the Parent Company for which Options are yet to be granted (which includes Options lapsed due to employees leaving the company) herein after called "Un-appropriated Options" and 65,000 Equity Shares against which Options are already granted to the eligible employees.

From the date of notification of SEBI (Share based Employee Benefits) Regulations,2014 i.e. 28.10.2014, the Parent Company had a choice to either appropriate the Un- appropriated Options within one year i.e. by 27.10.2015 or to sell in the secondary market within five years i.e. by 27.10.2019. Since the Parent Company could not appropriate the Un-appropriated Options by 27.10.2015, the Parent Company had sold 3,27,018 Equity Shares during the FY 2016-17 in the secondary market and the remaining Un-appropriated Options representing 3,40,130 Equity Shares shall be sold in the secondary market on or before 27.10.2019 and 22,500 Equity Shares shall either be re-granted on or before 31.03.2018 or sold in the secondary market on or before 27.10.2019.

The repayment of the loan granted by the Parent Company to the ESOP Trust is dependent on the time and price at which Un-appropriated Options representing 3,40,130 Equity Shares of the Parent Company shall be sold in the secondary market, Un-appropriated Options representing 22,500 Equity Shares are either re-granted on or before 31.03.2018 else sold in the secondary market on or before 27.10.2019 and Appropriated Options representing 65,000 Equity Shares are exercised by the eligible employees.

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

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

#### (A) Defined Contribution Plan

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

Particulars	Year Ended	
	31 <sup>st</sup> March, 2017 (₹)	31 <sup>st</sup> March, 2016 (₹)
Provident Fund	9,016,308	7,247,714
Employee State Insurance Scheme	376,388	390,014
Labour Welfare Fund	432	1,090
National Pension Scheme	1,022,466	713,123
<b>Total</b>	<b>10,415,594</b>	<b>8,351,941</b>

#### (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	2016-17	2015-16
<b>I</b>	<b>Changes in Present Value of obligations</b>		
	Present Value of Obligations at beginning of the period	30,487,875	27,675,759
	Interest cost	2,345,900	2,164,850
	Current Service Cost	4,189,171	4,271,162
	Benefits Paid	(3,160,220)	(1,723,455)
	Actuarial (Gain)/Loss on obligations	3,275,302	(1,900,441)
	Present Value of Obligations at end of the period	37,138,028	30,487,875
<b>II</b>	<b>Changes in Fair Value of Plan Assets</b>		
	Fair Value of Plan Assets at beginning of the period	28,266,311	24,900,087
	Expected Return on Plan Assets	2,542,151	2,239,782
	Contributions	2,289,677	2,828,966
	Benefits Paid	(3,160,220)	(1,723,455)
	Actuarial Gain/(Loss) on Plan Assets	576,553	20,931
	Fair Value of Plan Assets at end of the period	30,514,472	28,266,311
<b>III</b>	<b>Fair Value of Plan Assets</b>		
	Fair Value of Plan Assets at beginning of the period	28,266,311	24,900,087
	Actual Return on Plan Asset	3,118,704	2,260,713
	Contributions	2,289,677	2,828,966
	Benefits Paid	(3,160,220)	(1,723,455)
	Fair Value of Plan Assets at end of the period	30,514,472	28,266,311
	Funded Status	(6,623,556)	(2,221,564)
	Excess of actual over estimated return on Plan Assets	576,553	20,931

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

Sr. No.	Particulars	2016-17	2015-16
<b>IV</b>	<b>Actuarial Gain/(Loss) Recognized</b>		
	Actuarial Gain/(Loss) for the period (Obligation)	(3,275,302)	1,900,441
	Actuarial Gain/(Loss) for the period (Plan Assets)	576,553	20,931
	Total Gain/(Loss) for the period	(2,698,749)	1,921,372
	Actuarial Gain/(Loss) recognized for the period	(2,698,749)	1,921,372
	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	37,138,028	30,487,875
	Fair Value of Plan Assets at end of the period	30,514,472	28,266,311
	Funded Status	(6,623,556)	(2,221,564)
	Unrecognized Actuarial Gain/(Loss)	-	-
	Net (Liability) recognized in the balance sheet	(6,625,521)	(2,347,821)
	under Short-Term Provisions – Gratuity		
	Net Asset recognized in the balance sheet	1,965	126,257
	under Long-Term Loans & Advances – Gratuity		
<b>VI</b>	<b>Expense recognized in Statement of Profit and Loss</b>		
	Current Service Cost	4,189,171	4,271,162
	Interest cost	2,345,900	2,164,850
	Expected Return on Plan Assets	(2,479,773)	(2,239,782)
	Net Actuarial (Gain)/Loss recognized for the period	2,435,191	(1,921,372)
	Expense recognized in statement Profit and Loss under Employee Benefits Expense	6,691,669	2,274,858
<b>VII</b>	<b>Movements in the Liability recognized in Balance Sheet</b>		
	Opening Net Liability	2,221,564	2,775,672
	Expenses as above	6,691,669	2,274,858
	Contribution paid	(2,265,971)	(2,828,966)
	Closing Net Liability	6,623,556	2,221,564
<b>VIII</b>	<b>Experience Analysis - Liabilities</b>		
	Actuarial (Gain)/Loss due to change in bases	3,632,225	113,195
	Experience (Gain)/Loss due to Change in Experience	(356,923)	(2,013,636)
	<b>Total</b>	<b>3,275,302</b>	<b>(1,900,441)</b>
	<b>Experience Analysis - Plan Assets</b>		
	Experience (Gain)/Loss due to change in Plan Assets	488,231	6,931
<b>IX</b>	<b>Investment pattern</b>		
	Insurer Managed Funds	100.00%	100.00%
<b>X</b>	<b>Principal Assumptions</b>		
	Mortality	IALM(2006-08)Ult	IALM(2006-08)Ult
	Discount Rate	6.80%	7.70%
	Rate of increase in compensation	7.00%	5.00%
	Rate of return (expected) on Plan Assets	7.00%	9.00%
	Withdrawal Rate	Upto Age 45: 30% 46 & above : 15%	Upto Age 45: 25% 46 & above : 10%

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

5. 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. Provision for all known and determined liabilities is adequate and not in excess of the amount reasonably required.

#### 6. Details of Contingent Liabilities and Commitments:-

##### (A) Contingent Liabilities:-

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2017 (₹)	As at 31 <sup>st</sup> March, 2016 (₹)
(i)	Claims against the group not acknowledged as debts	7,62,650	95,46,577
(ii)	Guarantees issued by the Banks	119,00,00,000	107,25,23,950
(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 )	1,177,623	960,320

##### (B) Commitments:-

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2017 (₹)	As at 31 <sup>st</sup> March, 2016 (₹)
(i)	Estimated amounts of contracts remaining to be executed on capital account and not provided for (Net of Advances)	924,540	19,67,215

7. (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 stock exchanges through their clearing corporations / professional clearing member and are utilized towards additional base capital/ exposure/ margin requirements of the respective Company.

8. Provisions made as per the NBFC Prudential Norms in respect of Loans & Advances, Trade Receivables and other assets in case of Emkay Fincap Limited, a Non Banking Finance Subsidiary are as below:

Particulars	For the year ended 31 <sup>st</sup> March 2017 (₹)	For the year ended 31 <sup>st</sup> March 2016 (₹)
Provision for Standard Assets	196,782	-
Provision for Sub-Standard Assets	130,252	116,731
<b>Total</b>	<b>327,034</b>	<b>116,731</b>

9. 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 generating sufficient profits in the future years and of receiving continued support from the holding company in the coming years. 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.

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

10. Other Current Liabilities includes ₹ 12,21,939/- (P.Y. ₹ 12,56,011/-) being aggregate amount of deposits in group companies bank accounts made directly by clients whose details are awaited.

#### 11. Assets taken on Operating Leases (on and after 1<sup>st</sup> 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 ₹ 19,658,900/- ( P.Y. ₹ 2,12,50,933/-).
- (b) The future minimum lease payments in respect of non-cancellable operating leases are as follows:

Particulars	For the year ended 31 <sup>st</sup> March, 2017 (₹)	For the year ended 31 <sup>st</sup> March, 2016 (₹)
a) Payments not later than one year	79,36,897	18,02,477
b) Payable later than one year and not later than five years	51,91,026	2,68,400
c) Payable later than five years	-	-
<b>Total</b>	<b>131,27,923</b>	<b>20,70,877</b>

#### 12. Earnings per share

	For the year ended March 31, 2017 (₹)	For the year ended March 31, 2016 (₹)
Profit/(Loss) available for Equity Shareholders (₹)	121,917,995	120,335,680
Weighted average number of Shares used in Computing Basic Earning per Share	24,437,907	24,437,750
Add : Potential number of Equity Share that could arise on exercise of Employee Stock Options	39,085	56,827
Weighted average number of Shares used in Computing Diluted Earning per Share	24,476,992	24,494,577
Nominal Value of Equity Shares (₹)	10	10
Basic Earnings Per Share (₹)	4.99	4.92
Diluted Earnings Per Share (₹)	4.98	4.91

#### 13. 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 Financing and Investment Activities ( hitherto referred as "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, 2017

<b>(c) Information about Business Segments</b>											
Sr. No.	Particulars	Advisory and Transactional Services			Financing & Investment Activities			Eliminations		Consolidated	
		Year ended 31 <sup>st</sup> March, 2017	Year ended 31 <sup>st</sup> March, 2016	Year ended 31 <sup>st</sup> March, 2017	Year ended 31 <sup>st</sup> March, 2016	Year ended 31 <sup>st</sup> March, 2017	Year ended 31 <sup>st</sup> March, 2016	Year ended 31 <sup>st</sup> March, 2017	Year ended 31 <sup>st</sup> March, 2016	Year ended 31 <sup>st</sup> March, 2017	Year ended 31 <sup>st</sup> March, 2016
<b>A. REVENUE</b>											
1a	Income from External Clients	996,588,678	972,697,938	55,750,140	57,748,404					1,052,338,818	1,030,446,342
1b	Income from Intersegment Operations	902,868	281,402	(240,563)	2,107,923	(662,305)	(2,389,325)				
	<b>Total Revenue</b>	<b>997,491,546</b>	<b>972,979,340</b>	<b>55,509,577</b>	<b>59,856,327</b>	<b>(662,305)</b>	<b>(2,389,325)</b>			<b>1,052,338,818</b>	<b>1,030,446,342</b>
<b>B. RESULTS</b>											
1	Segment Results(PBIT)	116,340,474	130,418,616	38,616,689	41,029,145	188,912	55,757			154,768,251	171,392,004
	Segment Results(PBIT) - Intersegment	188,912	55,757								
	<b>Total Segment Results (PBIT)</b>	<b>116,151,562</b>	<b>130,362,859</b>	<b>38,616,689</b>	<b>41,029,145</b>	<b>188,912</b>	<b>55,757</b>			<b>154,768,251</b>	<b>171,392,004</b>
2	Finance Cost*									26,609,417	27,631,049
3	Unallocated Income									36,075,813	22,811,666
4	<b>Profit from Ordinary Activities before exceptional item &amp; tax</b>									<b>164,234,647</b>	<b>166,572,621</b>
5	Exceptional Items	-								-	-
6	<b>Profit from Ordinary Activities after exceptional item but before tax</b>									<b>164,234,647</b>	<b>166,572,621</b>
7	Provision for Current Tax									37,690,000	38,856,000
8	Deferred Tax Charge/(Benefit)									4,651,540	1,899,040
9	Tax Provision of Earlier Years									(24,888)	5,481,901
10	<b>(Loss)/Profit After Tax</b>									<b>121,917,995</b>	<b>120,335,680</b>
11	Less:- Minority Interest									-	-
12	<b>(Loss)/Profit</b>									<b>121,917,995</b>	<b>120,335,680</b>
<b>C. OTHER INFORMATION:</b>											
1	Segment Assets	2,168,886,659	1,640,028,914	586,244,316	355,160,970	-	-			2,755,130,975	1,995,189,884
2	Unallocated Corporate Assets									241,954,068	268,056,663
3	<b>Total Assets</b>									<b>2,997,085,043</b>	<b>2,263,246,547</b>
4	Segment Liabilities	1,146,039,308	916,626,415	187,930,185	1,862,051	-	-			1,333,969,493	918,488,466
5	Unallocated Corporate Liabilities									9,605,565	2,084,059
6	Total Liabilities									1,343,575,058	920,572,525
7	Capital Expenditure (Including Capital Work in Progress)	52,426,380		784,443						53,210,823	25,790,047
8	Depreciation & Amortization	40,988,993		163,693						41,152,686	35,946,116
9	Unallocated Depreciation & Amortization									-	-
10	Total Depreciation & Amortization	40,988,993		163,693						41,152,686	35,946,116
11	Non Cash Expenses Other than Depreciation & Amortization	2,081,444		327,086						2,408,530	2,709,362

\* excluding Finance Costs incurred by a subsidiary engaged in Non-Banking Financial Activities.

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

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

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

### 15. Additional Information, as required under Schedule III to the Companies Act, 2013, of the enterprises consolidated as Subsidiary.

Name of Subsidiaries	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss	
	2016-17		2016-17	
	As % of Consolidated Net Assets	Amount (₹)	As % of Consolidated Profit or Loss	Amount (₹)
<b>Parent</b>				
Emkay Global Financial Services Ltd.	70.07%	1,183,291,743	52.09%	46,158,897
<b>Subsidiaries</b>				
Emkay Fincap Ltd.	23.78%	401,580,063	30.85%	27,338,110
Emkay Investment Managers Ltd.	3.22%	54,410,216	6.35%	5,625,215
Emkay Insurance Brokers Ltd.	0.47%	7,872,411	-1.13%	(999,570)
Emkay Commotrade Ltd.	2.46%	41,470,398	11.84%	10,495,404
<b>SubTotal</b>	<b>100.00%</b>	<b>1,688,624,831</b>	<b>100.00%</b>	<b>88,618,056</b>
Adjustments arising out of consolidation		(337,814,684)		33,299,939
<b>Total</b>		<b>1,350,810,147</b>		<b>121,917,995</b>

### 16. (a) Detailed information in respect of Equity Index / Stock Futures contracts outstanding and held for trading purpose (Open Interest) :-

Name of Equity Index / Stock Futures	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016		
	No. Of Contracts	No. Of Units	No. Of Contracts	No. Of Units	
		Long	Short	Long	Short
Nifty	14	-	1050	-	-

### (b) Detailed information in respect of Equity Index / Stock Options Contracts outstanding and held for trading purpose (Open Interest):-

Name of Equity Index / Stock Options	Premium carried forward as at March 31, 2017 [net of provisions made] (₹)	Premium carried forward as at March 31, 2016 [net of provisions made] (₹)
Nifty	44,61,220	35,44,743
<b>Total</b>	<b>44,61,220</b>	<b>35,44,743</b>





# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

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

#### (A) List of Related Parties

Sr. No.	Name of Related Party	Nature of Relationship
(i)	<b>Key Management Personnel/Individuals having control or significant influence</b>	
	a) Krishna Kumar Karwa	Managing Director & CFO
	b) Prakash Kacholia	Managing Director
(ii)	<b>Relatives of Key Management Personnel//Individuals having control or significant influence</b>	
	a) Preeti Kacholia	Director and 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) Nidhi Kacholia	
	i) Divya Kacholia	Relatives of Managing Director
	j) Krishna R. Kacholia	
	k) Deepak Kacholia	
(iii)	<b>Enterprises owned/ controlled by Key Management Personnel/Individuals having control or significant influence or their relatives</b>	
	a) Cambridge Securities	
	b) Synthetic Fibres Trading Company	Enterprises owned/ controlled by Key Management Personnel Individuals/having control or significant influence or their relatives
	c) Emkay Corporate Services Pvt. Ltd.	
	d) Krishna Investments	
	e) Seven Hills Capital	
(v)	<b>Others</b>	
	a) Emkay Charitable Foundation	Others



# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

### (B) Related Party Transactions for the year ended 31<sup>st</sup> March, 2017

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/Individuals having control or significant influence		Enterprises owned/ controlled by Key Management Personnel/Individuals having control or significant influence or their relatives		Others	
		16-17 12M	15-16 12M	16-17 12M	15-16 12M	16-17 12M	15-16 12M	16-17 12M	15-16 12M
		(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
<b>I</b>	<b>Expenditure</b>								
(a)	<b>Salaries &amp; Other Benefits *</b>	<b>17,808,000</b>	<b>12,000,000</b>	-	-	-	-	-	-
	- Krishna Kumar Karwa	8,904,000	6,000,000	-	-	-	-	-	-
	- Prakash Kacholia	8,904,000	6,000,000	-	-	-	-	-	-
(b)	<b>Brokerage &amp; Commission</b>	-	-	-	-	<b>67,476</b>	<b>31,976</b>	-	-
	- Krishna Investments	-	-	-	-	67,476	31,976	-	-
(c)	<b>Interest Paid</b>	-	-	-	-	<b>105,479</b>	-	-	-
	- Emkay Corporate Services Pvt. Ltd.	-	-	-	-	105,479	-	-	-
(d)	<b>Donation / Contribution</b>	-	-	-	-	-	-	-	<b>100,000</b>
	- Emkay Charitable Foundation	-	-	-	-	-	-	-	100,000
(e)	<b>Interim Dividend Paid</b>	-	<b>9,672,500</b>	-	<b>4,075,000</b>	-	<b>4,150,000</b>	-	-
	- Krishna Kumar Karwa	-	4,922,500	-	-	-	-	-	-
	- Prakash Kacholia	-	4,750,000	-	-	-	-	-	-
	- Preeti Kacholia	-	-	-	2,125,000	-	-	-	-
	- Krishna Kumar Karwa HUF	-	-	-	100,000	-	-	-	-
	- Raunak Karwa	-	-	-	1,750,000	-	-	-	-
	- M.D.Karwa HUF	-	-	-	100,000	-	-	-	-
	- Emkay Corporate Services Pvt. Ltd.	-	-	-	-	-	4,150,000	-	-
<b>II</b>	<b>Income</b>								
(a)	<b>Brokerage</b>	<b>176,170</b>	<b>365,206</b>	<b>414,474</b>	<b>517,038</b>	<b>1,162,796</b>	<b>1,037,532</b>	-	-
	- Krishna Kumar Karwa	148,397	344,990	-	-	-	-	-	-
	- Prakash Kacholia	27,773	20,216	-	-	-	-	-	-
	- Preeti Kacholia	-	-	373,825	295,233	-	-	-	-
	- Krishna Kacholia	-	-	-	37	-	-	-	-
	- Priti Karwa	-	-	11,312	61,464	-	-	-	-
	- Krishna Kumar Karwa HUF	-	-	8,200	9,040	-	-	-	-
	- Raunak Karwa	-	-	7,977	62,957	-	-	-	-
	- Soumya K Karwa	-	-	12,840	81,530	-	-	-	-
	- Murlidhar Karwa HUF	-	-	-	6,670	-	-	-	-
	- Divya Kacholia	-	-	160	-	-	-	-	-
	- Nidhi Kacholia	-	-	160	107	-	-	-	-
	- Emkay Corporate Services Pvt. Ltd.	-	-	-	-	3,305	4,500	-	-
	- Seven Hills Capital	-	-	-	-	392,852	21,175	-	-
	- Synthetic Fibres Trading Co.	-	-	-	-	766,639	1,011,857	-	-
(b)	<b>Depository Charges</b>	<b>2,315</b>	<b>2,085</b>	<b>10,470</b>	<b>9,188</b>	<b>3,365</b>	<b>3,248</b>	-	-
	- Krishna Kumar Karwa	870	1,485	-	-	-	-	-	-
	- Prakash Kacholia	1,445	600	-	-	-	-	-	-
	- Preeti Kacholia	-	-	7,620	4,592	-	-	-	-
	- Priti Karwa	-	-	735	1,062	-	-	-	-
	- Krishna Kacholia	-	-	-	1,090	-	-	-	-
	- Murlidhar Karwa HUF	-	-	-	502	-	-	-	-
	- Krishna Kumar Karwa HUF	-	-	600	637	-	-	-	-
	- Soumya K Karwa	-	-	570	840	-	-	-	-
	- Raunak Karwa	-	-	570	-	-	-	-	-
	- Divya Kacholia	-	-	330	-	-	-	-	-
	- Nidhi Kacholia	-	-	45	465	-	-	-	-
	- Cambridge Securities	-	-	-	-	315	15	-	-
	- Seven Hills Capital	-	-	-	-	765	-	-	-
	- Synthetic Fibres Trading Co.	-	-	-	-	1,380	2,331	-	-
	- Emkay Corporate Services Pvt. Ltd.	-	-	-	-	905	902	-	-



# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

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/Individuals having control or significant influence		Enterprises owned/ controlled by Key Management Personnel/Individuals having control or significant influence or their relatives		Others	
		16-17 12M	15-16 12M	16-17 12M	15-16 12M	16-17 12M	15-16 12M	16-17 12M	15-16 12M
		(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
(c)	<b>Portfolio Management Fees</b>	<b>262,339</b>	<b>197,818</b>	-	-	-	-	-	-
	- Prakash Kacholia	262,339	197,818	-	-	-	-	-	-
<b>III Others</b>									
(a)	<b>Payments made on behalf of</b>	-	-	-	-	-	-	<b>200</b>	-
	- Emkay Charitable Foundation	-	-	-	-	-	-	200	-
(b)	<b>Short Term Borrowing</b>	-	-	-	-	<b>5,000,000</b>	-	-	-
	- Emkay Corporate Services Pvt Ltd	-	-	-	-	5,000,000	-	-	-
(c)	<b>Repayment of Short Term Borrowing</b>	-	-	-	-	<b>5,000,000</b>	-	-	-
	- Emkay Corporate Services Pvt Ltd	-	-	-	-	5,000,000	-	-	-
(d)	<b>Other Long Term Liabilities : Security/Margin Money Refunded</b>	-	-	-	-	-	<b>200,000</b>	-	-
	- Krishna Investments	-	-	-	-	-	200,000	-	-
<b>IV Outstandings</b>									
(a)	<b>Trade Payables</b>	<b>397,841</b>	<b>2,654,518</b>	<b>3,285,661</b>	<b>763,427</b>	<b>39,025,446</b>	-	-	-
	- Krishna Kumar Karwa	36,908	-	-	-	-	-	-	-
	- Prakash Kacholia	360,933	2,654,518	-	-	-	-	-	-
	- Preeti Kacholia	-	-	3,285,516	763,427	-	-	-	-
	- Soumya K Karwa	-	-	145	-	-	-	-	-
	- Synthetic Fibres Trading Co.	-	-	-	-	5,228,968	-	-	-
	- Seven Hills Capital	-	-	-	-	33,796,478	-	-	-
(b)	<b>Trade Receivables</b>	<b>85,702</b>	<b>73,535</b>	<b>628</b>	<b>51,038</b>	<b>1,110,663</b>	<b>4,168,838</b>	-	-
	- Krishna Kumar Karwa	-	103	-	-	-	-	-	-
	- Prakash Kacholia	85,702	73,432	-	-	-	-	-	-
	- Priti Karwa	-	-	52	34	-	-	-	-
	- Raunak Karwa	-	-	397	395	-	-	-	-
	- Soumya K Karwa	-	-	-	52	-	-	-	-
	- Krishna Kumar Karwa HUF	-	-	52	34	-	-	-	-
	- Murlidhar Karwa HUF	-	-	128	128	-	-	-	-
	- Nidhi Kacholia	-	-	-	50,395	-	-	-	-
	- Krishna Investments	-	-	-	-	1,110,663	1,676,286	-	-
	- Seven Hills Capital	-	-	-	-	-	2,492,552	-	-

\* 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.**

18. 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.

19. Commission to Directors of ₹ 8,64,625/- (P.Y. ₹ 6,05,900/-) represents Commission to Independent Directors and Service Tax thereon.

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



# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

I.

Particulars	Year Ended	
	31 <sup>st</sup> March, 2017 (₹)	31 <sup>st</sup> March, 2016 (₹)
<b>(a) Expenditure in Foreign Currency</b>		
- Travelling Expenses	3,531,938	2,809,389
- Membership & Subscription	5,255,741	3,101,307
- Advertisement & Business Promotion	223,488	-
- Brokerage & Commission	4,078,023	2,420,511
- Others	502,558	150,998
<b>(b) Earnings in Foreign Currency</b>		
- Research Fees	10,671,513	9,560,877
- IB Advisory Fees	-	10,380,504
- Miscellaneous Income	315,885	236,607

II. 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.

21. Payment to Auditors includes ₹ 25,423/- (PY 20,888/-) in Audit Fees, ₹ 5,625/- (PY 5,325/-) in Tax Audit Fees, ₹ 14,518/- (PY 3,352/-) in fees for Taxation Matters, ₹ 8,408/- (PY 5,084/-) in other services towards Service Tax and Swachh Bharat Cess.

22. The group is entitled to aggregate MAT credit of ₹ 48,991,770/- (P.Y. ₹ 24,991,770/-) which shall be recognized as an asset as and when there are convincing evidence for the realization of the same.

23. Income includes Nil (P.Y. 4,92,339/-) and expenses includes ₹ 13,25,618/- (P.Y. 26,68,887/-) pertaining to earlier year.

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

- a) Loans given : Refer note no.3(ii)
- b) Investments made : Refer note no.2.11(a) and 2.11(b)
- c) Guarantee given : Refer note no.6(A)(iii)

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

Particulars	Purchases (₹)		Sales (₹)	
	2016-17	2015-16	2016-17	2015-16
Shares	161,494,753	88,611,571	203,647,425	61,738,177
Corporate Bonds	125,493,580	94,458,153	126,356,238	94,709,845

# NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

26. Statement containing salient features of the Financial Statement of subsidiaries or associate companies or joint ventures (AOC-1):-

### Part A: Subsidiaries

Serial Number	1	2	3	4
Name of Subsidiary	Emkay Fincap Ltd.	Emkay Commotrade Ltd.	Emkay Insurance Brokers Ltd.	Emkay Investment Managers Ltd.
Reporting Period	2016-17	2016-17	2016-17	2016-17
Reporting Currency	INR	INR	INR	INR
The date from which became subsidiary	16/05/2005	05/01/2006	08/03/2007	08/06/2010
Share Capital	220,000,000	85,000,000	41,000,000	25,000,000
Reserves & Surplus	181,580,064	(43,529,602)	(33,127,589)	29,410,216
Total Assets	590,543,485	122,212,673	9,568,316	57,304,429
Total Liabilities	188,963,421	80,742,275	1,695,905	2,894,213
Investments	216,747,144	-	-	47,455,808
Turnover/Total Income	55,820,310	33,439,411	12,079,565	21,166,564
Profit Before Tax	38,927,422	10,473,802	(1,002,074)	7,658,835
Provision for Taxation	11,589,312	(21,602)	(2,504)	2,033,620
Profit after Taxation	27,338,110	10,495,404	(999,570)	5,625,215
Proposed Dividend	-	-	-	-
% of Shareholding	100.00%	100.00%	100.00%	100.00%

Subsidiaries which are yet to commence operations: None

Subsidiaries which have been liquidated or sold during the year: None

### Part B: Associates and Joint Ventures: None

27. Emkay Fincap Limited a Subsidiary Company engaged in Non-banking Financial business has made non-current investment of ₹ 5,004,996/- (P.Y. ₹ 5,004,996/-) in the equity shares (unquoted) of Prothom Industries Pvt. Ltd. The book value of the said shares based on the latest available audited financial statement is substantially lower than cost of acquisition by the company. In the opinion of the Board of Directors of the said Subsidiary Company, the same is temporary in nature. Considering above and its intention to hold these investments on long term basis, no provision for diminution in value of these non-current investments is considered necessary in the accounts.

28. Details of Specified Bank Notes (SBN) held and transacted during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 by Parent Company and Subsidiaries is as follows:-

Particulars	SBNs	Other Denominations	Total
Closing Cash in Hand as on 08.11.2016	225,000	304,198	529,198
Add : Permitted Receipts	-	768,770	768,770
Less : Permitted Payments	-	598,489	598,489
Less : Amount Deposited in Banks	225,000	-	225,000
Closing Cash in Hand as on 30.12.2016	-	474,479	474,479

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

29. The Board of Directors of the Parent Company at their meeting held on May 24, 2017 proposed a dividend of ₹ 1.00 per share for the year ended March 31, 2017, subject to the approval of the members at the ensuing Annual General Meeting. In terms of revised Accounting Standard (AS) 4 “Contingencies and Events occurring after the Balance Sheet date”, the Company is not required to provide for dividend proposed/ declared after the Balance Sheet date. Consequently, no provision has been made in respect of the aforesaid dividend proposed by the Board of Directors of the Parent Company for the year ended March 31, 2017. If approved, the total liability arising to the Parent Company would be ₹ 294.13 Lakhs including dividend tax.
30. Figures pertaining to the Subsidiary Companies have been reclassified wherever necessary to bring them in line with the Parent Company’s Financial Statements.
31. Figures in brackets indicate previous year figures.
32. Figures of previous year have been regrouped, recasted and rearranged wherever necessary to make them comparable with the figures of the current year.
33. 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**

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

**Krishna Kumar Karwa**  
 Managing Director & CFO

**Prakash Kacholia**  
 Managing Director

**Bhalchandra Raul**  
 Company Secretary

Place: Mumbai  
 Dated: May 24, 2017

Place: Mumbai  
 Dated: May 24, 2017



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: 022-66121212 Fax:022-66121299 Email: compliance@emkayglobal.com

### AGM NOTICE

**Notice** is hereby given that the Twenty Third Annual General Meeting of the Members of Emkay Global Financial Services Limited will be held on Friday, 11<sup>th</sup> August, 2017 at 4.00 p.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4<sup>th</sup> 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 31<sup>st</sup> March, 2017 together with the reports of the Board of Directors and Auditors thereon.
2. To declare Dividend on equity shares of the Company for the Financial Year ended 31<sup>st</sup> March, 2017.
3. 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.
4. **Appointment of Statutory Auditors and to fix their remuneration.**

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, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or amendment(s) or re-enactment thereof, for the time being in force) and pursuant to the recommendation of the Audit Committee and the Board of Directors, S.R. Batliboi & Co. LLP, Chartered Accountants, Mumbai having Firm Registration Number 301003E/E300005, be and are hereby appointed as the Statutory Auditors of the Company for a period of five years to hold office from the conclusion of this Annual General meeting until the conclusion of the Annual General Meeting to be held for the financial year 2021-2022, subject to ratification of the appointment by members at every Annual General Meeting held after this Annual General Meeting, at such remuneration as may be determined by the Board of Directors, in place of M/s. B. L. Sarda & Associates, Chartered Accountants (Firm Registration No. 109266W whose tenure expires on conclusion of this Annual General Meeting.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committees thereof) be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

#### Special Business:

5. **Issue of securities under the provisions of Section 23,42 and 62 of the Companies Act, 2013.**

To consider and if thought fit to pass, with or without modification(s), the following resolution as a Special Resolution:

**“RESOLVED THAT,** pursuant to the provisions of the Companies Act, 2013 including Sections 23, 42 and 62 and all other applicable provisions, if any, of the Companies Act, 2013, as amended (the **“Companies Act”**) and the Rules made there under to the extent notified and in effect, the applicable provisions, if any, of the Companies Act, 1956, as amended (without reference to the provisions thereof that have ceased to have effect upon notification of sections of the Companies Act) and in accordance with the provisions of the Memorandum of Association and Articles of Association of the Company and subject to and in accordance with any other applicable laws or regulation, in India or outside India, including without limitation, listing agreement entered into with the stock exchanges where the equity shares of the Company are listed



## AGM NOTICE

(“**Stock Exchanges**”), the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (including any amendment/ modifications thereto or re-enactment thereof, for the time being in force) (“**SEBI ICDR Regulations**”), provisions of the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015, as amended, (“**SEBI Listing Regulations**”) the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, as amended or restated, the Depository Receipt Scheme 2014, the Foreign Exchange Management Act, 1999 (“**FEMA**”), as amended, Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon, from time to time, by Securities and Exchange Board of India, Reserve Bank of India, the Stock Exchanges, the Government of India, the Registrar of Companies or any other relevant authority from time to time (“**Governmental Authorities**”), to the extent applicable and subject to such approvals, consents, permissions and sanctions as may be required from such Governmental Authorities and subject to such conditions and modifications as may be prescribed, stipulated or imposed by such Governmental Authorities while granting such approvals, consents, permissions and sanctions, the consent, approval and sanction of the Board of Directors of the Company (hereinafter referred to as the “**Board**” which term shall be deemed to include any committee(s) thereof constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution to the extent permitted by law) be and is hereby granted to create, offer, issue and allot, (including with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons, as may be permitted), with or without a green shoe option, such number of equity shares of the Company with a face value of Rs. 10 (Rupees Ten) each (“**Equity Shares**”) and/or Equity Shares through convertible bonds (whether denominated in Indian rupees or foreign currency) and/or other securities convertible into Equity Shares at the option of the Company and/or the holder(s) of such securities and/or securities linked to Equity Shares or other securities with or without warrants, which may either be detachable or linked, and which warrant has a right exercisable by the warrant holder to subscribe for the Equity Shares and/or warrants with an option exercisable by the warrant holder to subscribe for Equity Shares and/or any instruments or securities representing either Equity Shares and/or convertible securities linked to Equity Shares (including the issue and allotment of Equity Shares pursuant to a green shoe option, if any), or any combination of securities convertible into or exchangeable for equity shares including without limitation through Global Depository Receipts (“**GDRs**”) and/or American Depository Receipts (“**ADRs**”) and/ or convertible preference shares and/or convertible debentures (compulsorily and/or optionally, fully and/ or partly) and/or Commercial Papers and/or warrants with a right exercisable by the warrant holder to exchange or convert such warrants with the Equity Shares of the Company at a later date simultaneously with the issue of non-convertible debentures and/or Foreign Currency Convertible Bonds (“**FCCBs**”) and/or any other permitted fully and/or partly paid securities/ instruments/ warrants, convertible into or exchangeable for equity shares at the option of the Company and/or holder(s) of the security(ies) and/ or securities linked to equity shares, in registered or bearer form, secured or unsecured, listed on a recognized stock exchange in India or abroad whether rupee denominated or denominated in foreign currency (all of which are hereinafter collectively referred to as “**Securities**”) or any combination of Securities, in one or more tranches, in India or in course of international offering(s) in one or more foreign markets, by way of one or more public and/or private offerings, Qualified Institutions Placement (“**Qualified Institutional Placement**” or “**QIP**”) and/or on preferential allotment basis or any combination thereof, through issue of prospectus and /or placement document/ or other permissible/requisite offer document to any eligible person, including qualified institutional buyers (“**QIBs**”) in accordance with Chapter VIII of the SEBI ICDR Regulations, (whether residents and/or non-residents and/or institutions/banks and/or incorporated bodies, mutual funds, venture capital funds (foreign or Indian) alternate investment funds, foreign institutional investors, foreign portfolio investors, qualified foreign investors and/or multi-lateral financial institutions, stabilizing agents and/or any other eligible investors, and/or to such investors who are eligible to acquire such Securities in accordance with all applicable laws, rules, regulations, guidelines and approvals and whether they be holders of the Equity Shares of the Company or not (collectively called the “**Investors**”) as may be decided by the Board in its absolute discretion and permitted under applicable laws and regulations, in consultation with the lead managers, advisors or other intermediaries for an aggregate amount not exceeding Rs. 150 crores (Rupees One Hundred and Fifty Crore) or its equivalent thereof, in one or more currencies, if any, inclusive of such premium as may be fixed on the Securities by offering the Securities, at such price or prices, at a permissible discount (including but not limited to any discount as may be permitted under Chapter VIII of SEBI ICDR Regulations) or premium to market price or prices permitted under





## AGM NOTICE

applicable laws in such manner and on such terms and conditions including security, rate of interest etc. as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of other categories of Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead manager(s) and/or underwriter(s) and/or other advisor(s) or intermediary (ies) appointed and / or to be appointed by the Company (the “**Issue**”).

**RESOLVED FURTHER THAT** in case of any offering of Securities, including without limitation any GDRs / ADRs / FCCBs / other securities convertible into equity shares, consent of the shareholders be and is hereby given to the Board to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion, redemption or cancellation of any such Securities referred to above in accordance with the terms of issue/offering in respect of such Securities and such equity shares shall rank pari passu with the existing equity shares of the Company in all respects, except as may be provided otherwise under the terms of issue/offering and in the offer document and/or offer letter and/or offering circular and /or listing particulars.

**RESOLVED FURTHER THAT** in case of any issue of Securities made by way of QIP in terms of Chapter VIII of the SEBI ICDR Regulations, the allotment of the Securities or any combination of Securities as may be decided by the Board shall be completed within 12 months from the date of this Resolution or such other time as may be allowed under the SEBI ICDR Regulations from time to time at such a price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of SEBI ICDR Regulations. The Company may, in accordance with applicable law, also offer a discount of not more than 5 % or such percentage as permitted under applicable law on price calculated in accordance with the pricing formula provided under SEBI ICDR Regulations.

**RESOLVED FURTHER THAT** in the event the Equity Shares are issued pursuant to the QIP in accordance with Chapter VIII of the SEBI ICDR Regulations, the “**Relevant Date**” for the purpose of pricing of the Equity Shares shall be the date of the meeting in which the Board (including a committee of the Board) decides to open the proposed Issue and in the event eligible convertible securities (as defined under the SEBI ICDR Regulations) are issued pursuant to the QIP, the relevant date for the purpose of pricing of such convertible securities and for the purpose of pricing of the Securities by way of GDRs/ADRs/FCCBs or by way of any other issue(s), shall be either the date of the meeting in which the Board of the Company (including a committee of the Board) decides to open the proposed Issue of such convertible securities or the date on which the holder of such convertible securities become entitled to apply for the Equity Shares or the date as specified under the applicable law or regulation.

**RESOLVED FURTHER THAT** the Board and other designated officers of the Company be and are hereby severally authorised to make all filings including as regards the requisite listing application/ prospectus/ offer document/registration statement, or any draft(s) thereof, or any amendments or supplements thereof, and of any other relevant documents with the Stock Exchanges (in India or abroad), the RBI, the FIPB, the SEBI, the Registrar of Companies and such other authorities or institutions in India and/or abroad for this purpose and to do all such acts, deeds, matters and things as may be necessary or incidental to give effect to the resolutions above and the Common Seal of the Company be affixed wherever necessary.

**RESOLVED FURTHER THAT** the Board / committee of directors be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted, including issue and allotment of Equity Shares upon conversion of any Securities referred to above or as may be necessary in accordance with the terms of the issue, all such Equity Shares shall rank pari passu inter-se and with the then existing Equity Shares of the Company in all respects, including dividend, which shall be subject to relevant provisions of the Memorandum of Association and Articles of Association of the Company and the applicable laws and regulations including any rules and regulations of any Stock Exchanges.

**RESOLVED FURTHER THAT** the Board / committee of directors be and is hereby authorized to engage, appoint lead manager(s), underwriter(s), guarantor(s), depositories, custodian(s), registrar(s), stabilizing agent(s), trustee(s), banker(s), lawyer(s), advisor(s) and all such professionals or intermediaries or agencies as may be involved or concerned in such



## AGM NOTICE

offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such memorandum(s), arrangement(s), placement agreement(s) / underwriting agreement(s) / deposit agreement(s) / trust deed(s) / subscription agreement / payment and conversion agency agreement / any other agreements or documents, etc., with such agencies and also to seek the listing of such Securities on the Stock Exchange(s) / International Stock Exchanges and the Equity Shares to be issued on conversion of the Securities as set forth in the aforesaid resolution, if any, on the Stock Exchange(s), authorising any director(s) or any officer(s) of the Company to sign for and on behalf of the Company, the offer document(s), agreement(s), arrangement(s), application(s), authority letter(s), or any other related paper(s) / document(s) and give any undertaking(s), affidavit(s), certificate(s), declaration(s) as the Board may in its absolute discretion deem fit including the authority to amend or modify the aforesaid document(s).

**RESOLVED FURTHER THAT** for the purpose of giving effect to any offer, issue or allotment of Equity Shares or Securities or instruments representing the same, as described above, the Board, where required in consultation with the merchant bankers/ lead managers and/or other advisors as mentioned above, be and is hereby authorised on behalf of the Company, to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including but not limited to finalize, approve and issue any document(s), including finalization and approval of the preliminary as well as final offer document(s), letter of offer, determining the form and manner of the Issue, including the selection of qualified institutional buyers and/or such Investors to whom the Securities are to be offered, issued and allotted, number of Securities to be allotted, issue price, face value, discounts permitted under applicable law (now or hereafter), premium amount on issue/conversion of the Securities, if any, rate of interest, period of conversion or redemption, listing on one or more stock exchanges in India and/or abroad and any other terms and conditions of the issue, including any amendments or modifications to the terms of the Securities and any agreement or document (including without limitation, any amendment or modification, after the issuance of the Securities), the execution of various transaction documents, creation of mortgage/ charge in accordance with the provisions of the Companies Act and any other applicable laws or regulations in respect of any Securities, either on a pari passu basis or otherwise, fixing of record date or book closure and related or incidental matters as the Board in its absolute discretion deems fit and to settle all questions, difficulties or doubts that may arise in relation to the issue, offer or allotment of the Securities, accept any modifications in the proposal and matters related thereto and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to such issue(s) or allotment(s) as it may, in its absolute discretion, deem fit without being required to seek further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board / Committee of directors be and is hereby authorized to form a committee and/or delegate all or any of its power to any committee of directors (including any officer(s) of the Company) to give effect to the aforesaid resolutions and is authorized to take such steps and to do all such acts, deeds, matters and things and accept any alterations or modification(s) as they may deem fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise in regard to issue and allotment of Equity Shares.

**RESOLVED FURTHER THAT** for the purpose aforesaid, the Board/Committee of Directors be and is hereby severally authorized to settle all questions, difficulties, or doubts that may arise in regard to the issue, offer and allotment of the securities.”

**Registered Office:**

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

Place: Mumbai  
Date: 6<sup>th</sup> July, 2017

By Order of the Board of Directors

**For Emkay Global Financial Services Limited**

**B. M. Raul**

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 23rd 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 Business / 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. Profile of the Director seeking re-appointment, as required in terms of Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard -2 issued by the Institute of Company Secretaries of India is annexed to this notice.
8. The Register of Members and Share Transfer Books of the Company will remain closed from **Tuesday, 1<sup>st</sup> August, 2017 to Friday, 11<sup>th</sup> August, 2017** (both days inclusive).
9. The final dividend, as recommended by the Board, if approved at the AGM, in respect of equity shares held in electronic form will be payable to the beneficial owners of the shares as on 31<sup>st</sup> July, 2017 as per the downloads furnished to the Company by Depositories for this purpose. In case of shares held in physical form, dividend will be paid to the shareholders, whose names shall appear on the Register of Members as on 31<sup>st</sup> July, 2017
10. Members holding shares in physical form are requested to notify immediately 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.
11. In case of joint holders attending the meeting, the joint holder with highest, in order of names will be entitled to vote.
12. 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.

## AGM NOTICE

13. Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013, the Company has transferred on due dates, the unpaid or unclaimed dividends for the financial year upto 2007-2008 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. Members who have not yet encashed dividend for the financial year 2009-2010 and all subsequent years must claim the same as early as possible failing with it would be transferred to IEPF as per the dates mentioned herein below. In terms of Section 125 of the Companies Act, 2013, no claim shall lie against the Company after the said transfer. It is in the shareholders' interest to claim any unclaimed dividends and for future, opt for Electronic Clearing Services, so that dividends paid by the Company are credited to the investor's bank account on time. The balance amount lying in Unpaid Dividend Account for the financial year 2009-2010 is due for transfer to the IEPF, during the month of October / November, 2017.

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

Financial Year	Seven Years expiring on	Transfer to IEPF Account on or before
2009-2010	04.10.2017	03.11.2017
2010-2011	05.09.2018	05.10.2018
2011-2012	11.09.2019	10.10.2019
2015-2016 (Interim Dividend)	14.04.2023	13.05.2023

**Note:** No Dividend was declared for the Financial Year 2008-2009, 2012-2013, 2013-2014 and 2014-2015 hence provisions relating to transfer of unpaid/unclaimed dividend to IEPF are not applicable.

Pursuant to the provisions of section 124(6) of the Companies Act, 2013 read with The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 notified by the Ministry of Corporate Affairs, New Delhi w.e.f. 7<sup>th</sup> September, 2016, and further notification dated 28.02.2017 issued by Ministry of Corporate Affairs, amending the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 which has come into force w.e.f. 28.02.2017, all the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more as provided under subsection (5) of Section 124 has been completed or being completed during the period from 7.9.2016 to 31.05.2017 were required to be transferred to IEPF Account by 31.05.2017. In the meantime Ministry of Corporate Affairs vide General Circular No.06/2017 dated 29.05.2017 has informed that IEPF Authority is considering to open Special Demat Account and till opening of demat accounts, the due date for transfer of shares stands extended and revised due date for transfer /transmittal of shares shall be notified soon by MCA. All the shareholders who have not claimed their unpaid dividend are requested to claim their unclaimed dividends, otherwise the unclaimed dividend and such shares will be transferred to IEPF account by the respective due dates.

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 on Website of Ministry of Corporate affairs at [www.mca.gov.in](http://www.mca.gov.in).

14. 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.
15. 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



## AGM NOTICE

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.

16. Electronic copy of the Notice of the 23<sup>rd</sup> 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 Participants(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 23<sup>rd</sup> 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.
17. Members may also note that the Notice of the 23<sup>rd</sup> Annual General Meeting and the Annual Report for 2016-2017 will also be available on the Company's website [www.emkayglobal.com](http://www.emkayglobal.com)
18. The Route map showing directions to reach the venue of the 23<sup>rd</sup> Annual General Meeting is annexed.
19. **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 23<sup>rd</sup> 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 23<sup>rd</sup> 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 Dhaliwala, 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 4<sup>th</sup> August, 2017 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. 4<sup>th</sup> August, 2017 only.

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

- (i) The voting period begins on 8<sup>th</sup> August, 2017 at 9.30 a.m. and ends on 10<sup>th</sup> August, 2017 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 4<sup>th</sup> August, 2017, may cast their vote electronically. The 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 / Members
- (iv) Now 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.



## AGM NOTICE

- (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:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• 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.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>• If both 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).</li> </ul>

- 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 is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (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 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.
- (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 of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.



## AGM NOTICE

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
- 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 linked in the login 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.

(xx) 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)

20. 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 4<sup>th</sup> August, 2017.
21. 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.4<sup>th</sup> August, 2017, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
22. 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.
23. 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.
24. 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.
25. 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.
26. The results declared along with 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.



# AGM NOTICE

## EXPLANATORY STATEMENT

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

#### ITEM NO. 4

M/s B. L. Sarda & Associates, Chartered Accountants were appointed as the Statutory Auditors of the Company by the Members at the Annual General Meeting (AGM) held on **9<sup>th</sup> October, 1995** and thereafter each year till the year 2014. Thereafter, at the 20<sup>th</sup> AGM held on 13<sup>th</sup> August, 2014, they were re-appointed as auditors for a period of three Financial Years 2014-15, 2015-16 and 2016-17 to hold office from conclusion of 20<sup>th</sup> AGM till the conclusion of the 23rd AGM to be held in 2017, subject to ratification by members at every AGM.

As per the provisions of the Companies Act, 2013 ("the Act"), no listed company shall appoint an audit firm (including its affiliates firms) as auditors for more than two terms of five consecutive years. The Act also provided for additional transition period of three years from the commencement of the Act i.e. 1<sup>st</sup> April, 2014. M/s B.L. Sarda & Associates have completed period of ten years and will also be completing the additional transition period of three years at the conclusion of the forthcoming AGM.

The term of M/s B. L. Sarda & Associates expires at the conclusion of the forthcoming Annual General Meeting. The Audit Committee and the Board of Directors have placed on record their deep appreciation for the professional services rendered by M/s B. L. Sarda & Associates during their association with the Company as its auditors.

The Audit Committee along with the Management had invited proposals from some reputed firms of Chartered Accountants and had discussion with representatives of those firms. The Committee after considering various parameters such as reputation of the firm, knowledge and experience of the partners, understanding of broking business assessment of the audit skills and the Audit fees recommended S. R. Batliboi & Co. LLP, Chartered Accountants, Firm Registration No. 301003E/E300005, Mumbai as new Statutory Auditors of the Company. The Board of Directors based on the recommendations of the Audit Committee proposes appointment of S.R.Batliboi & Co. LLP, Chartered Accountants, Firm Registration No. 301003E/E300005, Mumbai as the Statutory Auditors of the Company to the Members for their approval for a period of five years to hold office commencing from conclusion of the 23rd Annual General Meeting until the conclusion of the Annual General Meeting to be held for the financial year 2021-2022, subject to ratification of the appointment by members at every Annual General Meeting held after this Annual General Meeting, at such remuneration as may be determined by the Board of Directors.

S. R. Batliboi & Co. LLP, Chartered Accountants have confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

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

None of the Directors, Key managerial Personnel of the Company or relatives of Directors/Key Managerial Personnel are in any way deemed to be concerned or interested financially or otherwise in the resolution set out at Item No. 4 of the Notice.

#### Item No.5

### Issue of securities under the provisions of Section 23, 42 and 62 of the Companies Act, 2013 and the Rules made there under.

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

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



## AGM NOTICE

The pricing of the Securities to be issued to Qualified Institutional Buyers pursuant to Chapter VIII of the SEBI ICDR Regulations shall be determined by the Board subject to such a price not being less than the price calculated in accordance with Regulation 85 of the SEBI ICDR Regulations.

The Special Resolution seeks to give the Board/ Committee the powers to issue Securities in one or more tranche or tranches, at such time or times, at such a price or prices and to such person(s) including institutions, incorporated bodies and/or individuals or otherwise as the Board, in its absolute discretion, deems fit for an aggregate amount not exceeding ₹ 150 crore (Rupees One Hundred and Fifty Crore). The detailed terms and conditions for the offer will be determined by the Board/Committee in consultation with the advisors, lead managers, underwriters and such other authority or authorities as may be required to be consulted by the Company considering the prevailing market conditions and in accordance with the applicable provisions of law, and other relevant factors.

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

The Board of Directors recommends the Resolution set out at item No. 5 for your approval as a Special Resolution.

None of the Directors, Key managerial Personnel of the Company or relatives of Directors/Key Managerial Personnel are in any way deemed to be concerned or interested financially or otherwise in the resolution set out at Item No. 5 of the Notice.

**Registered Office:**

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

Place: Mumbai  
Date: 6<sup>th</sup> July, 2017

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

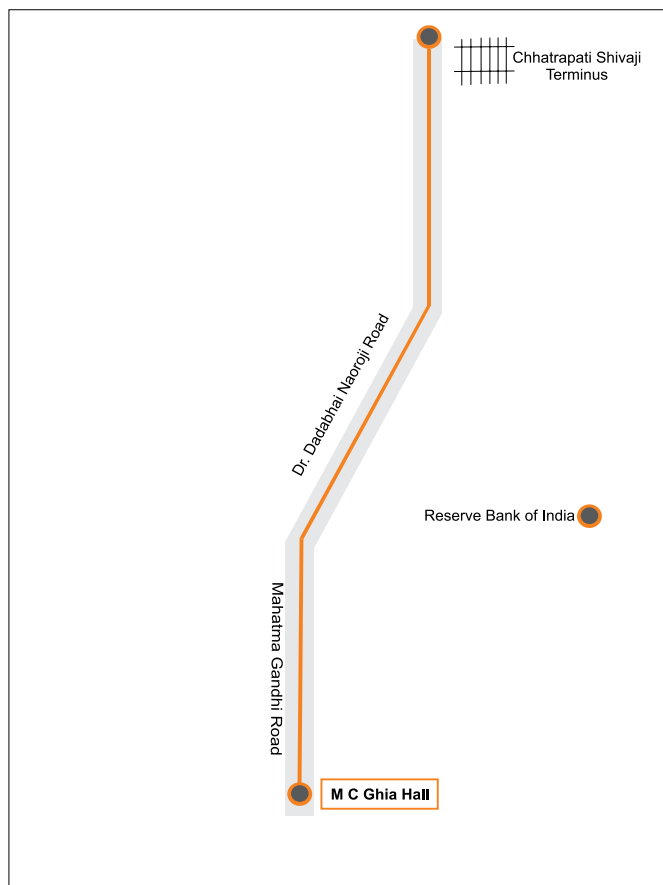
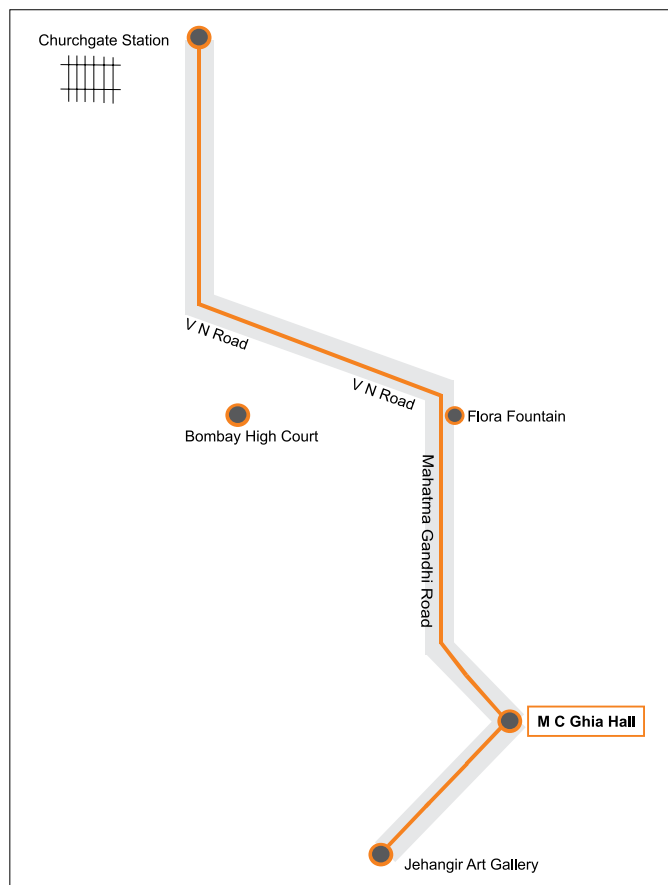
**B. M. Raul**  
Company Secretary & Compliance Officer

## AGM NOTICE

**Profile of the Directors being re-appointed at the 23<sup>rd</sup> Annual General Meeting in pursuance of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Name of Director	Mr. S. K. Saboo
DIN	00373201
Date of Birth	5 <sup>th</sup> November, 1942
Age	74 years
Date of Appointment	15 <sup>th</sup> September, 1995
Experience in Specified Functional Area	Rich and vast experience of over 49 years in the field of Management.
Percentage of shares held in the Company	Nil
Qualification	B.Com
List of other Companies in which associated as Director	Indophil Textile Mills Inc; Philippines
Chairman / Memberships of the Committee of the Board of other Companies in which associated as a Director	Chairman/Member: NIL

### Road Map showing directions to reach the venue - (M C Ghia Hall)





Your success is our success

## Emkay Global Financial Services Limited

CIN No. L67120MH1995PLC084899

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

Website: www.emkayglobal.com T: 022-66121212 Fax: 022-66121299 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 23<sup>rd</sup> Annual General Meeting of the Company, to be held on Friday, 11<sup>th</sup> day of August, 2017 at 4.00 p.m. at "Suryodaya Banquets" (M. C. Ghia Hall), Bhogilal Hargovindas Building, 4<sup>th</sup> 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 31 <sup>st</sup> March, 2017 together with the reports of the Board of Directors and Auditors thereon.
2	To declare Dividend on equity shares of the Company for the Financial Year ended 31 <sup>st</sup> March, 2017.
3	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.
4	To appoint Statutory Auditors and to fix their remuneration.
5	Special resolution for Issue of securities under the provisions of Section 23, 42 and 62 of the Companies Act, 2013.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

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

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

Affix
Revenue
Stamp of
₹1

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



Your success is our success

## Emkay Global Financial Services Limited

CIN No. L67120MH1995PLC084899

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

Website: www.emkayglobal.com T: 022-66121212 Fax:022-66121299 Email: compliance@emkayglobal.com

### ATTENDANCE SLIP

I hereby record my presence at the 23<sup>rd</sup> Annual General Meeting of the Company held on Friday, 11<sup>th</sup> August, 2017 at 4.00 p.m. at "Suryodaya Banquets" (M.C Ghia Hall), Bhogilal Hargovindas Building, 4<sup>th</sup> 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.



**Emkay Global Financial Services Ltd**

CIN: L67120MH1995PLC084899

Registered Office: The Ruby, 7th Floor, Senapati Bapat Marg,  
Dadar West, Mumbai 400 028. Tel: +91 22 66121212