



**GROWTH
DELIVERED**



**PERFORMANCE
PROVEN**



**ACCELERATION
SET**

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Welcome to Emkay Global Annual Report 2017-18



Please get this report online at
www.emkayglobal.com

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
Bharat Kumar Singh, Add. Director
Preeti Kacholia, Woman Director
Krishna Kumar Karwa, Managing Director
Prakash Kacholia, Managing Director

Chief Financial Officer

Saket Agrawal

Company Secretary & Compliance Officer

B. M. Raul

Corporate Identification Number (CIN)

L67120MH1995PLC084899

Website

www.emkayglobal.com

Statutory Auditors

S. R. Batliboi & Co. LLP.
Chartered Accountants

Secretarial Auditors

Parikh & Associates,
Practising Company Secretaries

Internal Auditors

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, 7th Floor,
Senapati Bapat Marg,
Dadar (West), Mumbai - 400 028
Tel. No.: 022-66121212

Administrative Office

Building 'C-06', Ground Floor,
Paragon Centre,
Pandurang Budhkar Marg, Worli,
Mumbai - 400 013
Tel. No.: 022-66299299

Registrar & Transfer Agents

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

Our Visiting Card

From humble beginnings in 1995, Emkay Global Financial Services Ltd. today is amongst the top players in financial services in India. At the heart of our enduring success is consistent wealth creation for our clients emanating from our insightful research and in-depth analysis, backed by deep domain expertise.

Research



Research is our strongest forte and biggest differentiator. Our award-winning research desk covers Perspective Research, Corporate Research and Alternative Research. Emkay Research reports are amongst the most sought-after reports for their macro perspective as well as granular details. Our team of senior and seasoned analysts cover a wide range of complex sectors and industries.



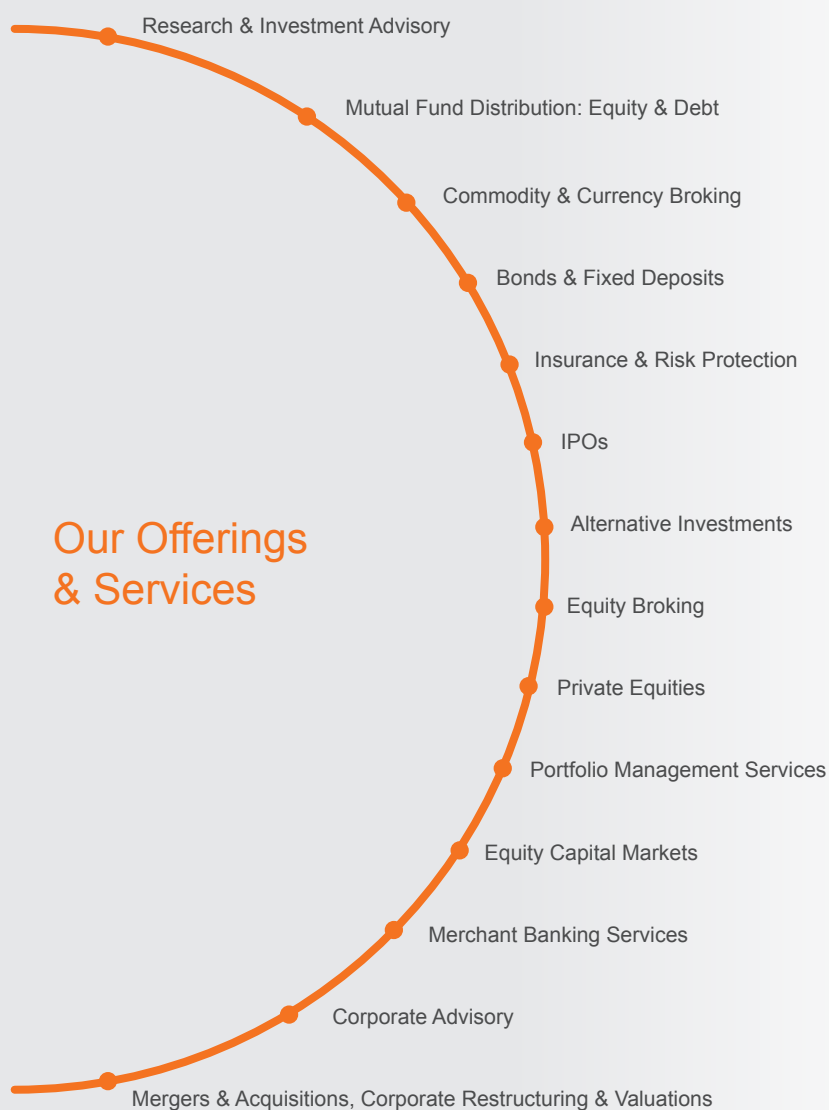
Along this eventful journey, we have won numerous awards and recognitions, validating our leadership position.

We were awarded India's Most Trusted Financial Brand in 2016-2017 by World Consulting & Research Corporation and India's Most Admired Services Provider in Financial Sector by CMO Asia in 2017.

We offer a variety of advisory and transactional services to our clients that include foreign institutional investors, domestic mutual funds, banks, insurance

companies, private equity firms, corporate houses, small and medium-sized enterprises and high net worth individuals.

Our range of service offerings include institutional and retail broking in equities and derivatives on the Bombay Stock Exchange and National Stock Exchange, portfolio management services, private wealth management, investment banking, commodities and currency broking & advisory.



Our Promise

To protect Clients' trust and expectations by ensuring that every person meets the set value proposition. This means we build for our clients a focussed and quality portfolio with no over-diversification.



Our Mission

To provide our clients with secure, customised and comprehensive financial solutions to achieve sustained growth.



Our Values

- To be fair, empathetic and responsive in serving our clients
- To respect and reinforce our fellow employees and the power of teamwork
- To strive relentlessly to improve what we do and how we do it
- To always earn and be worthy of our customers' trust

Timeline - Our Journey

We took our first steps in the journey in 1995 with a vision of providing sound and research-backed financial advice to clients. Building on the strong foundation of research and insights, we have continued increasing our bouquet of offerings with a range of advisory and transactional services. Today, our comprehensive services portfolio has institutional equities, investment banking, portfolio management services and wealth management through four wholly-owned subsidiaries.



2012

Commences
Currency Broking

2014

Closes first PIPE deal of
Somany Ceramics. Also
closes first QIP as BRLM
of Dynamic Technologies

2015

Acts as sole book
running lead manager
for QIP of MPS Ltd.

2016

Acts as sole manager to the
Preferential Issue of ₹ 150
crore of Time Technoplast

2017

Signs an exclusive agreement with DBS
Vickers Securities (Singapore) Pte Ltd,
a wholly-owned subsidiary of DBS Bank
for sharing of knowledge, co-branding of
research and its distribution to the global
clients of DBS Vickers.
Also, Emkay Investment Managers Ltd
launches its maiden Alternative Investment
Fund (A fund sponsored by Emkay Global
Financial Services Ltd.)

Management Message



Prakash Kacholia

Krishna Kumar Karwa

Dear Shareholders,

It is always a pleasure and privilege to share with you our thoughts and views on the performance and prospects of the Company.

The world economy embarked on a synchronous recovery in 2018 but subsequently faced headwinds of trade protectionism and strong idealisation towards domestic-centric growth approach. In India too, the implementation of demonetisation and GST caused temporary setbacks, particularly in the informal segment. As the effect of these aberrations faded, the Indian capital markets rebounded with smart recovery.

As the Indian economy surges ahead with significant GDP growth, what is interesting is the structural changes in the form of reforms like GST which are aimed at formalising the economy. Another interesting development has been the increasing interest of investors in India that has resulted in better liquidity. The overall financial services space has witnessed significant growth, particularly with more household savings getting invested in financial assets through Mutual Funds, Insurance, Banks, Direct Investments in Equities and Bonds, among others. This trend is only expected to increase in the days to come, and definitely augurs well for financial intermediaries and service providers.

For Emkay, FY18 was another year of remarkable growth and performance. Driven by strong performance of all segments, the Consolidated Income rose to

₹ 156.57 crore in FY18 from ₹ 108.84 crore in FY17, an increase of 43.85 per cent. EBIDTA rose to ₹ 45.52 crore compared to ₹ 23.74 crore in FY17, an increase of 91.74 per cent. Profit after Tax for the year was ₹ 28.62 crore compared to ₹ 12.19 crore in FY17, an increase of 134.70 per cent.

Our well diversified and research-backed service offerings, nationwide reach, strong brand equity, coupled with the latest technological infrastructure and strong risk management systems have resulted in consistent and steady growth. Some key highlights of the year were:

- We successfully launched and closed our maiden Alternative Investment Fund - Emkay Emerging Stars Fund
- Another proud moment came in June 2017 when we inked an agreement with DBS Vickers, a wholly-owned subsidiary of DBS Bank, for sharing of knowledge, co-branding of research and its distribution to the global clients of DBS Vickers
- We were recognised as 'India's Most Admired Service Provider' by CMO Asia
- Our institutional client base increased from 299 in FY17 to 324 in FY18, and the number of non-institutional clients increased to 1.39 lac
- While the institutional segment contributed 59 per cent of the total equity broking business during FY18, the non-institutional segment accounted for 41 per cent

Our performance within each business segment also remained upbeat during FY18. The rising influence of domestic players in the Indian markets, especially that of the Mutual Fund industry and number of retail investors has brought about a remarkable transformation in the last few years, which provided a considerable fillip to mid-cap and small-cap stocks, thereby enhancing the liquidity and depth of the Indian stock markets.

With a strong presence in each segment of the financial markets, we benefited considerably from this transformation. Our leading position across a wide array of financial services and a 3 per cent market share in the domestic institutional business helped us to surge ahead at a stronger pace.

- Our currency derivatives business too experienced a swell in options volumes, which reflected in our revenues that increased 32 per cent in FY18 year-on-year
- FY18 also brought the much-awaited SEBI approval for options in the commodity business

Marquee Events

We signed an exclusive agreement with DBS Vickers Securities (Singapore), a wholly-owned subsidiary of DBS Bank, an AA- rated bank with a stable outlook (S&P rating), for sharing of knowledge, co-branding of research and its distribution to the global clients of DBS Vickers. The partnership would involve your Company and DBS Vickers to jointly organise, arrange and participate in events to showcase and market India Research Reports and India Equities, to empower them with inclusive and insightful equity research. Such events would not only open up a wider audience base for your Company, but also increase the depth of our offerings to domestic clients.

We sponsored the launch of Emkay Emerging Stars Fund, our maiden research backed Category III Alternative Investment Fund by Emkay Investment Managers, our wholly-owned subsidiary company. This is a five-year, close-ended and sector agnostic fund with a focus on mid and small cap companies and a fund-raising commitment of ₹ 200-300 crore. The objective of the Fund is to generate long-term capital appreciation for investors with an investment horizon

of five years in Indian equity. In a short span of three months from the date of its launch, Emkay Emerging Stars Fund crossed the milestone of ₹ 200 crore in AUM.

Outlook

As growth gathers momentum, and with favourable demographics, we expect higher savings tilted towards equity markets, especially via mutual funds. Dwindling interest of households in real estate is also expected to shift a significant portion of the incremental savings into the financial markets. As per data from CDSL & NSDL, there is already a ~16 per cent increase in the number of active demat accounts. The financial sector in India is looking robust.

Going forward, with improving income growth and favourable demographics, we can anticipate a surge in household savings moving towards the equity markets. This would continue to augur well for our industry and for your Company.

We believe growth in FY19 shall largely be driven by government spending and progress of the fiscal multiplier effect. Overall, we see real GDP growth rising to 7 per cent in FY19.

Before we sign off, we express deep gratitude to all our stakeholders and employees for their continued faith and support. Overall, we are quite confident and optimistic about the near and mid-term prospects of the Company and greater value creation for all stakeholders.

With Regards

Krishna Kumar Karwa
Prakash Kacholia
Managing Directors

Our Spectrum of Financial Services

Emkay's financial services are broadly focussed on four segments, namely, Institutional Equities, Asset / Portfolio Management Services, Wealth Management, ECM & Merchant Banking Services. Research is the common denominator that supports each of these businesses providing a significant and substantial competitive advantage.

Institutional Equities

Promising value to investors seeking investment opportunities in the Indian capital market, our equity business caters to both institutional and retail clients. Backed by one of the strongest equity research teams in the country, we assist in adding wealth-creating equities to our clients' portfolios. Identifying under-valued stocks through in-depth qualitative and quantitative analysis is the primary strength responsible for the Company's success. Our success is also built on the other four pillars of strategic thinking, long-term client relationships, speedy execution and use of robust technology.

During FY18, the institutional segment contributed 59 per cent of the total equity broking business. The total number of institutional clients increased to 324 during FY18 from 299 in the previous financial year.

The Institutional sales team was ranked 5th in India by Institutional Investor Survey 2017 and 7th by Asiamoney Brokers Poll, 2017.

Equity Asset Management

Emkay Investment Managers Ltd., is a registered Portfolio Manager and offers six types of Portfolio Management Services (PMS) catering to individual risk appetites, goals and investment preferences.

It offers clients a superior research-based portfolio that effectively manages risks and optimises returns. To the large corporate investors and high net worth individuals, highly customised and personalised advisory services are offered.

Our team comprises professional fund managers, research and wealth advisors and associates with a combined experience of 30+ years. Our expertise embraces the entire Indian equities market, from blue-chip large cap companies and well-performing mid-cap companies to emerging small caps too.

Our investment strategies have consistently outperformed the index over the years, creating substantial wealth for our clients.

During the year, Emkay Investment Managers launched the Emkay Emerging Stars Fund, its maiden Category III Alternative Investment Fund (AIF) with the primary objective of

generating long-term capital appreciation in Indian equity markets. The Fund is suitable for investors with an investment horizon of five years. In a short span of three months of its launch, the Fund crossed the milestone of ₹ 200+ crore of Assets under Management.

This success was followed by the launch of the second series of the Fund, and within a month, the two series together crossed commitments of ₹ 250 crore. Driven by sound fundamental investment strategies, these Funds should continue to reap capital appreciation and positive returns in an efficient and risk-adjusted manner.

Wealth Management

Wealth management is an art as well as a science and a position of trust and responsibility. At Emkay, we adopt a scientific approach to ensure that high net worth clients' assets and investments entrusted with it grow substantially.

We offer a range of Wealth Management Services including Personal Investment Advisory, Mutual Fund Distribution, Equity and Debt, Bonds and Fixed Deposits, IPOs and alternative investments.

We follow a systematic approach to wealth management rooted in the deep understanding of our clients' portfolio, investment horizon and risk appetite.

Based on a holistic understanding of investment profile, our team strategises and executes an investment plan that is focussed on optimal returns with least downside. The team regularly tracks the market and monitors the progress of the portfolio, making effective adjustments ensuring the investment is protected and insulated from adverse stock market movements.

Our private wealth management philosophy responsible for our success is that change creates opportunities while contrarian thinking helps in identifying low-risk opportunities.

During FY18, the number of clients under private wealth management and distribution increased to 12,000+, while funds under private wealth management increased to ₹ 774 crore.



Equity Capital Markets (ECM) & Merchant Banking Services

Emkay is a SEBI registered Category I Merchant Banker with over a decade of experience in successfully advising and raising money for mid-market companies.

An experienced team of professionals with deep relationships across the regulatory and investor space delivers merchant banking services to a clientele that ranges from marquee private equity funds, mutual funds, overseas institutional investors, hedge funds, high net worth investors and bankers.

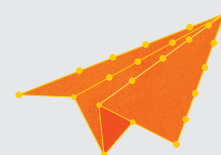
During the FY18, this division completed four fund-raising transactions in the form of Qualified Institutional Placements (QIP) aggregating ₹ 22.7 billion for Edelweiss Financial Services,

Delta Corp Ltd., Premier Explosives Ltd. and Kridhan Infra Ltd. In addition, share buybacks of up to ₹ 2.5 billion and ₹ 800 million were undertaken for eClerx and GHCL Ltd., respectively.

Other Businesses

Our other businesses also fared well during the year. Our net revenues from the currency derivatives business increased 32 per cent year-on-year. A dedicated institutional desk was set up for servicing corporates in designing customised hedging and risk management strategies. In the commodities business segment, the much-awaited SEBI approval for options came in during the last quarter of the financial year. Other SEBI-approved options include Gold, Silver, Copper and Crude Oil. Commodity volumes are also expected to increase.

GROWTH - DELIVERED



1,38,000+

~400

320+

346

170+

10

PERFORMANCE - PROVEN

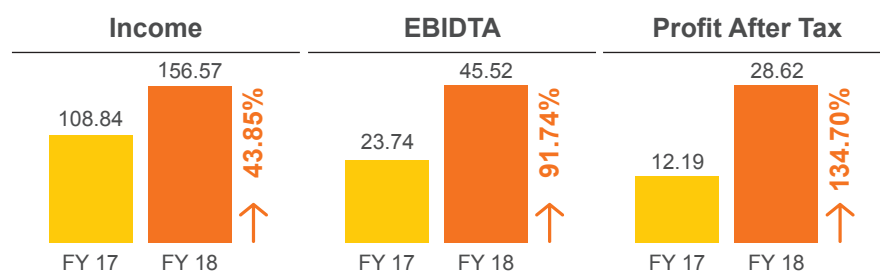


Our performance has been proven with a set of excellent financial results. This year, our Consolidated Income increased to ₹ 156.57 crore from ₹ 108.84 crore in the previous year, an increase of 43.85 per cent. Our EBITDA rose to ₹ 45.52 crore, an increase of 91.74 per cent over the previous year. Our Profit after Tax for the year, the true denominator of performance, was ₹ 28.62 crore against ₹ 12.19 crore last year, an increase of 134.70 per cent.

We have consistently outperformed the benchmark across market cycles.

Proven Performance

(INR Crore)



ACCELERATION - SET



The Indian financial markets have rebounded smartly. The Government's landmark reforms aimed at formalisation of the economy are expected to provide a fresh impetus of growth for financial intermediaries. With investors increasingly preferring financial assets in place of physical assets for investing their savings, the financial services sector is on a positive and optimistic trajectory.

The Indian capital markets have continued their impressive performance in FY18, growing by 11.3 per cent year-on-year, translating into 14 per cent CAGR returns in the last two years. Buoyancy in markets is largely a factor of incessant domestic inflows into Equity and Balanced MFs, which have shot up by ~2.5 times in FY18. The total DII inflows also increased quite significantly by 3.7 times.

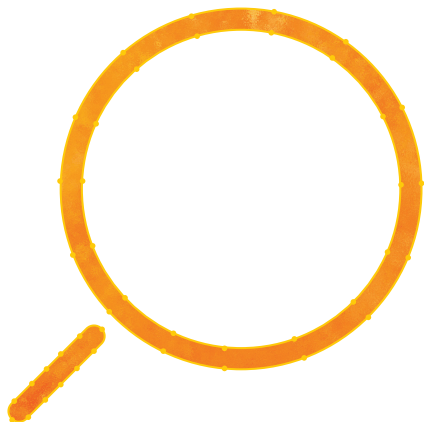
At Emkay, we are also set for acceleration. With favourable tailwinds, our momentum of sustained growth and consistent performance, we are leveraging our research forte, Pan-India reach and strong customer relationships



to move to capitalise on the market opportunities. As a leading player, strategically positioned across a wide array of financial services and segments and with a 3 per cent market share in the domestic institutional business, we are poised and prepared to benefit from this transformation and accelerate into FY19 with a healthy growth curve.

Our tie-up with DBS Vickers Securities (Singapore), a wholly-owned subsidiary of DBS Bank, the largest bank in Southeast Asia, for sharing of knowledge, co-branding of research and its distribution to global clients, will enhance our ability to tap into the emerging opportunities ahead.

Insightful Research



Insightful research has always been our strong foundation and rigid backbone. We have consistently invested in the best of talent in the form of research analysts across areas like macro-economy and applied economics and industry and sector-specific experts. It is this macro overview combined with in-depth analysis that has made our research desk amongst the most respected, relevant and rewarded in the industry.

Deep, intensive research and analysis of equities in the light of unfolding news and developments in real time is the pivot of our capability. Our research team specialises in stock research, sector research, thematic and macro-economic strategy besides early identification of value stocks among mid-tier companies. A combination of insightful information and analysis has helped us steer our clients' portfolios in a winning direction. With a noteworthy growth in the number of our institutional and retail clients, research has become even more significant. Our well-versed experienced research team of 36 members, of which 22 are senior analysts, is stringently guided by the principles of value investing. The team uses high-end qualitative and quantitative analytical tools and methods to identify under-valued stocks that have added substantial wealth to client portfolios over the years.

Perspective Research

The Big Picture Research with key Themes and Economy & Strategy

Corporate Research

Focussed and Specific Research on companies, sectors as well as bespoke research

Alternative Research

Quantitative Analysis of advanced financial concepts and issues

36

Analysts

346

Stocks covered

18

Sectors

1,229

Research Reports published in FY18

Our research competence and capabilities are acknowledged and respected throughout the industry. The research team was ranked 10th in India by the Institutional Investor Survey, 2016, that recognises excellence in people and firms in the financial services industry.

Our equity research tie-up with DBS Vickers Securities of Singapore has strengthened our research capabilities further and already started to benefit our Indian and global investors. The alliance has added to our knowledge base and enabled us to offer a holistic view of the Asian market. Today, we have a greater focus on perspective and thematic reports that carry exhaustive insights into investment and feature current market and sector scenarios.

While perspective reports help clients comprehend economic events and movements besides companies and sectors that can impact their investment, thematic research is guided by themes or factors that can influence wealth creation like government debt, prices of key commodities or even currency fluctuations that can impact investment strategies.

Our research team also publishes the Daily Morning Report, Quarterly Sector Updates, Company Updates, India Strategy and special reports that are published periodically. Our regular research reports enable clients to understand market trends, thereby facilitating informed investment decisions.

The seasoned research teams delve into every aspect of any micro or

macro-economic factor or behaviour to publish a detailed report. These integrated reports are shared in different countries, including India, Singapore, Taiwan, UK, Continental Europe, Middle East and USA. Our recent collaboration with DBS Vickers will enhance our ability to tap into global opportunities during FY19 to capture greater market share of the global business.

Our research during the year covered fundamental analysis and also focussed on F&O positioning and dividend research, special situations, trigger trades and bespoke quant and database work.

FY18 was also marked with several outreach events being conducted to propagate double digit growth.

Emkay's annual investor conference 'Emkay Confluence' saw the participation of more than 130 companies and nearly 400 institutional investors, which resulted in over 2,600 corporate-investor meetings.



People Powered

Our people are our greatest strength and amongst our most valuable resource. They connect us with our clients and are responsible for our success and growth in the business.

Our employees bring into the organisation the best of experience and wisdom within the financial services industry to enable achievement of client goals. We value our employees and a reciprocal relationship attributes for a low rate of attrition. We believe in sharing and celebrating our accomplishments and success together, that builds an environment of trust and a work culture of excellence within the organisation. After all, 'Your success is our success' has been our guiding principle since inception and continuous development is a key attribute of our people.

To enhance and build talent and work skills, we regularly conduct training and knowledge development programmes for our employees, including analysts and managers, to ensure cutting-edge learning. We have a culture of excellence, and our rewards and recognition programme ensures excellence is always recognised and rewarded.

Our inclusive and interactive work environment with open communication systems continues to build our culture of excellence. Our values underline our culture of excellence. We firmly believe that investing in our people is a long-term investment in our business. We offer all employees expansive opportunities for learning, personal growth, and development. The leadership team also encourages the spirit of inquiry and continuous development among employees.

Company Values

Openness - Some of the values that underline employees' interaction and organisational culture are an open work environment where employees are free to communicate with leadership teams. In fact, we consciously encourage dialogue across all levels of the organisation.

Respect - Fostering mutual respect among employees is a core value at Emkay. We are firm believers in the power of teamwork and ensure each team member feels valued for their contributions and talents.

Performance - Excellence both at the individual and the organisational level is our cherished goal. Our performance-oriented work culture encourages employees to contribute to the fullest, secure in the knowledge that their efforts will be duly recognised and rewarded with career growth and attractive incentives.

Initiatives for Excellence

Training sessions and workshops, aimed to augment productivity and achieve stretch goals, were conducted across verticals during the year. We also launched a major e-learning project that introduced courses that gave employees the flexibility and freedom to learn in their own time and place of choice. Diverse courses ranging from Technical Analysis to Business Communication were offered. Others included Equity Valuation, Advanced Excel, Corporate Grooming and Business Etiquette and Advanced

Communication Skills. Some of these intensive training programmes and workshops helped to uncover employees' hidden potential and talents besides equipping them with the latest updated knowledge in their specific domains to enable them to contribute towards client goals. These efforts have increased the employees' competence as well as helped contribute to the organisation's pool of knowledge, skills and abilities.

To remain a preferred employer, the Company has granted stock options to its employees.

During FY18, we took several steps to sustain this ethos of excellence. Key activities during the year included the introduction of a new strong performance-driven environment and strengthening various internal communication channels.

These initiatives have helped to keep employees motivated and focussed on performance besides sustaining an ethos of excellence, which is actually the final frontier and the differentiator – be it clients, performance, investors or partners.

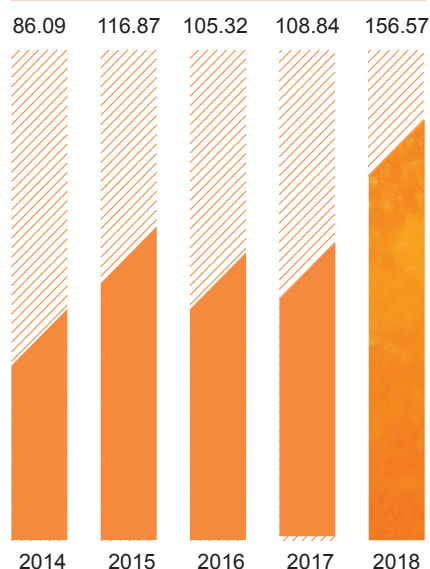
Financial Highlights

(₹ in crore)

Sr. No.	Year Ended 31 st March	2018	2017	2016	2015	2014
1	Total Income	156.57	108.84	105.32	116.87	86.09
2	Total Expenses	120.03	92.42	88.67	127.42	88.91
3	Profit Before Tax	36.53	16.42	16.65	(10.55)	(2.82)
4	Tax Expenses	7.88	4.23	4.62	5.18	1.13
5	Profit After Tax	28.65	12.19	12.03	(15.73)	(3.95)
	Less: Share of Loss from an Associate	0.04	0.00	0.00	0.00	0.00
6	Profit for the Year	28.61	12.19	12.03	(15.73)	(3.95)
7	Paid-up Share Capital	24.53	24.43	24.43	24.43	24.43
8	Networth	161.42	135.08	122.87	113.79	129.60
9	Diluted EPS (₹) (FV ₹10)	11.64	4.98	4.91	(6.43)	(1.62)
10	BVPS (₹) (FV ₹10)	65.80	55.27	50.29	46.57	53.03

Financial Highlights

Total Income (INR crore)



Profit Before Tax (INR crore)



Profit After Tax (INR crore)



Leadership Profile

Our leadership comprises seasoned professionals, renowned and respected in the industry for their vision of attaining excellence in the world of finance.



Mr. Dhananjay Sinha

Head - Research & Strategist

Education: Post Graduate in Economics from Delhi School of Economics

Roles and responsibilities at Emkay: With a well-rounded research experience of over two decades in the field of macroeconomics, as well as the fixed income, commodities and equity markets, Mr. Sinha has brought a whole breadth of knowledge to Emkay's Institutional Research division.



Mr. Kenin Jain

Head - Institutional Equity Sales

Education: Chartered Accountant / MBA from University of Energy Studies

Roles and responsibilities at Emkay: With over 11 years of experience in the financial services industry, Mr. Jain leads the Institutional Sales team. He actively drives the firm's core institutional accounts and designs its related strategy.



Mr. S Hariharan

Head - Sales Trading

Education: CFA; PGDM (IIM-Bangalore); B.Tech - Civil Engineering (IIT - BHU, Varanasi)

Roles and responsibilities at Emkay: Leading the Trading and Dealing desk for Emkay's Institutional Equities division is Mr. Hariharan. He has been instrumental in improving process flows, enabling technology up-gradation and wider client reach.



Mr. Sandeep Sharma

Head - Investment Banking

Education: MBA from the University of Michigan

Roles and responsibilities at Emkay: With two decades of experience in the equity capital markets, Mr. Shah brings expertise in market strategy and sector and company research. He also doubles up as a Wealth Advisor, thanks to his breadth of knowledge in advisory in private wealth management.



Mr. Ajay Parmar

Co-Head, Investment Banking

Education: B.Com; CA

Roles and responsibilities at Emkay: With two decades of experience in the fields of chartered accountancy, Equity Research and Consultancy, Mr. Parmar brings to the table his excellent understanding of revenue models, financial numbers and earnings and offers his deft hand at deal structuring, financial modeling and valuation of deals.



Mr. Rahul Rege

Business Head - Retail

Education: B.Com, Accountancy & Economics

Roles and responsibilities at Emkay: With more than two decades of experience in the financial services industry, Mr. Rege spearheads the entire retail division with his sharp business acumen, sound understanding of the segment, excellent leadership skills & people management.

**Mr. Sachin Shah**

Fund Manager

Education: CFA (ICFAI), B.Com**Roles and responsibilities at**

Emkay: With two decades of experience in the equity capital markets, Mr. Shah brings expertise in market strategy and sector and company research. He also doubles up as a Wealth Advisor, thanks to his breadth of knowledge in advisory in private wealth management.

**Mr. Manish Verma**

Head of Distribution, PMS & TPP

Education: B.Com; LL.B and Masters of Management Studies**Roles and responsibilities at**

Emkay: With nearly two decades of experience, Mr. Verma oversees the tie-ups with third party investment houses and spearheads the distribution of Emkay's Portfolio Management Services and third party products.

**Ms. Divya Gandhi**

Head - General Insurance Broking and Principal Officer

Education: B.Com; CA; Certified Arbitrator by ICAI**Roles and responsibilities at Emkay:**

With over 25 years of experience, Mrs. Gandhi efficiently heads Emkay's Insurance business through the optimal mix of strong interpersonal and leadership skills as well as sound knowledge of the industry.

**Mr. Shishir Dhulla**

Chief Technology Officer

Education: CISA; Microsoft Certified Professional**Roles and responsibilities at**

Emkay: With 16 years of diverse experience, Mr. Dhulla heads Emkay's IT division and puts to good use his experience in setting up and managing mission-critical DMA; algorithmic trading; SOR & IOB trading platforms; middle office; back-office and equity research platforms.

**Mr. Saket Agrawal**

Chief Financial Officer

Education: B.Com; FCA; DISA(ICAI) and MBF(ICAI)**Roles and responsibilities at**

Emkay: With over a decade of association with Emkay, Mr. Agrawal brings with him immense knowledge and expertise across accounting, finance, taxation and audit functions, with which he deftly handles all the Emkay Group companies.

**Mr. Rajesh Sharma**

Chief Operating Officer

Education: Chartered Accountant**Roles and responsibilities at**

Emkay: With decades of experience across systems and operations, Mr. Sharma leads strategic planning, implementation and execution of systems, procedures and internal controls at Emkay. He ensures establishment of risk mitigation controls, process reengineering and automation to ensure scalability of operations.

**Mr. Sharanabasappa Jade**

Head - Human Resources

Education: MHRDM, NMIMS; PGDBM, Gulbarga University

Roles and responsibilities at Emkay: With over two decades of experience across banking and financial services, Mr. Jade brings a wealth of knowledge and understanding at managing the critical and complex function of Human Resources.

**Mr. Bhalchandra M. Raul**

Company Secretary

Education: B.Com (Hon); LLB; FCS; CAIIB

Roles and responsibilities at Emkay: As the Company Secretary of Emkay, Mr. Raul is instrumental in ensuring timely compliance with the Companies Act, the listing requirements as well as the SEBI guidelines.

Awards, Achievements & Accolades



Most Trusted Brand

Awarded the title of 'India's Most Trusted Financial Brand – 2016-17' by World Consulting & Research Corporation (WCRC), India's leading consulting, research and knowledge firm, in terms of our reliability and customer satisfaction.



Service

Recognised as the most admired service provider in the financial sector by CMO Asia.



Sales

The Company's sales team was ranked 7th in India by Asiamoney Brokers Poll 2017. The sales team was also ranked 5th in India by Institutional Investor Survey.



Research

The Company's research team was ranked 10th in India by the Institutional Investor Survey, 2016, that recognises excellence in people and firms in the financial services industry.



Growth

Ranked amongst the 25 fastest growing financial consultant companies in India by CEO magazine.

Corporate Social Responsibility

The Company has evolved its policy on corporate social responsibility that is keenly implemented by a special committee along with participation from our employees.



In the implementation of our CSR objectives, Emkay Charitable Foundation executed its first CSR project at Naushacha Pada, Aarey Milk Colony, Goregaon (East) Mumbai.

This Adivasi hamlet is amongst the 27 hamlets located in Aarey Milk Colony. The hamlet residents are the original inhabitants of the land for several generations.

Nausachapada comes under the jurisdiction of the Central Govt and hence none of the local municipal benefits are available to them. Despite being a part of the city of Mumbai they

remain deprived of basic amenities like water, electricity, and toilets.

Absence of toilets results in open defecation, sometimes in darkness, which routinely puts them and their young children at a risk of leopard attacks. Farming cannot be undertaken due to absence of water supply.

The foundation amidst enthusiastic participation from employees donated mobile toilets, solar lamps and pre-owned clothes to the inhabitants. The smiles on the faces of the villagers and the children made the experience truly gratifying.



Conclusion:

Our CSR activities have not only helped to keep our employees motivated but also supported the community within which we operate.

Directors' Report

Dear Members,

Your Directors present the Twenty Fourth Annual Report of your Company and the Audited Financial Statements for the year ended 31st March, 2018.

1. FINANCIAL RESULTS

An overview of the financial performance of your Company along with its Subsidiaries for the year 2017-18 is as under:

(Amount in lac)

Particulars	Standalone		Consolidated	
	Year ended		Year ended	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Total Income	13298.37	9662.41	15656.71	10,884.15
EBITDA	2975.03	1,710.15	4551.57	2,373.54
Less : Depreciation and Amortization	452.61	403.06	468.12	411.53
Less : Finance Costs	238.73	223.33	430.08	319.67
Profit Before Exceptional Item & Tax	2283.69	1,083.77	3653.37	1,642.35
Exceptional Item	-	335.00	-	-
Profit Before Tax	2283.69	748.77	3653.37	1,642.35
Less : Tax Expense	489.46	287.18	787.57	423.17
Profit after Tax	1794.23	461.59	2865.80	1,219.18
Less : Share of Loss of Associate	-	-	4.39	-
Profit/(Loss) attributable to Shareholders of the Company	1794.23	461.59	2861.41	1,219.18
Opening balance in Statement of Profit and Loss	713.85	252.26	1418.46	253.96
Amount available for Appropriation	2508.07	713.85	4279.87	1,473.14
Appropriations*				
Dividend Paid on Equity Shares for FY 2016-17	245.09	-	245.09	-
Dividend Distribution Tax-on Dividend for FY 2016-17	49.90	-	49.90	-
Transfer to Special Reserve u/s 45-IC of RBI Act	-	-	183.78	54.68
Closing balance in Statement of Profit and Loss	2213.08	713.85	3801.10	1,418.46

*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 for 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 final dividend at the rate of ₹ 1.50 (15 %) per equity share and one time special dividend of ₹ 0.50 (5%) per equity share totaling to ₹ 2 (20%) per equity share of the face value of ₹ 10 for the year ended 31st March, 2018 (Previous year - ₹ 1 per equity share). This would involve a payout of ₹ 591.54 lac including dividend distribution tax (previous year - ₹ 294.99 lac) based on the number of shares as on 31st March, 2018. The dividend would be paid to all the shareholders, whose names appear in the Register of Members/Beneficial Holders list on the

Book Closure date. This Dividend is subject to approval of the Members at the forthcoming 24th Annual General Meeting.

3. REVIEW OF OPERATIONS

Standalone

During the year under review, your Company recorded a total income of ₹13298.37 lac as against ₹ 9662.41 lac in the previous Financial Year, marking an increase of 37.62%. The profit for the same period stood at ₹ 1794.23 lac vis-à-vis the profit of ₹ 461.59 lac in the previous Financial Year.

Consolidated

During the year under review, your Company recorded a total income of ₹ 15656.71 lac as compared to ₹ 10,884.15 lac in the previous Financial Year, marking an increase of 43.85%. The Profit for the same period stood at ₹ 2865.80 lac vis-à-vis the Profit of ₹ 1219.18 lac in the previous Financial Year.

4. EXTRACT OF ANNUAL RETURN

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

5. LAUNCH OF EMKAY EMERGING STARS FUND, A CATEGORY III ALTERNATIVE INVESTMENT FUND (AIF)

Emkay Emerging Stars Trust, sponsored by Emkay Global Financial Services Ltd and managed by Emkay Investment Managers Ltd. (EMIL), a wholly owned subsidiary of the Company launched "Emkay Emerging Stars Fund", a Category III Alternative Investment Fund (AIF) on 11th October, 2017 after receipt of approval from the Securities and Exchange Board of India (SEBI). Emkay Emerging Stars Fund is a five-year closed ended fund, focused on enabling long term capital appreciation for investors. In a short span of three months from the date of launch, the fund attained the milestone of crossing ₹ 200 crore in Assets Under Management (AUM).

6. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the Financial Year 2017-18, 5 meetings were held on 24th May, 2017, 6th July, 2017, 11th August, 2017, 13th November, 2017 and 29th January, 2018.

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

Name of the Director	Category	Board Meetings during Financial Year 2017-18	
		Held	Attended
Mr. G. P. Gupta	NED (I)	5	5
Mr. S. K. Saboo	NED	5	5
Mr. R. K. Krishnamurthi	NED (I)	5	4
Mr. G. C. Vasudeo	NED (I)	5	5
Mr. Krishna Kumar Karwa	ED	5	5
Mr. Prakash Kacholia	ED	5	5
Mrs. Preeti Kacholia	NED	5	5
Dr. Satish Ugrankar	NED (I)	5	5

Name of the Director	Category	Board Meetings during Financial Year 2017-18	
		Held	Attended
Dr. Bharat Kumar Singh (appointed w.e.f. 29.01.2018)	NED (I)	-	-

7. 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 were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the 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
- 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.

8. AUDIT COMMITTEE

The Audit Committee comprises of 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 a part of this report.

9. NOMINATION, REMUNERATION AND COMPENSATION COMMITTEE

The Nomination Remuneration and Compensation Committee constituted by the Board 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 comprises

Mr. G. C. Vasudeo, an Independent Director as the Chairman and Mr. R. K. Krishnamurthi, Mr. G. P. Gupta, Dr. Satish Ugrankar 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 for Mr. S. K. Saboo who is a Non-Executive, Non-Independent Director.

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

10. PERFORMANCE EVALUATION

In terms of provisions of the Companies Act, 2013, read with Rules issued thereunder 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 of Individual Directors.

The Independent Directors met on 26th March, 2018 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 Director in their meeting held on 28th May, 2018. The Board of Directors carried out performance evaluation of the Board, each Director and the Committees for the Financial Year ended 31st March, 2018 in their meeting held on 28th May, 2018 based on various aspects which, inter alia, included the level of participation in the Board Meetings, understanding of their roles and responsibilities and of the business of the Company, along with the effectiveness of their contribution.

11. AUDITORS AND THEIR REPORT

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), S. R. Batliboi & Co. LLP, Chartered Accountants bearing Firm Registration Number 301003E/E300005 with the Institute of Chartered Accountants of India (ICAI) were appointed as the Statutory Auditors of the Company at the 23rd Annual General

Meeting held on 11th August, 2017 for a period of five years commencing from the conclusion of the 23rd Annual General Meeting (AGM) till the conclusion of the 28th Annual General Meeting of the Company to be held for the Financial Year 2021-2022 subject to ratification of their appointment by members at every subsequent AGM. In accordance with the amendment made to section 139 of the Act, the requirement of ratification of appointment by members every year is done away.

M/s. S. R. Batliboi & Co LLP have confirmed their eligibility and qualification required under section 139 and 141 and other applicable provisions of the Companies Act, 2013 and Rules issued thereunder (including any statutory modification(s) or re-enactment(s) thereof) for the time being in force.

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.

12. 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 2017-2018. 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.

13. INTERNAL AUDIT

As per the requirements of Section 138 of the Companies Act, 2013 and rules made thereunder, M/s. Lovi Mehrotra & Associates, Chartered Accountants, Mumbai were appointed as Internal Auditors of the Company for the Financial Year 2017-2018.

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.

14. 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.

15. 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.

16. 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.

17. 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.

18. 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 the requirement of Accounting Standards-18 are disclosed in notes to the financial statements of the Company for the Financial Year 2017-18. 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**

19. INFORMATION UNDER THE SEXUAL HARASSMENT 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.

20. 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 are attached as **Annexure D** and forms part of this Report of Directors.

21. LEVERAGING DIGITAL TECHNOLOGY

During the year under review, the Company achieved substantial performance enhancements in its trading and back-office platforms through implementation of cutting edge hyper-converged infrastructure. The software defined storage not only enabled the Company to consolidate and reduce the physical foot-print of its IT infrastructure, but this approach also helped it to dynamically distribute computing resources and improve the overall availability and uptime for its core applications. The Company has been one of the early adaptors of hyper converged technology among Indian brokerages.

The Company, during the year, also launched a revolutionary charting and trading platform EmTrade. The platform combines unparalleled analytics and execution capabilities and is equipped with unique features and benefits. EmTrade gives real time data across markets and offers several indicators, in-built modules for strategy creation, extensive drawing tools, heat map, global indices, buy-sell alerts among other features.

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 exercise is being carried out to identify, evaluate, manage and monitor both business and non-business risk on an ongoing basis. 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, to improve the quality of life of the communities through long term value creation for stakeholders 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. The Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is provided in **Annexure E** and forms an integral part of this report.

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 2017-18.

25. DIRECTORS & KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment & Qualification of Directors) Rules, 2014 and Articles of Association of the Company, Mrs. Preeti Kacholia (DIN: 03481747), Non-Executive Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment. Your Board recommends her re-appointment.

During the year, Dr. Bharat Kumar Singh (DIN: 00274435) was appointed as an Additional Director of the Company with effect from 29th January, 2018. As per provisions of Section 161 of

the Companies Act, 2013 and Articles of Association of the Company, Dr. Bharat Kumar Singh holds office up to the date of the forthcoming 24th Annual General Meeting and is eligible for appointment.

Pursuant to the provisions of Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule IV of the Companies Act, 2013, your Directors are seeking appointment of Dr. Bharat Kumar Singh as an Independent Director for a term of five consecutive years from the date of the 24th Annual General Meeting. Details of the proposal for appointment of Dr. Bharat Kumar Singh are mentioned in the Explanatory Statement of the Notice of the 24th Annual General Meeting, under Section 102 of the Companies Act, 2013.

The Nomination, Remuneration and Compensation Committee at its meeting held on 28th May, 2018 has recommended the appointment of Dr. Bharat Kumar Singh as an Independent Director of the Company for a period of five years. The Company has received a notice from a Member of the Company under section 160(1) of the Companies Act, 2013, proposing his candidature for the office of Director of the Company. Members are requested to consider the appointment of Dr. Bharat Kumar Singh as an Independent Director.

Brief profiles of Mrs. Preeti Kacholia and Dr. Bharat Kumar Singh, Directors of the Company, as required under Regulation 36 (3) of the SEBI (LODR) Regulations, 2015, are given in the Notice of the 24th Annual General Meeting.

The Company has received declaration from all the Independent directors that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 read with the Schedule and Rules issued thereunder.

During the year, at the request of Mr. Krishna Kumar Karwa, Managing Director, he was relinquished from the additional responsibility of Chief Financial Officer of the Company w.e.f. 1st June, 2017. Mr. Saket Agarwal, Vice President, Finance & Accounts was appointed as the Chief Financial Officer (CFO) of the Company w.e.f. 1st June, 2017.

The following four 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
- Mr. Prakash Kacholia - Managing Director
- Mr. Saket Agrawal - Chief Financial Officer (Appointed w.e.f. 1st June, 2017)
- 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 F**

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 had complied with the applicable laws and furnished its report to the Head of department who then along with the Company Secretary discussed on the compliance status of the department. Any matter that required attention was immediately dealt with. The Company Secretary reported to the Audit Committee and the Board on the overall compliance status of the Company. In effect, such compliance system was largely found to be adequate and operating effectively. The Directors have in the Directors' Responsibility Statement under paragraph (f) also confirmed the same to this effect.

28. SUBSIDIARY/ ASSOCIATE COMPANIES

The Company has 4 subsidiaries as on 31st March, 2018. 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.

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). 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 ₹ 497.28 lac as on

31st March, 2018.

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

Emkay Fincap Limited is a RBI registered Non Deposit taking Non - Banking Financial Company. EFL has a net worth of ₹ 4934.69 lac as on 31st March, 2018.

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 insurance businesses. EIBL has a net worth of ₹ 72.81 lac as on 31st March, 2018. The Company is pursuing proposals for sale of Insurance Broking Business to another Company.

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 has commenced the business of Portfolio Management Services with effect from 1st January, 2011. During the year, the Company has issued 25,00,000 Equity shares of ₹ 10/- each. As on date Company's Paid up Capital is ₹ 5,00,00,000/- divided into 50,00,000 equity shares of ₹10/- each. EIML has a net worth of ₹ 871.46 lac as on 31st March, 2018.

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 Administrative 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 all its Subsidiary Companies are also available on the website of the Company 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 Employee Stock Option Plan - 2010 - through trust route to the employees of the Company and the employees of the Subsidiary Companies. The Company has also introduced new ESOP 2018 scheme approved by the shareholders through the process of Postal Ballot on 21st March, 2018.

Details of the shares issued under Employees Stock Option Plan (ESOP), as also disclosure in compliance with SEBI (Share Based Employees Benefits) Regulations, 2014 are uploaded on the website of the Company, under the link <https://www.emkayglobal.com/key-announcements>. No employee has been issued share options during the year equal to or exceeding one percent of the issued capital of the Company at the time of grant.

(a) ESOP 2007

The Nomination, Remuneration and Compensation Committee of the Company had granted options under ESOP-2007 scheme to the eligible employees (each option carrying entitlement for one share of the face value of ₹ 10/- each). Summary of the same as on 31.03.2018 is as under.

Summary of ESOP 2007 as on 31st March 2018:

Total no. of stock options approved under the Scheme		24,26,575
No. of Options	Date of Grant	Exercise Price Per Option
14,42,000	17.01.2008	₹ 63/-
2,44,000	19.06.2009	₹ 63/-
2,07,500	24.07.2009	₹ 61/-
1,00,000	04.05.2010	₹ 93/-
6,11,500	27.07.2010	₹ 77/-
2,00,000	21.01.2012	₹ 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		25,26,470
Stock Options vested but not exercised		87,000
Stock Options exercised		1,91,530
Outstanding Stock Options		87,000

During the Financial Year 2017-18, the Nomination, Remuneration and Compensation Committee allotted 1,15,880 Equity Shares to the employee(s) under the ESOP 2007 (including 35,000 Options exercised during the Financial Year 2017-2018 but allotted in next Financial Year i.e. 2018-2019). These shares are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. After allotment of the said 1,15,880 equity shares of ₹ 10/- each, Company's paid-up Share Capital increased to ₹ 24,53,40,300/-.

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 G** forming part of the Directors' Report.

(b) EMPLOYEE STOCK OPTION PLAN - 2010 THROUGH TRUST ROUTE

The Nomination, Remuneration and Compensation Committee of the Company had granted total no. of 6,47,000 options under ESOP-2010 scheme through trust route to the eligible employees (each option carrying entitlement for one share of the face value of ₹10/- each till date). Summary of the same as on 31.03.2018 is as under.

Summary of ESOP 2010 (through trust route) as on 31st March 2018:

Total no. of stock options approved under the Scheme		24,41,995
No. of options	Date of Grant	Exercise Price Per Option
5,55,000	21.10.2010	₹ 93/- per option
27,000	02.05.2011	₹ 63/- per option
15,000	22.10.2011	₹ 48/- per option
50,000	21.01.2012	₹ 37/- per option
Exercise Period		3 years
Total no. of stock options granted under the scheme		6,47,000
Stock Options lapsed		5,91,000
Stock Options vested but not exercised		15,500
Stock Options exercised		40,500
Outstanding Stock Options		15,500

During the Financial Year 2017-18, the Nomination, Remuneration and Compensation Committee, through the ESOP trust, transferred 40,500/- Equity Shares to the employee(s) on exercise of options under ESOP 2010 (Through Trust Route).

Details required to be provided are set out in **Annexure G** to this report.

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

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 up to the Financial Year 2009-2010 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.

Further, in terms of 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. 7th September, 2016, and further notifications 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 (6) of Section 124 were transferred to the special Demat Account of IEPF Authority.

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

31. 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 H**

32. 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, is appended as **Annexure I** and forms a part of this Report.

33. 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.

34. LISTING WITH STOCK EXCHANGES

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

35. ACKNOWLEDGEMENT

Your Directors would like to take this opportunity to express sincere gratitude to the customers, bankers and other business associates for the continued co-operation 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

Prakash Kacholia
Managing Director

Place : Mumbai

Date : 28th May, 2018

ANNEXURE "A" - EXTRACT OF THE ANNUAL RETURN

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN AS ON 31ST MARCH, 2018

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

I REGISTRATION AND OTHER DETAILS

i	CIN	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	90.50 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN No	Holding/ Subsidiary/ Associates	% of shares/ contribution held	Applicable Section
1	Emkay Fincap Ltd	U 65990 MH 2005 PLC 153310	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	
A. Promoters									
1 Indian									
a. Individuals/HUF	1,37,47,500	-	1,37,47,500	56.2543	1,35,02,500	-	1,35,02,500	55.0358	1.2185
b. Central Govt	-	-	-	-	-	-	-	-	-
c. State Govt	-	-	-	-	-	-	-	-	-
d. Bodies Corporate	41,50,000	-	41,50,000	16.9816	41,50,000	-	41,50,000	16.9153	0.0663
e. Bank/FI	-	-	-	-	-	-	-	-	-
f. Any Other	-	-	-	-	-	-	-	-	-
Sub Total A-1	1,78,97,500	-	1,78,97,500	73.2359	1,76,52,500	-	1,76,52,500	71.9511	1.2848
2 Foreign									
a. NRI-Individuals	-	-	-	-	-	-	-	-	-
b. Others-Individuals	-	-	-	-	-	-	-	-	-
c. Bodies Corporate	-	-	-	-	-	-	-	-	-
d. Bank/FI	-	-	-	-	-	-	-	-	-
e. Any Others	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	1,78,97,500	-	1,78,97,500	73.2359	1,76,52,500	-	1,76,52,500	71.9511	1.2848
Total Shareholding of Promoters	1,78,97,500	-	1,78,97,500	73.2359	1,76,52,500	-	1,76,52,500	71.9511	1.2848
A= A1+A2									
B. Public Shareholding									
1. Institution									
a. Mutual Funds	-	-	-	-	-	-	-	-	0
b. Bank/FI	-	-	-	-	-	-	-	-	-
c. Cent. Govt	-	-	-	-	-	-	-	-	-
d. State Govt	-	-	-	-	-	-	-	-	-
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
f. Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i. Foreign Portfolio Investors	-	-	-	-	14,125	0	14,125	0.0576	0.0576
j. Others (specify)	-	-	-	-	-	-	-	-	-
Sub Total-B-1	-	-	-	-	14,125	0	14,125	0.0576	0.0576
2. Non Institutions									
a. Bodies Corporate									
i. Indian	7,50,285	10,000	7,60,285	3.1111	7,06,507	10,000	7,16,507	2.9205	(0.19)
ii. Overseas	-	-	-	-	-	-	-	-	-
b. Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lac	17,48,251	4,715	17,52,966	7.1731	30,52,524	4,514	30,57,038	12.4604	5.2873
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lac	28,11,956	0	28,11,956	11.5064	18,15,863	0	18,15,863	7.4014	(4.1050)

EMKAY GLOBAL FINANCIAL SERVICES LIMITED

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	
c. Cent. Govt/State Govt	-	-	-	-	-	-	-	-	-
d. IEPF Authority MCA	-	-	-	-	1,783	0	1,783	0.0073	0.0073
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
f. Insurance Companies	-	-	-	-	-	-	-	-	-
g. FIIs/Banks	-	-	-	-	9,258	0	9,258	0.0377	0.0377
h. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i. Others (specify)									
a. Clearing members	1,84,509	0	1,84,509	0.7550	1,33,582	0	1,33,582	0.5445	(0.2105)
b. Trust	0	0	0	0	0	0	0	0	0
c. NRIs	69,563	0	69,563	0.2847	4,44,640	0	4,44,640	1.8123	1.5276
d. NRN	2,05,975	0	2,05,975	0.8428	1,81,352	0	1,81,352	0.7392	0.1036
e. Hindu Undivided Family	1,73,723	0	1,73,723	0.7109	1,91,062	0	1,91,062	0.7788	0.0679
f. Office bearers	1,54,043	0	1,54,043	0.6303	1,90,553	0	1,90,553	0.7767	0.1464
Sub Total B-2	60,98,305	14,715	61,13,020	25.0143	67,41,249	14,514	67,55,763	27.5363	2.5220
Total Public Shareholding B=B1+B2	60,98,305	14,715	61,13,020	25.0143	67,41,249	14,514	67,55,763	27.5363	2.5226
C.Non-Promoter and Non-Public	4,27,630	0	4,27,630	1.7498	1,25,767	0	1,25,767	0.5126	(1.2372)
D.Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C+D)	2,44,23,435	14,715	2,44,38,150	100.00	2,45,19,516	14,514	2,45,34,030	100.00	0

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	20.06	--	(0.08)
2	Prakash Kacholia	47,50,000	19.44	--	47,50,000	19.36	--	(0.08)
3	Emkay Corporate Services P. Ltd	41,50,000	16.98	--	41,50,000	16.92	--	(0.06)

Note: Promoters holding percentage has changed marginally due to increase in paid-up capital on account of issue of shares under ESOP Scheme during the year 2017-2018.

iii Change in Promoters' Shareholding

Sr. No.	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
A Krishna Kumar Karwa				
At the beginning of the year	49,22,500	20.14	-	-

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the end of the year	-	-	49,22,500	20.06
B	Prakash Kacholia				
	At the beginning of the year	47,50,000	19.44	-	-
	At the end of the year	-	-	47,50,000	19.36
C	Emkay Corporate Services Pvt.Ltd				
	At the beginning of the year	41,50,000	16.98	-	-
	At the end of the year	-	-	41,50,000	16.92

Note: Promoters holding percentage has changed marginally due to increase in paid-up capital on account of issue of shares under ESOP Scheme during the year 2017-2018

(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
1	Raunak Karwa				
	At the beginning of the year	17,50,000	7.1609	-	-
	At the end of the year	-	-	17,50,000	7.1329
2	Rajiv P Shroff				
	At the beginning of the year	4,34,577	1.7783	-	-
	Date wise increase in shareholding due to transfer / purchase	4732	0.0193	4,39,309	1.7976
	Date wise decrease in shareholding due to transfer / sale	(4,39,309)	(1.7976)	-	-
	At the end of the year	-	-	-	-
3	Emkay Employees Welfare Trust				
	At the beginning of the year	4,27,630	1.7498	-	-
	Date wise decrease in shareholding due to transfer / sale	(3,01,863)	(1.2372)	1,25,767	0.5126
	At the end of the year	-	-	1,25,767	0.5146
4	Dolly Khanna				
	At the beginning of the year	4,01,293	1.6421	-	-
	Date wise increase in shareholding due to transfer / purchase	11,240	0.0394	4,12,533	1.6815
	Date wise decrease in shareholding due to transfer / sale	(2,05,438)	(0.8374)	2,07,095	0.8441
	At the end of the year	-	-	2,07,095	0.8441
5	Porinju V Veliyath				
	At the beginning of the year	2,60,000	1.0639	-	-
	At the end of the year	-	-	2,60,000	1.0598
6	Rajasthan Global Securities Private Limited				
	At the beginning of the year	2,39,901	0.9817	-	-
	Date wise decrease in shareholding due to transfer / sale	(2,39,901)	(0.9817)	-	-

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 end of the year	-	-	-	-
7	Infinity Trust Investment pvt ltd				
	At the beginning of the year	2,00,000	0.8184	-	-
	Date wise decrease in shareholding due to transfer / sale	(2,00,000)	(0.8184)	-	-
	At the end of the year	-	-	-	-
8	Priyanka Nanda				
	At the beginning of the year	1,69,620	0.6941	-	-
	Date wise decrease in shareholding due to transfer / sale	(20,250)	(0.0853)	1,49,370	0.6088
	At the end of the year	-	-	1,49,370	0.6088
9	Anil Kumar Goel				
	At the beginning of the year	1,63,000	0.6670	-	-
	Date wise decrease in shareholding due to transfer / sale	(1,63,000)	(0.6670)	-	-
	At the end of the year	-	-	-	-
10	Satyanarayan Karwa				
	At the beginning of the year	1,60,517	0.6568	-	-
	Date wise decrease in shareholding due to transfer / sale	(15,517)	(0.0658)	1,45,000	0.5910
	At the end of the year	-	-	1,45,000	0.5910
11	Prabudh Securities Pvt. Ltd				
	At the beginning of the year	-	-	-	-
	Date wise increase in shareholding due to purchase / transfer	1,15,000	0.4687	1,15,000	0.4687
	At the end of the year	-	-	1,15,000	0.4687
12	Murlidhar Karwa (HUF)				
	At the beginning of the year	1,00,000	0.4076	-	-
	At the end of the year	-	-	1,00,000	0.4076
13	Krishna Kumar Karwa (HUF)				
	At the beginning of the year	1,00,000	0.4076	-	-
	At the end of the year	-	-	1,00,000	0.4076
14	Ganesh Srinivasan				
	At the beginning of the year	-	-	-	-
	Date wise increase in shareholding due to purchase / transfer	1,00,000	0.4076	1,00,000	0.4076
	At the end of the year	-	-	1,00,000	0.4076

Note: The trading has taken place on various dates, therefore the change due to increase / decrease in shareholding due to purchase / transfer / sale has been shown on consolidated Basis.

v) Shareholding of Directors and Key Managerial Personnel (KMP)

Sr. No.	For each of the Director / 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
1	Krishna Kumar Karwa				
	At the beginning of the year	49,22,500	20.1427	-	-
	At the end of the year	-	-	49,22,500	20.0640
2	Prakash Kacholia				
	At the beginning of the year	47,50,000	19.4368	-	-
	At the end of the year	-	-	47,50,000	19.3609
3	Preeti Kacholia				
	At the beginning of the year	21,25,000	8.6954	-	-
	Date wise decrease in shareholding due to sale / transfer	(2,45,000)	(0.9992)	-	-
	At the end of the year	-	-	18,80,000	7.6628
4	G.P. Gupta				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
5	S. K. Saboo				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
6	R.K.Krishnamurthi				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
7	G.C.Vasudeo				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
8	Dr. Satish Ugrankar				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
9	Dr. Bharat Kumar Singh*				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
10	B. M. Raul, KMP (CS)				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
11	Saket Agrawal, KMP (CFO)**				
	At the beginning of the year	4,200	0.017	-	-
	Date wise decrease in shareholding due to sale / transfer	(4,200)	(0.017)	-	-
	At the end of the year	-	-	-	-

Note: * Appointed as an Additional Director on 29th January, 2018. ** Appointed as Chief Financial Officer (CFO) w.e.f. 1st June, 2017.

V. INDEBTEDNESS

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

(Rupees)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	23,81,08,349	5,00,00,000	-	28,81,08,349
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,94,706	1,94,705	-	3,89,411
Total (i+ii+iii)	23,83,03,055	5,01,94,705	-	28,84,97,760
Changes in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	(18,81,08,349)	-	-	(18,81,08,349)
Net Change	(18,81,08,349)	-	-	(18,81,08,349)
Indebtedness at the end of the financial year				
i) Principal Amount	5,00,00,000	5,00,00,000	-	10,00,00,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,80,267	1,80,267	-	3,60,534
Total (i+ii+iii)	5,01,80,267	5,01,80,267	-	10,03,60,534

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	Prakash Kacholia - MD	
	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	84,00,000	84,00,000	1,68,00,000
(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	10,08,000	10,08,000	20,16,000
	Total (A)	94,08,000	94,08,000	1,88,16,000
	Ceiling as per the Act	5% of the Net Profit	5% of the Net Profit	

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	Dr. Bharat Kumar Singh*	
1. Independent Directors									
	• Fee for attending board / committee meetings	1,50,000	-	1,20,000	1,50,000	1,40,000	-	-	5,60,000
	• Commission	2,50,000	-	2,00,000	3,00,000	2,00,000	-	-	9,50,000
	Others, please specify								
	Total (1)	4,00,000	-	3,20,000	4,50,000	3,40,000	-	-	15,10,000
2 Other Non-Executive Directors									
	• Fee for attending board committee meetings	-	1,10,000	-	-	-	-	-	1,10,000
	• Commission								
	Others, please specify								
	Total (2)	-	1,10,000	-	-	-	-	-	1,10,000
	Total (B)=(1+2)	4,00,000	1,10,000	3,20,000	4,50,000	3,40,000	-	-	16,20,000

Note: Appointed as an Additional Directors on 29th January, 2018.

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Chief Financial officer Saket Agarwal*	Company Secretary Mr. B. M. Raul	
1. Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	33,58,107	21,72,386	55,30,493
	(b) Value of perquisites u/s 17(2) income-tax Act, 1961	5,71,350	-	5,71,350
	(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				
	- Contribution to PF	48,000	-	48,000
	- Others, specify	-	-	-
	Total	39,77,457	21,72,386	61,49,843

Note: *Appointed as CFO w.e.f. 01/06/2017. Remuneration given above also includes remuneration prior to the date of appointment as CFO, which was paid to Mr. Saket Agrawal in the capacity of Vice President – Finance & Accounts.

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)
A.COMPANY					
Penalty					
Punishment			-----NIL-----		
Compounding					
B.DIRECTOR					
Penalty					
Punishment			-----NIL-----		
Compounding					
C.OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			-----NIL-----		
Compounding					

On behalf of the Board of Directors

Krishna Kumar Karwa
Managing Director

Prakash Kacholia
Managing Director

Place : Mumbai
Date : 28th May, 2018

ANNEXURE "B" SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2018.**FORM No. MR-3
SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018**

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

To,
The Members,
Emkay Global Financial Services Limited

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

Based on our verification of the 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 31st March, 2018 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 31st March, 2018 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;
 - (b) The 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 (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 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, the Company had following event which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.:

1. During the year the Board of Directors at its meeting held on 6.7.2017 and subsequently the shareholders at the 23rd Annual General Meeting held on 11.08.2017 had approved the issue of securities for an aggregate amount not exceeding 150 Crores on QIP basis.

For **Parikh & Associates**
Company Secretaries

Place : Mumbai
Date : 28th May, 2018

Mitesh Dhaliwala
Partner
FCS No: 8331 CP No: 9511

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 A'

To,
The Members
Emkay Global Financial Services Limited

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

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

For **Parikh & Associates**
Company Secretaries

Place : Mumbai
Date : 28th May, 2018

Mitesh Dhaliwala
Partner
FCS No: 8331 CP No: 9511

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 fourth 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 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 1st April, 2017 to 31st March, 2018			
d	Salient terms of the contracts or arrangements or transactions including the value, if any	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	The wholly owned subsidiary companies are not having their own office premises.			
f	Date(s) of approval by the Board	30.01.2017	30.01.2017	30.01.2017	30.01.2017
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 5th proviso to section 188(1) of the Companies Act, 2013 passing of shareholders resolution under 1st 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.

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/investor-relations.

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 31st March, 2018, 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

Prakash Kacholia
Managing Director

Place : Mumbai
Date : 28th May, 2018

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 ₹ 192.04 Lacs
 - ii) The foreign exchange outflows were ₹ 252.75 Lacs

On behalf of the Board of Directors

Krishna Kumar Karwa
Managing Director

Prakash Kacholia
Managing Director

Place : Mumbai
Date : 28th May, 2018

ANNEXURE "E"

DETAILS OF CSR ACTIVITIES

1. A Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR policy and project or programs.

Corporate Social Responsibility (CSR) forms an important part of the Company's philosophy of giving back to the society.

The objective of the CSR Policy of the Company is to contribute to social and economic development of the communities in which the Company operates 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.

The Weblink of the Company is <https://www.emkayglobal.com/Reports/CORPORATE%20SOCIAL%20RESPONSIBILITY%20POLICY%20.pdf>

2. The Composition of the CSR Committee

The composition of CSR Committee is as under:

- i. Mr. G. C. Vasudeo - Chairman
- ii. Mr. Krishna Kumar Karwa - Member
- iii. Mr. Prakash Kacholia - Member

3. Average Net Profit of the Company for last three financial years - ₹ 173.94 lacs.**4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above) - ₹ 3.48 lacs.****5. Details of CSR spent during the financial year:**

- a) Total amount to be spent for the financial year - ₹ 3.48 lacs
- b) Amount unspent, if any; - ₹ 0.42 lacs
- c) Manner in which the amount spent during the financial year is detailed below

(₹ In lacs)							
Sr. No	CSR project or activity Identified.	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
1.	Providing Portable Eco Toilets to have a hygienic and safe place to stay	Promoting preventive health care and Improving Sanitation	Goregaon, Maharashtra	3.00	2.58	2.58	Through Emkay Charitable Foundation (Section 8 Company)

Sr. No	CSR project or activity Identified.	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
2.	Promoting Education among socially and economically backward children by providing Solar Lamps	Ensuring that the children deprived of basic amenities such as electricity can study with solar lamps	Goregaon, Maharashtra	0.48	0.48	0.48	Through Emkay Charitable Foundation (Section 8 Company)

*Give details of implementing agency:

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount in its Board report.

The Company is trying to locate suitable projects which will benefit to the really needy society. Unspent amount will be spent on CSR activities during F.Y. 2018-19.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

The CSR initiative focuses on holistic development of economically backward communities and create social and economic value to the society.

Krishna Kumar Karwa
Managing Director

Prakash Kacholia
Managing Director

G. C. Vasudeo
Chairman - CSR Committee

Place : Mumbai
Date : 28th May, 2018

ANNEXURE –“F”

A) RATIO/MEDIAN

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

Sr. No.	Disclosure Requirement	Disclosure Details		
1.	Ratio of the remuneration of director to the median remuneration of the employees for the financial year	Name	Title	Ratio
		Krishna Kumar Karwa	Managing Director	17.11
		Prakash Kacholia	Managing Director	17.11
		G. P. Gupta	Chairman (Independent Director)	0.73
		S. K. Saboo	Director	0.20
		R. K. Krishnamurthi	Independent Director	0.58
		G. C. Vasudeo	Independent Director	0.82
		Dr. Satish Ugrankar	Independent Director	0.62
		Preeti Kacholia	Woman Director	NA
		Dr. Bharat Kumar Singh	Additional Director	NA
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	Title	% increase in remuneration from FY 16-17 to FY 17-18
		Krishna Kumar Karwa	Managing Director	0.00%
		Prakash Kacholia	Managing Director	0.00%
		Bhalchandra Raul	Company Secretary	10.00%
		Saket Agrawal	CFO	NA*
3.	Percentage increase in the median remuneration of employees in the financial year		10.02%	
4.	Number of permanent employees including directors on the rolls of Company at the end of the year		350	
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 FY16-17 as well as in FY 17-18, the average increase in their remuneration was 10.21% whereas average increase in remuneration of Key Managerial Personnel was 0.96% 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: Mr. Saket Agrawal was appointed as CFO w.e.f. 1st June, 2017. Prior to his appointment as CFO, he was working as Vice President – Finance & Accounts. Hence, percentage increase in the capacity of CFO from FY 2016-17 to FY 2017-18 is not applicable.

On behalf of the Board of Directors

Krishna Kumar Karwa
Managing Director

Prakash Kacholia
Managing Director

Place : Mumbai

Date : 28th May, 2018

ANNEXURE “G” 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)	0	0
5	Options exercised (during the year)	1,15,880	40,500
6	The total number of shares arising as a result of exercise of options during the year.	1,15,880	40,500
7	Options lapsed (during the year)	1,50,170	9,000
8	Variation in terms of options	--	---
9	Money realized by exercise of options (during the year)	₹ 75,22,760	₹ 33,91,500
10	Total number of options in force at the end of the year.	87,000	15,500
11	Employee wise details of options granted to	--	---
	i. Senior Management Personnel during the year	--	---
	ii. Employees holding 5% or more of the total number of options granted during the year.	--	---
	iii. Employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	--	---
12	Diluted Earnings per share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with (“Accounting Standard (AS) 20”Earning per share)	₹ 1.89	₹ 1.89

Sr. No.	Particulars	ESOP Scheme-2007	ESOP Scheme-2010 (Through Trust Route)
13	Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employees compensation cost so computed and the employees compensation cost that shall have been recognised if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	Compensation Cost using the intrinsic value of the stock options is Nil. However, had the company followed the fair value method for accounting the stock options, compensation cost would have been ₹ (60,30,776) with consequent higher profit. On account of the same, the basic and diluted Earnings per share would have been more by ₹ 0.2461 per share and ₹ 0.2454 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 ₹ (5,05,164) with consequent higher 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	--	---
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 (₹)	--	---

Note: The Company has also introduced new ESOP 2018 scheme approved by the shareholders through the process of Postal Ballot on 21st March, 2018. BSE and NSE has granted in-principle approval for listing of new shares to be issued under the scheme vide their letter dated 26.04.2018 and 18.04.2018 respectively.

On behalf of the Board of Directors

Krishna Kumar Karwa
Managing Director

Prakash Kacholia
Managing Director

Place : Mumbai
Date : 28th May, 2018

ANNEXURE "H"

B) PARTICULARS OF EMPLOYEES FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2018.
 STATEMENT CONTAINING THE PARTICULARS OF EMPLOYEES THROUGHOUT THE FINANCIAL YEAR AND PART OF THE FINANCIAL YEAR AND AS PER THE RULES 5 (2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2016 [RULES] AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2018.

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	1,45,32,467	Permanent	PG in Economics	23	24/10/2011	50	Centrum Broking Ltd
2	Mr. Kenin Jain	Head - Institutional Equity Sales	1,42,38,202	Permanent	CA & MBA	13	12/3/2012	37	Voyager Investment
3	Mr. S Hariharan	Head Sales Trading	1,09,28,004	Permanent	PG in Management	13	8/12/2014	38	Antique Stock Broking
4	Mr. Krishna Kumar Karwa	Managing Director	94,08,000	Contractual	B.Com. ACA	30	1/1/1995	52	N.A.
5	Mr. Prakash Kacholia	Managing Director	94,08,000	Contractual	B.Com. ACA	29	1/1/1995	52	N.A.
6	Mr. Sindhu Sameer	Co Head - Institutional Equity Sales	82,00,373	Permanent	MBA	27	12/08/2016	49	Nomura Securities
7	Mr. Rahul Rege	Business Head- Retail	72,53,417	Permanent	B.Com	23	15/07/2009	49	Centrum Wealth Management Ltd
8	Ms. Manjiri Mazumdar	Equity Derivatives Sales	69,48,017	Permanent	MBA (Finance)	13	17/05/2005	37	NA
9	Mr. Pritesh Chheda	Vice President- Management Head-Equity	65,54,627	Permanent	MBA	15	16/04/2007	38	Sharekhan Ltd
10	Mr. Sumit Syal	Derivative Sales Asia Pacific	63,70,672	Permanent	PGDBM	18	1/08/2017	40	Religare Capital Markets

- Note:**
- 1 Gross Remuneration includes Salary, House Rent Allowance, Other Allowances, Contribution to Provident Fund and Value of Perquisites computed as per Income Tax Rules, 1962.
 - 2 The nature of employment in case of Managing Directors are contractual. Other terms and conditions are as per the Company's Rules.
 - 3 In compiling the above details, Contribution made as per actuarial valuation to Gratuity Fund has not been taken into account as separate figures are not available for individual employees.
 - 4 Mr. Krishna Kumar Karwa, Managing Director is related to Mr. S.K.Saboo, Director of the Company. Mr. Prakash Kacholia, Managing Director 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
 Place : Mumbai

Prakash Kacholia
 Managing Director

Date : 28th May, 2018

Management Discussion And Analysis

1. Overview of the Economy

The world economy embarked on a synchronous recovery in 2018, but subsequently faced headwinds of trade protectionism and strong idealisation towards domestic-centric growth approach. However, India faced temporary growth challenges on implementation of demonetisation and GST, particularly in the informal segment. We expect a recovery in growth and in corporate earnings (on the back of Government initiatives to bolster rural sector) in FY19, but tighter liquidity might impact valuations. The upswing in global commodity prices and sharp currency depreciation are likely to put upside pressure on inflation and Current Account Deficit (CAD). Although exogenous forces continue to pose challenges for India's sustainable growth prospects, Government initiatives should more than compensate for that. With the general elections in the near term, the Government will augment its efforts towards retrieving growth from the bottom of the pyramid.

2. Indian Equity Markets in Fiscal 2018

The Indian capital markets continued their glorious performance in FY18, advancing by 11.3% YoY, translating into 14% CAGR returns in the last two years. Buoyancy in the markets was largely a factor of incessant domestic inflows into Equity and Balanced MFs, which shot up by ~2.5 times in FY18. The total DII inflows also increased quite significantly by 3.7 times.

The Assets Under Management (AUM) of the Indian MF industry witnessed an exceptional growth of 22% in FY18 on a higher base of 42% growth in FY17. Indian markets witnessed net FII inflows of ₹ 1.4 trillion, primarily on the back of higher inflows worth ₹ 1.2 trillion into Debt while ₹ 211 billion went into Equity.

3. Business Overview

Emkay Global Financial Services Ltd. is a leader in the financial services sector, actively creating wealth for its clients for nearly two decades. Founded in 1995 with a clear goal of offering sound, research-backed financial advice, Emkay has successfully served a wide variety of highly distinguished clientele around the world; including foreign institutional investors (FIIs), domestic mutual funds, hedge funds, banks, insurance companies, private equity firms, corporate houses, small and medium-sized enterprises and high net worth individuals (HNIs).

The year was noteworthy for Emkay with the launch and successful closure of its maiden Alternative Investment Fund

– Emkay Emerging Stars Fund. Another proud moment came in June, 2017 with DBS Vickers, a wholly owned subsidiary of DBS Bank, inking an agreement with Emkay for sharing of knowledge, co-branding of research and its distribution to the global clients of DBS Vickers. Emkay was also recognised as 'India's Most Admired Service Provider in Financial Sector' by CMO Asia.

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 FY18 the institutional segment contributed 59% of the total equity broking business, while the non-institutional segment accounted for the remaining. The total number of institutional clients increased from 299 in FY17 to 324 in FY18, while the number of non-institutional clients increased to 138880.

During the year, Emkay's Institutional Sales team was ranked 5th in India by Institutional Investor Survey, 2017 and 7th by Asiamoney Brokers Poll, 2017.

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 333 during the year. Several outreach events were also conducted, during the year: 121 Roadshows, 27 Reverse Roadshows, 48 Corporate/Expert - Client Meetings and 147 Conference Calls. Emkay's annual investor conference 'Emkay Confluence' saw the participation of more than 130 companies and nearly 400 institutional investors, which resulted in over 2600 corporate-investor meetings.

Equity Asset Management:

Emkay Investment Managers Ltd. (EIML), a wholly owned subsidiary, is a SEBI registered Portfolio Manager. EIML offers six different types of Portfolio Management Services (PMS), catering to individual risk appetites, goals and investment preferences. The PMS team that comprises professional fund

managers, research and wealth advisors and associates with a combined experience of nearly 30 years is focussed on offering clients a superior research based portfolio, which effectively manages risks and optimises returns. Emkay PMS follows a judicious mix of both bottom up and top down approach, with greater emphasis on the bottom up approach, especially for stock selection. It offers highly customised and personalised advisory services for HNIs / NRIs and Corporate Investors. Emkay's expertise in Portfolio Management Services 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.

During the year, Emkay successfully launched Emkay Emerging Stars Fund, its maiden Category III Alternative Investment Fund (AIF) with the primary objective of generating long term capital appreciation in Indian equity markets. The Fund is suitable for investors with an investment horizon of five years. In a short span of three months of its launch, the fund crossed the milestone of ₹ 200+ crore of Assets Under Management. This was followed with the launch of Series II of the Fund, and within a month, the two series put together crossed commitments of ₹ 250 crore. The Fund continues to seek capital appreciation and positive returns in an efficient and risk-adjusted manner through employment of sound (conventional) and smart fundamental investment strategies.

Other Businesses:

Emkay's other service offerings include Investment Banking, Commodities and Currency - Broking and Advisory.

Emkay is a SEBI registered Category I Merchant Banker with a strong research bias, focussing on middle market companies. Emkay's Investment Banking division has been successfully advising and raising money for mid-market companies for almost a decade. During Fiscal 2018, the investment banking team completed four fund raising transactions in the form of Qualified Institutional Placements aggregating ₹ 22,725 million for Edelweiss Financial Services, Delta Corp, Premier Explosives Ltd and Kridhan Infra. Apart from this, share buybacks of up to ₹ 2,580 million and ₹ 800 million were undertaken for eClerx and GHCL Ltd respectively.

In FY18, Emkay's net revenues from the currency business increased 32% YoY. This was more due to options volumes in currencies than futures. A significant achievement for Emkay in the currency segment has been the enabling of various in-house algos to institutional and corporate clients which have helped it gain traction in the business. The much-awaited SEBI approval for options in commodity business came in only in the

last quarter of the financial year. As of now SEBI has approved options in Gold, Silver, Copper and Crude Oil. Furthermore, with the enabling of a single ledger for all segments (equity/commodity/currency), we expect commodity volumes to improve.

As a full service insurance broker in India, Emkay understands the true value of each asset a client owns and offers a wide range of insurance products and services through Emkay Insurance Brokers Ltd, its wholly owned subsidiary. From personal insurance policies to specialised policies for small businesses, marine insurance, travel insurance and employee benefit schemes, Emkay covers the entire gamut of insurance products.

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 ₹ 3980 lac in FY18 from ₹ 3204 lac in FY17.

4. Opportunities and Threats

Rising influence of domestic players in the Indian markets, especially that of the MF industry and retail investors has seen a remarkable transformation over the last few years. Inflows into MFs have remained strong in the last two years with roughly ₹ 250 billion of net inflows being observed per month. With this, the contribution of domestic institutions in the secondary market volume has increased to ~15-20%. This transformation has provided a considerable fillip to mid-cap and small cap stocks, thereby enhancing the liquidity and depth of the Indian stock markets.

Emkay, with its leading position across a wide array of financial services and with a 2.5-3% market share in the domestic institutional business stands to benefit considerably from this transformation. Emkay's tie-up with DBS Vickers during FY18 will enhance its ability to tap into the emerging opportunities that lie ahead. In particular, the collaboration with DBS will strengthen our reach to capture greater market share in the global arena.

5. Future Outlook

Post the short term growth pangs, landmark reforms implemented by the government, including GST, IBC and RERA, are likely to give a fillip to the economy as a whole. Some economic revival was visible in H2FY18 and the trend is likely to further accentuate in FY19. We believe the FY19 growth would largely be driven by government spending and progress of the fiscal multiplier effect. Going forward, as the growth gathers momentum and with favorable demographics, we can anticipate higher savings tilted towards equity markets, especially via mutual funds. In FY17, investments in equity and

debentures increased to 10% of the total household financial savings v/s an average of 1.6% in the last 6 years. Also in FY17, deposits increased to 60.2% of the gross financial savings - indicating that with growing awareness among retail investors a large proportion of these deposits could potentially move into financial markets. Dwindling interest of households in Real Estate is likely to shift a significant portion of incremental savings towards financial savings. Also, few key indicators such as SIP investments in MFs (which alone were up by 53% yoy in FY18), ~16% increase in active demat accounts, among others, imply a robust outlook of the financial sector in India. Going forward, with improving income growth and favourable demographics, we can anticipate a surge in household savings moving towards the equity markets. This would continue to augur well for our industry.

6. Risks and 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 continued growth in the coming years.

Human Resource Risk

Availability of highly skilled labour is the key to 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 programmes and training programmes. 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

People are our greatest strength. They are our most precious resource! Emkay has always stood steadfast with its guiding principle - "Your Success is our Success". We always strive for creation of an environment that is not just supportive of high levels of performance but also the one in which people can share and celebrate their success. Constant development is a key attribute of Emkay's people. During FY18 we took several steps towards this. Some of the key activities during the year were –

- Peer Reviews were conducted for the Institutional team and actionable feedback was shared with all participants on a one-on-one basis, which was well-received. Peer Reviews were also conducted for support functions like Operations, Accounts, IT, et al, wherein Regional and Branch Heads gave their feedback on the service levels, which was shared with individual operations teams.
- Continuous Learning: We launched e-learning courses which gave employees the flexibility and freedom to learn at the time and place of their choice. Courses offered were diverse, ranging from Technical Analysis to Business Communication. Learning and Development through other modes kept contributing to organisation's pool of Knowledge, Skills and Abilities (KSAs). These programmes covered Equity Valuation, Advanced Excel, Corporate Grooming and Business Etiquette, Advanced Communication Skills – Telephone and Email Etiquette and Sales Enhancement Skills. Also, programmes like Presentation Skills were executed post a thorough pre-assessment and were specifically designed and delivered based on assessment results.

- **Performance Driven Environment:** We believe in sharing all the constructive feedback! In this context, we aggressively followed up on performance reviews to ensure that a significant number of employees get their performance-related feedback. This feedback plays a vital role in catapulting the performance of our employees into new horizons.
- **Skip Level Meetings with Heads of Department and Managing Directors**
- **Evolving and Learning :** Revised and released a new Employee Policy Manual to make it more comprehensive in terms of content and visual appeal. Introduced/modified policies on attendance, business travel and mobile reimbursement among others.
- **Improvement in Internal Communication :** Emkay Express -Revamped the newsletter by engaging employees at all levels and inviting them as Guest Editors.
- **Health is Wealth:** Not only did we increase the Group Medclaim Cover, we actually doubled it for all employees.

8. Internal Control Systems and their Adequacies

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

The internal control systems are supplemented by extensive internal audits, regular reviews by management and standard policies and guidelines to ensure the 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 an executive summary of the same along with action taken report (ATR) and 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 Systems. The Board also

recognises 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 ₹ 15657 lac in FY18, as against ₹ 10884 lac in FY17, an increase of 43.85%. **EBIDTA:** The Company's EBIDTA stood at ₹ 4552 lac compared to ₹ 2374 lac in FY17, an increase of 91.74%. **PAT:** The Profit/(Loss) after Tax stood at ₹ 2862 lac against ₹ 1219 lac in FY17, an increase of 134.70%.

Standalone:

Income: The Company recorded a total income of ₹ 13298 lac, as against ₹ 9662 lac in FY17, an increase of 37.63%. **EBIDTA:** The Company's EBIDTA before exceptional items stood at ₹ 2975 lac, as against ₹ 1710 lac in FY17, an increase of 73.98% . **PAT:** The Profit/(Loss) after Tax stood at ₹ 1794 lac against ₹ 462 lac in FY17, an increase of 288.30%.

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 factors such as litigation and industrial relations.

Corporate Governance Report

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company has set itself the objective of achieving excellence in its business. As a part of its growth strategy, the Company believes in adopting the 'best practices' that are followed in the area of Corporate Governance. The Company emphasizes the need for full transparency and accountability and conducting its business in a highly professional and ethical manner, thereby enhancing trust and confidence of all its stakeholders. The Company continuously monitors its governance practices and benchmarks itself to the best governed companies across the industry. The Company believes in pursuing holistic growth and realizes its responsibility towards its stakeholders and environment. The Board considers itself as a Trustee of its Shareholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth. The Company not only adheres to the prescribed corporate governance practices as per 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 SEBI (LODR) Regulations, 2015 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 nine 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 44 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 50 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 45 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 39 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.

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

Dr. Satish Ugrankar was appointed as an Independent Director of the Company at the 22nd Annual General Meeting held on 10th August, 2016, not liable to retire by rotation, to hold office for a term of five consecutive years commencing from 10th August, 2016. Dr. Satish Ugrankar is M.S., D'ORTH (CPS), and F.C.P.S. (CPS), (Mumbai) and practicing since last 41 years. He is on the Board of FDC Limited.

(vi) Mr. Krishna Kumar Karwa (Managing Director, Promoter)

Mr. Krishna Kumar Karwa, a rank holder Member of the Institute of Chartered Accountants of India, is the Promoter, Managing Director of the Company. Mr. Krishna Kumar Karwa has a rich and varied experience of 30 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 29 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.

(ix) Dr. Bharat Kumar Singh (Non Executive Director)

Dr. Bharat Kumar Singh has been appointed as an Additional Director of the Company w.e.f. 29th January, 2018 as per the provisions of Section 149 of the Companies Act, 2013 and as per SEBI (LODR) Regulations, 2015. Dr. Bharat Kumar Singh is B.E (Mech), MBA (IIM-C), Ph.D (Mumbai Univ (JBIMS). Dr. Bharat Kumar Singh comes with a well-rounded and rich experience of 46 years, of which 14 years involved a stint in two large MNCs (ITC & Sandoz Group) and 32 years in Indian Houses (RPG & Aditya Birla Group) in senior capacity. He has a wide experience in acquiring business knowledge, restructuring, reorganizing and building relationships with relevant institutions. Presently he is on the Board of Aditya Birla Power Company Limited and Aadhyathma Management Pvt. Limited.

2.3 The Composition of the Board, Directorship/Committee positions in other companies as on 31st March, 2018 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 2017-18		Whether attended last AGM held on 11.08.2017	Number of Director-ships in other public companies*	Number of Committee#positions held in other public companies *	
		Held	Attended			Chairman	Member
Mr. G. P. Gupta	NED (I)	5	5	N	1	-	-
Mr. S. K. Saboo	NED	5	5	Y	1	-	-
Mr. R. K. Krishnamurthi	NED (I)	5	4	Y	4	1	1
Mr. G. C. Vasudeo	NED (I)	5	5	Y	1	-	1
Dr. Satish Ugrankar	NED (I)	5	5	Y	1	-	-
Mr. Krishna Kumar Karwa	ED	5	5	Y	4	-	2
Mr. Prakash Kacholia	ED	5	5	Y	3	-	1
Mrs. Preeti Kacholia	NED	5	5	Y	-	-	-
Dr. Bharat Kumar Singh (Appointed as an Additional Director w.e.f. 29.01.2018)	NED	-	-	N.A.	1	-	-

- Note:
1. Category: NED – Non-Executive Director, NED (I) – Non-Executive Director and Independent, ED – Executive Director & Promoter
 2. 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.
 3. None of the Non-Executive Directors hold any shares or convertible instruments in the Company.
 4. 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 the 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.

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 letter of appointment to Independent Directors which covers the code for Independent Directors as per schedule IV as provided in the Companies Act, 2013 and the Company has disclosed the terms and conditions of appointment of 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

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 this 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 following link: www.emkayglobal.com/investorrelations/disclosures

Evaluation of Board's Effectiveness

In terms of provisions of the Companies Act, 2013 read with Rules issued thereunder 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 31st March, 2018. 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 (LODR) Regulations, 2015 and further circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated 5th January, 2017 issued by Securities and Exchange Board of India (SEBI), a separate meeting of the Independent Directors of the Company was held on 26th March, 2018, without the attendance of Non-Independent Directors and members of the management to inter alia:

- Review the performance of Non-Independent Directors and 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 2017-2018, 5 Board Meetings were held on 24th May, 2017, 6th July, 2017, 11th August, 2017, 13th

November, 2017 and 29th January, 2018. 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. 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 present 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, Managing Director, Chief Financial Officer (CFO) and Chief Operating Officer 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 2017-18, four Meetings of the committee were held on 24th May, 2017, 11th August, 2017, 13th November, 2017 and 29th January, 2018. 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	4
Mr. G. C. Vasudeo	4
Mr. R. K. Krishnamurthi	3
Dr. Satish Ugrankar	4
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;
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 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 2017-18, six Meetings were held on 24th May, 2017, 6th July, 2017, 11th August, 2017, 12th October, 2017, 13th November, 2017 and 29th January, 2018. The attendance of each Committee member was as under:

Name	No. of Meetings attended
Mr. G. P. Gupta	6
Mr. G. C. Vasudeo	6
Mr. R. K. Krishnamurthi	5
Mr. S. K. Saboo	6
Dr. Satish Ugrankar	5
(Appointed w.e.f. 24.05.2017)	

Terms of Reference

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

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director

and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;

2. Formulation of criteria for evaluation of 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.

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 (Prohibition of Insider Trading) Regulations, 2015 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(s)

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 the shareholders, subject to the limit of 1% of the profits of the Company computed as per the applicable provisions of the Act.

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

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

Details of Remuneration paid to Managing Director(s) for the Financial Year 2017-18

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 23rd May, 2016, the Members of the Company at their meeting held on 10th August, 2016 had approved re-appointment and payment of remuneration to Mr. Krishna Kumar Karwa-Managing Director and Mr. Prakash Kacholia-Managing Director for a further period of three years with effect from 1st October, 2016 subject to approval of the Central Government, if necessary by

passing Special Resolutions.

As per Ministry of Corporate Affairs (MCA) notification No. S.O. 2922 (E) dated 12.09.2016, the yearly limit without obtaining the Central Government approval for slab of effective capital of Rs.5 crore and above but less than Rs. 100 crore was increased from earlier Rs. 42 lac per annum to Rs. 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 Resolutions passed at the 22nd Annual General Meeting held on 10th August, 2016, remuneration is being paid to Mr. Krishna Kumar Karwa-Managing Director 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 1st October, 2016 onwards.

5. REMUNERATION OF DIRECTORS

The following table gives details of remuneration paid to Directors. During 2017-18, 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 Rupees)

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	1,50,000	0	0	2,50,000	4,00,000	None
S. K. Saboo	Related to Krishna Kumar Karwa	1,10,000	0	0	0	1,10,000	None
R. K. Krishnamurthi	None	1,20,000	0	0	2,00,000	3,20,000	None
G. C. Vasudeo	None	1,50,000	0	0	3,00,000	4,50,000	None
Dr. Satish Ugrankar	None	1,40,000	0	0	2,00,000	3,40,000	None
Krishna Kumar Karwa (Managing Director)	Related to S.K.Saboo	0	84,00,000	10,08,000	0	94,08,000	None
Prakash Kacholia (Managing Director)	Related to Preeti Kacholia	0	84,00,000	10,08,000	0	94,08,000	None
Preeti Kacholia	Related to Prakash Kacholia	0	0	0	0	0	None
Dr. Bharat Kumar Singh (Appointed w.e.f. 29.01.2018)	None	0	0	0	0	0	None

Notes :

- Sitting fee is paid for attending Board Meetings and Board level Committees i.e. Audit, and Nomination, Remuneration and Compensation Committee
- Commission to Non-Executive Independent Directors is payable for the financial year ended March 31, 2018.

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 2017-18, the Committee had held 4 meetings. These meeting were held on 24th May, 2017, 11th August, 2017, 13th November, 2017 and 29th January, 2018. The attendance of each Committee member was as under:

Name	No. of Meetings attended
Mr. R. K. Krishnamurthi	3
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 2017-18 :

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

7. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Composition of the Committee is in compliance with Section 135(1) of the Companies Act, 2013. The members of the CSR Committee are as under:

Mr. G. C. Vasudeo (Independent Director)	Chairman
Mr. Krishna Kumar Karwa	Member
Mr. Prakash Kacholia	Member

Meetings

During the Financial Year 2017-18, 2 Meeting were held on 24th May, 2017 and 29th January, 2018. The attendance of each Committee Member was as under:

Name	No. of Meetings attended
Mr. G. C. Vasudeo	2
Mr. Krishna Kumar Karwa	2
Mr. Prakash Kacholia	2

Terms of Reference

The term of reference of the CSR committee broadly are as under:

- Formulation of the corporate social responsibility policy and its review from time to time
- recommendig various categories of expenditures on the CSR activities in alignment with the CSR policy and in compliance with the regulatory requirements
- monitoring the implementation of framework of CSR policy.
- Carrying out any other function in compliance with any statutory notification, amendment or mortification, as may be applicable, necessary or appropriate

8. 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
2016-2017	23rd	M. C. Ghia	11th August, 2017	4.00 p.m.
2015-2016	22nd	Hall, Fort,	10th August, 2016	4.00 p.m.
2014-2015	21st	Mumbai	12th August, 2015	4.00 p.m.

Special Resolutions passed at the last three AGM:

1. **At the 23rd AGM held on 11th August, 2017**
 - Issue of Securities under the provisions of Section 23,42 and 62 of the Companies Act, 2013
2. **At the 22nd AGM held on 10th 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.

3. At the 21st AGM held on 12th 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.

Postal Ballot:

During the year, following special resolutions were passed by the Company through postal ballot on 21.03.2018 for

a. Voting Pattern:

Particulars	Total No. of Valid Votes	Votes Assenting the Resolution	% of Votes Cast	Votes Dissenting the Resolution	% of Votes cast
Approval and Implementation of Employees' Stock Option Plan-2018 (ESOP-2018)	1,80,66,782	1,80,66,563	99.999	219	0.001
Approval for Extending benefits of Employees' Stock Option Plan-2018 (ESOP-2018) to the employees of present and future Subsidiary Companies.	1,80,66,757	1,80,66,537	99.999	220	0.001

- b. Person who conducted the Postal Ballot Exercise: Mr. P. N. Parikh (Membership No. FCS 327) failing him Mr. Mitesh Dhabliwala (Membership No. FCS 8331) of M/s. Parikh & Associates, Company Secretary in whole time practice was appointed as Scrutinizer for conducting Postal Ballot and E-voting.

- vi. All Postal Ballot forms received by the Scrutinizer upto 5 p.m. on 21st March, 2018 had been considered for his scrutiny. Postal Ballot forms received after the date had not been considered.

- vii. On 22nd March, 2018, The Chairman announced the results of the Postal Ballot as per the Scrutinizer's Report.

c. Procedure for Postal Ballot:

- The Board of Directors, by resolution dated 29th January, 2018 had appointed Mr. P. N. Parikh failing him Mr. Mitesh Dhabliwala of M/s Parikh & Associates, Practicing Company Secretary.
- The dispatch of the Postal Ballot Notice dated 29th January, 2018, together with Explanatory Statement was completed on 19th February, 2018 along with forms and postage prepaid business envelopes to all the shareholders whose name(s) appeared on the Registers of Members/List of beneficiaries as on the cut-off date of 9th February, 2018.
- The voting under the Postal Ballot was kept open from 20th February, 2018 to 21st March, 2018 (either physically or through electronic mode).
- Particulars of Postal Ballot forms received from the Members using the electronic platform of CDSL were entered in a register separately maintained for the purpose.
- The Postal Ballot forms were kept under the safe custody of the Scrutinizer in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.

d. Proposal for Postal Ballot:

No Special resolution is proposed to be passed through Postal Ballot.

9. 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.
- All the official news releases are regularly sent to the Stock Exchanges and are promptly displayed on the Company's website.
- No presentations were made to the institutional investors or to the analysts during the year.

10. GENERAL SHAREHOLDER INFORMATION

Sr. No.	AGM: Date, time and venue	Tuesday, the 14th August, 2018 at 4.00 P.M. at M. C. Ghia Hall, Fort, Mumbai – 400001.
(a)	Financial Year	1st April, 2017 to 31st March, 2018
(b)	Date of Book Closure	Friday, 3rd August, 2018 to Tuesday, 14th August, 2018 (Both days inclusive)
(c)	Dividend Payment Date	Dividend, if declared at the Annual General Meeting, shall be paid to all eligible shareholders 18th August, 2018 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 2018-2019
(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 31.03.2018, 99.94% of the Equity Share Capital comprising 2,45,19,516 equity shares out of total 2,45,34,030 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 does 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	Registered Office: The Ruby, 7th Floor, Senapati Bapat Marg, Dadar(West), Mumbai-400028 Administrative Office: Paragon Center, C-06, Ground Floor, Pandurang Budhkar Marg, Worli, Mumbai-400 013. Registrar and Transfer Agent: Link Intime India Private Limited C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083

Market Price Data

During the year, the BSE Sensex increased from 29,620.50 to 33,255.36

The Market Price of the Company's Shares traded on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) during each month of the last Financial Year from 1st April, 2017 to 31st March, 2018 is as follows:

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2017	94.15	77.70	94.50	77.15
May, 2017	104.95	80.60	104.70	80.70
June, 2017	171.00	84.05	171.50	84.10
July, 2017	175.00	143.10	177.00	142.60
August, 2017	236.20	158.00	240.10	229.00
September, 2017	320.70	237.25	322.70	237.00
October, 2017	301.00	241.00	302.00	241.05
November, 2017	273.30	219.05	274.00	218.35
December, 2017	247.40	206.00	248.00	205.05
January, 2018	242.00	208.00	240.60	207.10
February, 2018	228.00	170.10	230.00	167.00
March, 2018	209.90	136.20	194.95	132.20

Categories of Share Holding as on 31st March, 2018

The Shareholding of different categories of the shareholders as on 31st March, 2018 is given below:

Category	No. of Shareholders	No. of Shares	% of total
(A) Promoters and Promoter Group Shareholding:	6	1,35,02,500	55.0358
Individual / Hindu Undivided family	1	41,50,000	16.9153
Bodies Corporate			
Total (A)	7	1,76,52,500	71.9511
(B) Public Shareholding:			
Other Bodies Corporate	178	7,16,507	2.9205
NRI(including Non Repatriable)	304	6,25,992	2.5515
Clearing Members	105	1,33,582	0.5445
Indian Public	9,260	52,79,682	21.5198
Total (B)	9,847	67,55,763	27.5363
(C) Non Promoter- Non Public Shareholding:			
ESOP Trust	1	1,25,767	0.5126
Total (C)	1	1,25,767	0.5126
Total (A+B+C)	9,855	2,45,34,030	100.0000

Distribution of Shareholding as on 31st March, 2018

The Shareholding distribution of the equity shares as on 31st March, 2018 is given below:

Number of Shares held (Face value of ₹ 10 each)	Shareholders		Shares	
	Number	% of total	Number	% of total
1-500	8307	84.2922	844680	3.4429
501-1000	502	5.0939	410110	1.6716
1001-2000	502	5.0939	763723	3.1129
2001-3000	215	2.1816	548369	2.2351
3001-4000	99	1.0046	355991	1.4510

Number of Shares held (Face value of ₹ 10 each)	Shareholders		Shares	
	Number	% of total	Number	% of total
4001-5000	45	0.4566	216043	0.8806
5001-10000	97	0.9843	693038	2.8248
10001 & above	88	0.8929	20702076	84.3811
Total	9855	100.0000	2,45,34,030	100.0000

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.
- 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 31st March, 2018, there were 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.

- B.** There was no non compliance and no penalties or strictures imposed by the stock exchanges or by the SEBI or any other statutory authority on the Company in any matter related to capital market in connection with its equity share capital from the date of listing.

C. Whistleblower Policy/Vigil Mechanism

The Company is committed to provide an open, honest and transparent working environment and seeks to eliminate fraudulent activities in its operations. To maintain high level of legal, ethical and moral standards and to provide a gateway for employees to report unethical behavior and actual or suspected frauds, the Company has adopted the Whistleblower Policy / vigil mechanism with effect from 1st 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

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 .

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 31st March, 2018. 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 29th 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 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 was held by the Company purely on behalf of the allottees who were entitled to the shares but had not claimed their shares. As on 31st March, 2017 a total no. of 1150 shares pertaining to 7 allottees were lying in the said Depository Account, out of which 759 no. of shares held by one shareholder were claimed by him in April, 2017.

Further, in compliance with the aforesaid SEBI Circular, the Company had opened an account with HDFC Bank Ltd in the name and style of "EGFSL – IPO Unclaimed Shares Unpaid Dividend Account" and credited the said bank account with the dividends declared on Unclaimed IPO Shares. As on 31st March 2018, an amount of ₹ 1367.50 was lying in the said bank account.

As per Rule 6 of the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 which came into force on 28.02.2017 "the shares were required to be credited to the Demat Account of the Authority to be opened by the Authority for the said purpose.

In accordance with provisions of section 124 and 125 of the Companies Act, 2013, the Company has transferred 391 no. of shares lying in IPO-Unclaimed Securities Suspense Account to the Demat Account opened by IEPF Authority :

Details of shares lying in Emkay Global Financial Services Limited A/C IPO-Unclaimed Securities Suspense Account as on 31.03.2018

Aggregate number of shareholders and outstanding shares lying in the suspense Account at the beginning of the year 1-4-2017	7 Shareholders holding 1,150 Shares
Number of shareholders who approached for transfer of shares from suspense account during the year.	1 Shareholder holding 759 Shares
Number of shareholders to whom share/s transferred from suspense account during the Year	1 Shareholder holding 759 Shares
Number of shareholders and number of shares transferred to the Demat Account of IEPF Authority during FY 2017-18	391 Shares belonging to 6 Shareholders
Aggregate Number of shareholders and the outstanding shares lying in the suspense account at the end of the year as on 31.03.2018	NIL
Voting rights on these shares are frozen till the rightful owner of such shares claims the share	Yes

* Note: 391 shares lying in suspense account were credited to the Demat Account of the IEPF Authority pursuant to the provisions of Section 124(6) of the Companies Act, 2013 read with Companies Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time.

Transfer of Equity Shares in respect of which dividend had not been paid or claimed for seven consecutive years or more 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. 7th September, 2016, and further notification dated 28.02.2017, 29.05.2017 and 13.10.2017 issued by Ministry of Corporate Affairs, amending the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017, all the shares in respect of which dividend had 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 31.10.2017 were required to be transferred to the special Demat Account of IEPF Authority by 30.11.2017.

As per Rule 6 of the IEPF Authority (Accounting, Audit, Transfer

and Refund) Rules, 2016 which came into force on 28.02.2017 “the shares shall be credited to the Demat Account of the Authority to be opened by the Authority for the said purpose, within a period of 30 days of such shares becoming due to be transferred to the fund”.

In accordance with the provisions of section 124 and 125 of the Companies Act, 2013, the Company has transferred 1783 no. of shares on which dividend had not been paid or claimed for seven consecutive years or more to the Demat Account of IEPF Authority.

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

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 31st March, 2017. 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

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 do 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**

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 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.

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 (LODR) Regulations, 2015 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

Prakash Kacholia
Managing Director

Place : Mumbai

Date : 28/05/2018

AUDITOR'S CERTIFICATE

To
The Members of **Emkay Global Financial Services Limited**

We have examined the compliance of conditions of Corporate Governance by Emkay Global Financial Services Limited ("the Company"), for the year ended on 31 March 2018, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing regulations") as referred to in Regulation 15(2) of the Listing Regulations, for the period 1st April, 2017 to 31st March, 2018.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in above mentioned Listing Regulations.

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 **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

per Viren H. Mehta
Partner

Membership No. : 048749
Place : Mumbai
Date : May 28, 2018

CODE OF CONDUCT

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 and Prakash Kacholia - Managing Director of the Company confirm that the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended 31st March, 2018.

For **EMKAY GLOBAL FINANCIAL SERVICES LIMITED**

Krishna Kumar Karwa
Managing Director

Prakash Kacholia
Managing Director

Place : Mumbai
Date : 28/05/2018

CEO/CFO CERTIFICATE

We hereby certify that -

- (a) We have reviewed Financial Statements and the Cash Flow Statement for the year ended 31st March, 2018 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

Prakash Kacholia
Managing Director

Saket Agrawal
Chief Financial Officer

Place : Mumbai
Date : 28/05/2018

Independent Auditor's Report

To the Members of Emkay Global Financial Services Limited

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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 accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain

reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2018, its profit, and its cash flows for the year ended on that date.

Other Matter

The financial statements of the Company for the year ended March 31, 2017, included in these standalone financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 24, 2017.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - i. We have sought and obtained all the information and

- explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii. 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;
 - iii. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - iv. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the Companies (Accounting Standards) Amendment Rules, 2016;
 - v. On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act;
 - vi. With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - vii. 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:

- a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 6 to the standalone financial statements;
- b. 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 – Refer Note 18 to the standalone financial statements;
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Viren H. Mehta

Partner

Membership Number : 048749

Place of Signature : Mumbai

Date : May 28, 2018

Annexure 1 referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our Report of even date

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) During the year, the Company did not hold any securities in physical form. The securities held as stock in trade by the depository are verified by the management with the confirmation statements received from them on a regular basis. In our opinion, the frequency of such verification is reasonable.
- The Company is maintaining proper records of securities held as stock in trade and no discrepancies were noticed on comparing the statement from custodian with 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 loans to Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
- (b) The Company has granted loan re-payable within one year, to a company covered in the register maintained under section 189 of the Act. We are informed that the period of one year is not completed, and thus, there has been no default on the part of the parties to whom the money has been lent. The payment of interest has been regular.
- (c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Act, which are overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act, for the products/services of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, value added tax, goods and service tax, cess and other statutory dues applicable to it.
- As informed, the provisions of wealth tax are currently not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, service tax, value added tax, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- As informed, the provisions of wealth tax are currently not applicable to the Company.
- (c) The particulars of dues on account of Income Tax as at March 31, 2018 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 (₹) | Period to which the amount relates | Forum where dispute is pending |
|----------------------|-------------------------|----------------------|------------------------------------|------------------------------------|
| Income Tax Act, 1961 | Income Tax and Interest | 1,55,973 | F.Y 2008-09 | Commissioner of Income Tax Appeals |
- (viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.

- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer/further public offer/debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act is not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- (xvi) According to the information and explanations given to us, we report that the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Viren H. Mehta

Partner

Membership Number : 048749

Place of Signature : Mumbai

Date : May 28, 2018

Annexure 2 To The Independent Auditor's Report of even date on the Standalone Financial Statements of Emkay Global Financial Services Limited

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

We have audited the internal financial controls over financial reporting of Emkay Global Financial services Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements 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 as specified under section 143(10) of the Act, to the extent 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 with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A Company's internal financial control over financial reporting with reference to these standalone financial statements 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 with reference to these standalone financial statements 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 With Reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, 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 with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such

internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Viren H. Mehta

Partner

Membership Number : 048749

Place of Signature : Mumbai

Date : May 28, 2018

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Balance Sheet

as at 31 March, 2018

Particulars	Note No.	As at 31 March, 2018 (₹)	As at 31 March, 2017 (₹)
I EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	3.1	24,53,40,300	24,43,81,500
(b) Reserves and Surplus	3.2	1,09,46,57,366	93,89,10,243
		1,33,99,97,666	1,18,32,91,743
(c) Share Application Money Pending Allotment	3.1	12,95,000	5,55,000
2. Non-Current Liabilities			
(a) Deferred Tax Liabilities (Net)	3.3	61,39,000	66,93,000
(b) Other Long-Term Liabilities	3.4	1,46,05,909	1,57,30,758
		2,07,44,909	2,24,23,758
3. Current Liabilities			
(a) Short-Term Borrowings	3.5	10,00,00,000	28,81,08,349
(b) Trade Payables			
- Micro, Small and Medium Enterprises	3.6	-	-
- Others	3.6	92,38,48,244	65,79,42,065
(c) Other Current Liabilities	3.7	62,07,81,758	39,60,32,220
(d) Short-Term Provisions	3.8	1,19,26,533	64,27,676
		1,65,65,56,535	1,34,85,10,310
TOTAL EQUITY AND LIABILITIES		3,01,85,94,110	2,55,47,80,811
II ASSETS			
1. Non Current Assets			
(a) Fixed Assets			
- Property, Plant and Equipment	3.9 (a)	31,54,35,386	33,76,40,242
- Intangible Assets	3.9 (b)	88,39,222	1,34,27,259
- Capital Work In Progress		4,66,656	28,62,000
(b) Non-Current Investments	3.10	40,58,25,000	33,75,00,000
(c) Long-Term Loans and Advances	3.11	6,26,14,366	9,97,54,444
(d) Other Non Current Assets	3.12	2,25,91,322	-
		81,57,71,952	79,11,83,945
2. Current Assets			
(a) Inventories	3.13	25,12,963	2,57,23,253
(b) Trade Receivables	3.14	87,05,54,312	64,16,22,361
(c) Cash and Cash Equivalents	3.15	1,27,56,66,064	99,76,71,664
(d) Short-Term Loans and Advances	3.16	4,02,03,564	8,39,97,766
(e) Other Current Assets	3.17	1,38,85,255	1,45,81,822
		2,20,28,22,158	1,76,35,96,866
TOTAL ASSETS		3,01,85,94,110	2,55,47,80,811
SIGNIFICANT ACCOUNTING POLICIES :	2		

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

per Viren H. Mehta

Partner

Membership No.048749

Place : Mumbai

Date : May 28, 2018

For and on behalf of the Board of

Emkay Global Financial Services Limited**Krishna Kumar Karwa**

Managing Director

Prakash Kacholia

Managing Director

Saket Agrawal

CFO

Bhalchandra Raul

Company Secretary

Place : Mumbai

Date : May 28, 2018

Statement of Profit and Loss

for the year ended 31 March, 2018

Particulars	Note	For the Year Ended 31 March, 2018 (₹)	For the Year Ended 31 March, 2017 (₹)
I INCOME			
Revenue from Operations	3.18	1,32,21,43,837	93,80,14,590
Other Income	3.19	76,92,897	2,82,25,948
Total Revenue		1,32,98,36,734	96,62,40,538
II EXPENSES			
Employee Benefits Expense	3.20	59,97,35,681	45,29,64,049
Finance Costs	3.21	2,38,72,808	2,23,32,545
Depreciation and Amortization Expense	3.22	4,52,61,536	4,03,06,185
Other Expenses	3.23	43,25,98,199	34,22,61,036
Total Expenses		1,10,14,68,224	85,78,63,815
Profit Before Exceptional Item and Tax		22,83,68,510	10,83,76,723
Less : Exceptional items	21	-	3,35,00,000
Profit Before Tax		22,83,68,510	7,48,76,723
III Tax Expense:			
- Current Tax : for the year		4,95,00,000	2,40,00,000
: for the earlier year		-	15,326
- Deferred Tax (Benefit)/ Charge for the year		(5,54,000)	47,02,500
Profit After Tax		17,94,22,510	4,61,58,897
Earnings per Equity Shares of nominal value of ₹10/- each			
- Basic		7.32	1.89
- Diluted		7.30	1.89
SIGNIFICANT ACCOUNTING POLICIES :	2		

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date
For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

per **Viren H. Mehta**
Partner
Membership No.048749

Place : Mumbai
Date : May 28, 2018

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

Krishna Kumar Karwa
Managing Director

Prakash Kacholia
Managing Director

Saket Agrawal
CFO

Bhalchandra Raul
Company Secretary

Place : Mumbai
Date : May 28, 2018

Cash Flow Statement

For the year ended 31 March, 2018

Particulars	Year ended 31 March, 2018 (₹)		Year ended 31 March, 2017 (₹)	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax, Exceptional / Extraordinary items	22,83,68,510		7,48,76,723	
Adjustment for :				
Finance Costs	2,38,72,808		2,23,32,545	
Depreciation and Amortization Expense	4,52,61,536		4,03,06,185	
(Profit)/ Loss on Sale of Fixed Assets	4,98,410		6,33,411	
(Net of Loss on discard)				
Interest Received	(29,89,257)		(43,57,917)	
Dividend Received	(3,22,573)		(3,44,352)	
Unrealised Foreign Exchange Loss (Net)	(1,73,841)		(1,95,954)	
Provision for Doubtful Debts /Deposits / Advances				
(Net off write back)	(9,00,189)		1,65,363	
Gain on Sale of Current/ Non-Current Investments	(1,33,831)	6,51,13,063	(2,27,32,474)	3,58,06,807
Operating profit before working capital changes	29,34,81,573		11,06,83,530	
Adjustment for :				
Trade and other receivables	(18,15,69,868)		(49,07,12,162)	
Deposits with Banks and Other items not considered as cash and cash equivalents (Refer Note 3 below)	(24,32,01,438)		(9,15,69,633)	
Inventories	2,32,10,290		2,74,10,284	
Trade and other payables	49,49,50,176	9,33,89,160	25,60,81,780	(29,87,89,731)
Cash Generated from Operations	38,68,70,733		(18,81,06,201)	
Direct taxes (Paid)/Refund	(5,17,76,743)		(1,49,21,359)	
Cash flow before Exceptional/ Extraordinary items	33,50,93,990		(20,30,27,560)	
Exceptional/ Extraordinary items	-		3,35,00,000	
Net Cash from/ (used in) Operating Activities	33,50,93,990		(16,95,27,560)	
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(1,67,42,559)		(5,07,24,518)	
Proceeds from Sale of Fixed Assets	1,70,850		8,76,914	
Acquisition/Disposal of Non-Current Investments	(6,83,25,000)		74,98,918	
Interest received	29,89,257		43,57,917	
Loans received back from ESOP Trust	3,74,00,000		2,00,00,000	
Gain on Sale of Current Investments	1,33,831		2,38,082	
Dividend received	3,22,573	(4,40,51,048)	3,44,352	(1,74,08,335)
Net Cash from / (used in) Investing Activities	(4,40,51,048)		(1,74,08,335)	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Issue of Shares	62,27,760		25,200	
Share Application Money pending allotment	12,95,000		5,55,000	
Addition/ (Repayment) of Short-Term Borrowings	(18,81,08,349)		19,81,08,349	

Particulars	Year ended 31 March, 2018 (₹)	Year ended 31 March, 2017 (₹)
Finance Costs paid	(2,38,72,808)	(2,23,32,545)
Dividends paid (including dividend distribution tax)	(2,94,19,798) (23,38,78,195)	(2,01,892) 17,61,54,112
Net Cash from/ (used in) financing activities	(23,38,78,195)	17,61,54,112
Net Increase/ (Decerease) in cash and cash equivalents (A+B+C)	5,71,64,747	(1,07,81,783)

Particulars	Year Ended 31 March, 2018 (₹)	Year Ended 31 March, 2017 (₹)
Net increase in cash and cash equivalents (A+B+C)	5,71,64,747	(1,07,81,783)
Cash and cash equivalents at the beginning of the year	23,61,19,195	24,69,00,978
Cash and cash equivalents at the close of the year	29,32,83,942	23,61,19,195
Notes :		
1. Cash and cash equivalents comprise of :		
Balances with Scheduled Banks		
- In Current Accounts	29,21,14,180	23,25,75,279
Cheque on hand	-	26,95,754
Cash on hand	4,89,340	5,41,592
Balances in Prepaid Cards	7,46,138	2,44,071
	29,33,49,658	23,60,56,696
Add/(Less): Exchange difference on translation of foreign currency cash and cash equivalents	(65,716)	62,499
	29,32,83,942	23,61,19,195

- 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.

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date
For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

per Viren H. Mehta
Partner
Membership No.048749

Place : Mumbai
Date : May 28, 2018

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

Krishna Kumar Karwa **Prakash Kacholia**
Managing Director Managing Director

Saket Agrawal **Bhalchandra Raul**
CFO Company Secretary

Place : Mumbai
Date : May 28, 2018

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

1. Corporate Information

Emkay Global Financial Services Limited ("the Company") was incorporated in 1995 and got listed in 2006. The Company is engaged in the business of providing Stock Broking Services, Investment Banking, Depository Participant Services and Distribution of Third Party Financial 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 in all material respects with the accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared on an accrual basis of accounting and under the historical cost convention except for derivative financial instruments which have been measured at fair value. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year 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 Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

2.3 Revenue Recognition

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

Income from Services

- a. Brokerage from secondary market is recognized as per contracted rates on the execution of transactions on

behalf of the clients on the trade date.

- b. Brokerage and other revenue from operations is net of Good and Services Tax or Service Tax wherever applicable.
- c. Income from investment banking activities and other fees is recognized as and when such services are completed / performed and as per terms of agreement with the client.
- d. Commission on Income in relation to distribution of third party financial products is recognised based on mobilization and intimation received from third parties.

Interest

- e. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend

- f. Dividend including interim are accounted when the right to receive payment is established.

Sale of Investments and Stock-in-Trade

- g. The Profit/(Loss) earned on Sale of Investments and Stock-in-trade are recognized on trade date basis. Profit or Loss on Sale of Investments is determined on the basis of the weighted average cost method and Stock-in-trade on FIFO 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.

Accounting for Derivative Transactions

- h. Income from derivative instruments comprises of 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 in accordance with "Guidance Note on Accounting for Derivative Contracts" issued by The Institute of Chartered Accountants of India as follows:-
 - i. 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.
 - ii. All directly attributable transaction costs on derivative transactions are recognized in Statement of Profit and Loss as they are incurred.
 - iii. 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 and Other Current Liabilities respectively.

2.4 Property, Plant and Equipment and Depreciation

- a. Property, plant and equipment, capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price.
- 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 basis over the Primary Lease Period or over a period of 3 years whichever is less.

2.5 Intangible Assets and Amortization

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the Statement of Profit and Loss in the year in which the expenditure is incurred.

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.

2.6 Investments

Investments, which are readily realizable and intended to be held for not more than twelve months from the date on which such investments are made, 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.

2.7 Retirement and Other 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

- 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.
- 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.

2.8 Assets on operating leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

2.9 Income Taxes

Current Tax

Provision for Current taxation has been measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates for the relevant assessment years.

Deferred Tax

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.

Minimum Alternate Tax (MAT)

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. 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, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" at each reporting date and writes down the asset to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

2.10 Impairment of Fixed Assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation is provided on the revised

carrying amount of the asset over its remaining useful life.

2.11 Provisions, Contingent Liabilities and 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.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation.

2.12 Foreign Currency Transactions

a. Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

b. Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

c. Exchange differences

The company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

- i. Exchange differences arising on a monetary item that, in substance, forms part of the company's net investment in a non-integral foreign operation is accumulated in the foreign currency translation reserve until the disposal of the net investment. On the disposal of such net investment, the cumulative amount of the exchange differences which have been deferred and which relate to that investment is recognized as income or as expenses in the same period in which the gain or loss on disposal is recognized.
- ii. Exchange differences arising on long-term foreign

currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.

- iii. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.
- iv. All other exchange differences are recognized as income or as expenses in the period in which they arise.

2.13 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 Accountants 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.

2.14 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.

2.15 Segments

a. Identification of segments

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the company operate.

b. Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

c. Segment accounting policies

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

2.16 Earnings 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 period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

3.1 : SHARE CAPITAL

Particulars	As at 31 March, 2018 (₹)	As at 31 March, 2017 (₹)
Authorised		
40,000,000 (PY 40,000,000) Equity Shares of ₹ 10/- each	40,00,00,000	40,00,00,000
Issued, Subscribed and Paid Up		
24,534,030 (PY 24,438,150) Equity Shares of ₹ 10/- each fully paid up	24,53,40,300	24,43,81,500
	24,53,40,300	24,43,81,500

Notes:

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

Particulars	As at 31 March, 2018		As at 31 March, 2017	
	No of Shares	Amount (₹)	No of Shares	Amount (₹)
At the beginning of the reporting period	2,44,38,150	24,43,81,500	2,44,37,750	24,43,77,500
Add: Shares issued during the reporting period under ESOP	95,880	9,58,800	400	4,000
Outstanding at the end of the reporting period	2,45,34,030	24,53,40,300	2,44,38,150	24,43,81,500

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 share 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 March, 2018		As at 31 March, 2017	
	No of Shares	% held	No of Shares	% held
Equity shares of ₹ 10 each fully paid				
Mr. Krishna Kumar Karwa	49,22,500	20.06	49,22,500	20.14
Mr. Prakash Kacholia	47,50,000	19.36	47,50,000	19.44
Emkay Corporate Services Pvt. Ltd.	41,50,000	16.92	41,50,000	16.98
Mrs. Preeti Kacholia	18,80,000	07.66	21,25,000	08.70
Mr. Raunak Karwa	17,50,000	07.13	17,50,000	07.16

d: Shares Reserved for issue under Options:

The Company has reserved issuance of ₹ 22,45,045 (Previous Year ₹ 23,50,925) 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 exercise of Employees Stock Options (ESOP'S).

3.2 : RESERVES AND SURPLUS

Particulars	As at 31 March, 2018 (₹)	As at 31 March, 2017 (₹)
Securities Premium Reserve		
Balance as per last Financial Statements	69,13,74,784	69,13,53,584
Add: Additions on ESOPs exercised and allotted	58,23,960	21,200
Closing Balance	69,71,98,744	69,13,74,784
General Reserve		
Balance as per last Financial Statements	17,61,50,794	17,61,50,794
Surplus in the Statement of Profit and Loss		
Balance as per last Financial Statements	7,13,84,665	2,52,25,768
Add: Profit for the year	17,94,22,510	4,61,58,897
Amount available for appropriation	25,08,07,175	7,13,84,665
Less: Appropriations:		
Dividend paid on Equity Shares	2,45,09,750	-
Dividend Distribution Tax - on Dividend	49,89,597	-
Total of appropriations	2,94,99,347	-
Net Surplus in the Statement of Profit and Loss	22,13,07,828	7,13,84,665
	1,09,46,57,366	93,89,10,243

3.3 : DEFERRED TAX LIABILITIES (NET)

Particulars	As at 31 March, 2018 (₹)	As at 31 March, 2017 (₹)
Deferred Tax Liabilities		
Difference between book and tax depreciation	74,22,000	66,93,000
	74,22,000	66,93,000
Deferred Tax Assets		
Provisions	12,83,000	-
	12,83,000	-
Net Deferred Tax Liabilities	61,39,000	66,93,000

3.4 : OTHER LONG TERM LIABILITIES

Particulars	As at 31 March, 2018 (₹)	As at 31 March, 2017 (₹)
Others		
Security Deposits	1,46,05,909	1,57,30,758
	1,46,05,909	1,57,30,758

3.5 : SHORT-TERM BORROWINGS

Particulars	As at 31 March, 2018 (₹)	As at 31 March, 2017 (₹)
Secured		
Loan repayable on demand:		
- Overdraft from a Bank (Note 1)	-	18,81,08,349
Short Term Loan from a Bank (Note 2)	5,00,00,000	5,00,00,000
Unsecured		

Particulars	As at	As at
	31 March, 2018 (₹)	31 March, 2017 (₹)
Short Term Loan from a Bank	5,00,00,000	5,00,00,000
	10,00,00,000	28,81,08,349

Note :

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

(2) Short Term Loan is secured by way of margin money with bank.

3.6 : TRADE PAYABLES

Particulars	As at	As at
	31 March, 2018 (₹)	31 March, 2017 (₹)
Micro, Small and Medium Enterprises	-	-
	-	-
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 -		
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	92,38,48,244	65,79,42,065
	92,38,48,244	65,79,42,065

3.7 : OTHER CURRENT LIABILITIES

Particulars	As at	As at
	31 March, 2018 (₹)	31 March, 2017 (₹)
Interest Accrued but not due on Borrowings	3,60,534	3,89,411
Income Received in advance	12,54,648	17,84,450
Unclaimed Dividend *	2,96,406	2,16,857
Other Payables		
Advance Received from Clients	27,21,478	37,11,263
Payable for Expenses	17,79,13,577	9,21,37,122
Statutory Liabilities	6,25,58,174	3,82,08,065
Deposit towards Margin and other from Clients	37,26,37,319	25,69,95,833
Other Liabilities	30,39,622	25,89,219
	62,07,81,758	39,60,32,220

* There is no amount due and outstanding to be transferred to the Investor Education and Protection Fund (IEPF) as on March 31, 2018. Unclaimed Dividend, if any, shall be transferred to IEPF as and when they become due.

3.8 : SHORT-TERM PROVISIONS

Particulars	As at 31 March, 2018 (₹)	As at 31 March, 2017 (₹)
Provision for Employee Benefits		
Gratuity Obligation	1,19,26,533	64,27,676
	1,19,26,533	64,27,676

3.9 : FIXED ASSETS**(a) Property, Plant and Equipment**

Description	Office Premises	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Air	Leasehold Improvements	Total
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
Gross Block (At Cost)								
At 1 April 2016	38,04,75,731	4,01,52,991	1,08,07,040	2,15,48,889	7,90,10,937	69,04,750	3,08,28,678	56,97,29,016
Additions	-	5,20,348	-	19,24,961	2,37,22,768	9,26,196	18,76,168	2,89,70,441
Deductions	-	7,01,252	-	23,31,616	87,46,034	15,68,788	84,50,558	2,17,98,248
At 31 March 2017	38,04,75,731	3,99,72,087	1,08,07,040	2,11,42,234	9,39,87,671	62,62,158	2,42,54,288	57,69,01,209
Additions	-	5,20,804	-	13,77,605	1,11,26,813	9,29,902	13,69,985	1,53,25,109
Deductions	-	56,256	-	21,78,435	1,25,39,293	1,76,398	-	1,49,50,382
At 31 March 2018	38,04,75,731	4,04,36,635	1,08,07,040	2,03,41,404	9,25,75,191	70,15,662	2,56,24,273	57,72,75,936
Depreciation/ Amortization At								
1 April 2016	7,81,89,569	2,84,89,010	45,85,930	1,83,30,736	6,44,74,969	42,06,528	2,93,43,456	22,76,20,198
Charge for the period	1,46,90,729	34,01,632	19,66,748	15,32,638	87,04,320	5,49,376	10,83,249	3,19,28,692
Deductions	-	6,96,801	-	20,18,771	82,66,255	11,23,118	81,82,978	2,02,87,923
At 31 March 2017	9,28,80,298	3,11,93,841	65,52,678	1,78,44,603	6,49,13,034	36,32,786	2,22,43,727	23,92,60,967
Charge for the Period	1,39,76,778	25,65,893	13,44,329	13,48,121	1,60,62,967	6,00,755	9,61,862	3,68,60,705
Deductions	-	56,256	-	19,76,326	1,21,01,614	1,46,926	-	1,42,81,122
At 31 March 2018	10,68,57,076	3,37,03,478	78,97,007	1,72,16,398	6,88,74,387	40,86,615	2,32,05,589	26,18,40,550
Net Block								
At 31 March 2017	28,75,95,433	87,78,246	42,54,362	32,97,631	2,90,74,637	26,29,372	20,10,561	33,76,40,242
At 31 March 2018	27,36,18,655	67,33,157	29,10,033	31,25,006	2,37,00,804	29,29,047	24,18,684	31,54,35,386

(b) Intangibles

Description	Software (₹)	Total (₹)
Gross Block (At Cost) At 1 April 2016	6,39,00,025	6,39,00,025
Additions	1,88,92,077	1,88,92,077
Deductions	2,74,31,473	2,74,31,473
At 31 March 2017	5,53,60,629	5,53,60,629
Additions	38,12,794	38,12,794
Deductions	-	-
At 31 March 2018	5,91,73,423	5,91,73,423
Depreciation/ Amortization		
At 1 April 2016	6,09,87,350	6,09,87,350
Charge for the Year	83,77,493	83,77,493
Deductions	2,74,31,473	2,74,31,473
At 31 March 2017	4,19,33,370	4,19,33,370
Charge for the Year	84,00,831	84,00,831
Deductions	-	-
At 31 March 2018	5,03,34,201	5,03,34,201
Net Block		
At 31 March 2017	1,34,27,259	1,34,27,259
At 31 March 2018	88,39,222	88,39,222

3.10 : NON CURRENT INVESTMENTS

Particulars	Face Value Per Share/Unit (₹)	No. of Shares/Units As at		Amount As at	
		31 March, 2018	31 March, 2017	31 March, 2018 (₹)	31 March, 2017 (₹)
AT COST					
(I) Investments in Equity Instruments In Wholly Owned Subsidiaries:					
Unquoted, Fully Paid-up					
- Emkay Fincap Limited	10	2,20,00,000	2,20,00,000	22,00,00,000	22,00,00,000
- Emkay Commotrade Limited	10	60,00,000	60,00,000	6,00,00,000	6,00,00,000
- Emkay Investment Managers Limited	10	50,00,000	25,00,000	5,00,00,000	2,50,00,000
- Emkay Insurance Brokers Limited	10	41,00,000	41,00,000	4,10,00,000	4,10,00,000
- Less: Provision for diminution in value of investment				3,35,00,000	3,35,00,000
				75,00,000	75,00,000
Total Investments in Equity Instruments (I)				33,75,00,000	31,25,00,000
(II) Investment in Preference Instruments					
Unquoted, fully Paid-up 9% Non- Cumulative Redeemable					
- Emkay Commotrade Limited	10	25,00,000	25,00,000	2,50,00,000	2,50,00,000
Total Investments in Preference Instruments (II)				2,50,00,000	2,50,00,000
(III) Investment in AIF					
- Emkay Emerging Stars Fund*	100	3,50,000	-	3,50,00,000	-

Particulars	Face Value Per Share/Unit (₹)	No. of Shares/Units As at		Amount As at	
		31 March, 2018	31 March, 2017	31 March, 2018 (₹)	31 March, 2017 (₹)
- Emkay Emerging Stars Fund-II **	100	78,750	-	78,75,000	-
Total Investments in AIF (III)				4,28,75,000	-
(IV) Investment in LLP					
In Associate :-					
- Azalea Capital Partners LLP				4,50,000	-
Total Investments in Associate (IV)				4,50,000	-
Total Non-Current Investments (I to IV)				40,58,25,000	33,75,00,000
Aggregate amount of Un - Quoted Investments				40,58,25,000	33,75,00,000

* NAV per unit as on 31st March, 2018 : ₹ 101.8519

** NAV per unit as on 31st March, 2018 : ₹ 099.9354

3.11 : LONG-TERM LOANS AND ADVANCES

Particulars	As at 31 March, 2018 (₹)	As at 31 March, 2017 (₹)
Unsecured, Considered Good		
Capital Advances	13,25,380	23,33,190
Deposits	3,09,72,713	3,00,18,769
Loan to ESOP Trust [Refer Note No.4(ii)]	-	3,74,00,000
Other Loans and Advances		
Unsecured, Considered Good		
Income Tax Paid (Net of Provisions)	2,67,14,697	2,44,37,954
Fringe Benefit Tax Refundable	5,28,303	5,28,303
Prepaid Expenses	29,68,273	40,50,528
Loan to Employees	1,05,000	9,85,700
	6,26,14,366	9,97,54,444

3.12 : OTHER NON CURRENT ASSETS

Particulars	As at 31 March, 2018 (₹)	As at 31 March, 2017 (₹)
Other Bank Balances		
In Deposit Accounts with maturity of more than 12 months	2,25,00,000	-
Interest Accrued on Deposits with Banks	91,322	-
	2,25,91,322	-

Note: Deposits with banks includes ₹ 22,50,000/- (PY Nil) with maturity of more than 12 months towards Margin/Security for Borrowings and Other Commitments

3.13 : INVENTORIES

Particulars	As at 31 March, 2018 (₹)	As at 31 March, 2017 (₹)
Stock in Trade (Valued at lower of Cost or Fair Value)		
- Shares and Securities	25,12,963	2,57,23,253
	25,12,963	2,57,23,253

3.14 : TRADE RECEIVABLES

Particulars	As at 31 March, 2018 (₹)	As at 31 March, 2017 (₹)
Trade Receivable outstanding for a period exceeding six months from the date they are due for payment:		
Secured, considered good	1,09,266	5,43,781
Unsecured, considered good	1,63,509	29,48,291
Unsecured, considered doubtful	2,81,414	39,72,841
	5,54,189	74,64,913
Less: Provision for doubtful debts	2,81,414	39,72,841
	2,72,775	34,92,072
Trade Receivable outstanding for a period less than six months from the date they are due for payment:		
Secured, considered good	4,16,79,628	37,82,47,380
Unsecured, considered good	82,86,01,909	25,98,82,909
Unsecured, considered doubtful	33,67,330	5,76,092
	87,36,48,867	63,87,06,381
Less: Provision for doubtful debts	33,67,330	5,76,092
	87,02,81,537	63,81,30,289
	87,05,54,312	64,16,22,361
Note: - Above includes due from:		
- Managing Directors	-	-

3.15 : CASH AND CASH EQUIVALENTS

Particulars	As at 31 March, 2018 (₹)	As at 31 March, 2017 (₹)
Cash and Cash Equivalents		
Balance with Banks:		
- Current Accounts	29,21,14,180	23,25,75,279
Cheques on hand	-	26,95,754
Cash on hand	4,89,340	5,41,592
Balance in Prepaid Cards	7,46,138	2,44,071
	29,33,49,658	23,60,56,696
Other Bank Balances		
- In Deposit Accounts towards Margin/Security for Bank Guarantee, Borrowings and Other Commitments	93,20,20,000	71,13,98,111
- In Margin Account towards Security for Borrowings	5,00,00,000	5,00,00,000
- In Earmarked Accounts		
Unclaimed Dividend	2,96,406	2,16,857
	1,27,56,66,064	99,76,71,664

Note:-Deposits with banks includes deposits of ₹ 41,40,21,000/- (P.Y. ₹ 298,500,000/-) with original maturity of more than 12 months but within one year from the reporting date.

3.16 : SHORT TERM LOANS AND ADVANCES

Particulars	As at 31 March, 2018 (₹)	As at 31 March, 2017 (₹)
Unsecured, Considered Good unless otherwise stated		
Deposits		
- Considered Good	21,56,472	6,18,71,927
- Considered Doubtful	6,32,858	6,32,858
	27,89,330	6,25,04,785
Less: Provision for Doubtful Deposits	6,32,858	6,32,858
	21,56,472	6,18,71,927
Loans and Advances to related parties		
- Loans [Refer note no.16(B)]	2,00,00,000	-
- Recoverable towards expenses [Refer note no.16(B)]	7,70,237	-
Advances recoverable in cash or kind or for value to be received		
- Considered Good	9,42,419	19,06,522
- Considered Doubtful	1,04,260	1,04,260
	10,46,679	20,10,782
Less: Provision for Doubtful Advances	1,04,260	1,04,260
	9,42,419	19,06,522
Other Loans and Advances		
Prepaid Expenses	1,17,45,553	97,07,542
Loan to Employees		
- Considered Good	17,90,014	24,49,614
- Considered Doubtful	20,356	20,356
	18,10,370	24,69,970
Less: Provision for Doubtful Loans	20,356	20,356
	17,90,014	24,49,614
GST & Service Tax Input Credit Available / Receivable	7,63,746	36,00,941
Equity Index/ Stock Options Premium	20,35,123	44,61,220
	1,63,34,436	2,02,19,317
	4,02,03,564	8,39,97,766

3.17 : OTHER CURRENT ASSETS

Particulars	As at 31 March, 2018 (₹)	As at 31 March, 2017 (₹)
Interest Accrued on Deposits with Banks	80,30,559	1,11,76,082
Interest Accrued and Due from a Subsidiary Company	-	12,205
Income Receivable	58,54,696	33,93,535
	1,38,85,255	1,45,81,822

3.18 : REVENUE FROM OPERATIONS

Particulars	For the Year Ended 31 March, 2018 (₹)	For the Year Ended 31 March, 2017 (₹)
Sale of Services		
Brokerage	1,11,47,37,564	78,51,22,458
Investment Banking Activities	4,33,13,166	1,32,99,000

Particulars	For the Year Ended 31 March, 2018 (₹)	For the Year Ended 31 March, 2017 (₹)
Depository Operations	90,28,255	92,56,550
Placement Fees	1,30,64,449	2,30,95,571
Research Fees	2,25,26,708	1,18,23,687
Other Fees	8,78,500	8,99,073
	1,20,35,48,642	84,34,96,339
Other Operating Revenues		
Interest on Deposit* with		
- Banks	5,31,05,777	5,16,76,421
- Others	4,83,783	44,760
Delayed Payments Charges	3,23,07,353	2,07,53,047
Income from Trades in Securities/Derivatives Instruments (Net)	1,37,99,133	1,38,56,235
Provision for Doubtful Debts Written Back	3,65,773	3,99,978
Bad Debts Recovered	26,98,941	92,595
Miscellaneous Income	1,58,34,435	76,95,215
	11,85,95,195	9,45,18,251
* Acquired/held for the purposes of Stock/Currency Exchanges		
	1,32,21,43,837	93,80,14,590

3.19 : OTHER INCOME

Particulars	For the Year Ended 31 March, 2018 (₹)	For the Year Ended 31 March, 2017 (₹)
Interest		
- On Deposit with Banks*	25,47,598	28,56,257
- On Unsecured Loans granted	1,38,630	13,562
- Others	3,03,029	14,88,098
Dividend	3,22,573	3,44,352
Gain on Sale of Investments	1,33,831	2,27,32,474
Insurance Claim Received	22,91,945	-
Other Miscellaneous Income	19,55,291	7,91,205
*Acquired/held for purposes other than Stock/Currency Exchanges		
	76,92,897	2,82,25,948

3.20 : EMPLOYEE BENEFITS EXPENSES

Particulars	For the Year Ended 31 March, 2018 (₹)	For the Year Ended 31 March, 2017 (₹)
Salaries and Other Benefits	56,78,20,304	43,18,49,941
Contribution to Provident and Other Funds	1,39,50,242	1,01,46,290
Gratuity	1,19,26,533	64,27,676
Employees Welfare Expenses	60,38,602	45,40,142
	59,97,35,681	45,29,64,049

3.21 : FINANCE COSTS

Particulars	For the Year Ended 31 March, 2018 (₹)	For the Year Ended 31 March, 2017 (₹)
Interest Expense	1,22,92,027	1,01,09,768
Other Borrowing Costs	1,15,80,781	1,22,22,777
	2,38,72,808	2,23,32,545

3.22 : DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	For the Year Ended 31 March, 2018 (₹)	For the Year Ended 31 March, 2017 (₹)
Depreciation of Tangible Assets	3,68,60,705	3,19,28,692
Amortization of Intangible Assets	84,00,831	83,77,493
	4,52,61,536	4,03,06,185

3.23 : OTHER EXPENSES

Particulars	For the Year Ended 31 March, 2018 (₹)	For the Year Ended 31 March, 2017 (₹)
Brokerage and Commission	14,53,13,287	10,26,21,019
Communication, Postage and Courier Charges	2,11,94,394	2,22,20,232
Fees and Stamps	18,90,574	21,87,676
Contribution/ Payments to Stock Exchanges/ Professional Clearing Member	87,66,834	72,45,316
Membership and Subscription	3,11,01,636	2,65,52,927
Registration Fees	6,19,213	7,52,584
Depository Charges	10,90,826	13,97,438
Loss due to Execution of Error Trades	97,09,382	75,78,057
Claims/ Compensation/ Settlement Charges	1,09,000	2,30,000
Expenses Attributable to trades in Securities/ Derivative Instruments	1,17,969	1,71,598
Electricity Charges	1,24,15,168	1,43,54,561
Insurance	9,75,959	9,68,827
Repair and Maintenance - Building	57,41,327	53,82,413
Repair and Maintenance - Others	1,72,31,642	1,68,84,923
Advertisement and Business Promotion Expenses	3,16,09,801	2,18,96,729
Printing and Stationery	44,87,330	40,75,154
Travelling, Conveyance and Vehicle Expenses	5,91,17,429	4,25,01,897
Provision for Doubtful Debts	3,93,197	11,57,642
Provision for Doubtful Deposits / Loans /Advances	-	1,04,260
Bad Debts Written off	27,41,228	10,70,162
Less : Provision Written Back	(9,27,613)	(6,75,136)
	18,13,615	3,95,026
Deposits and Advances Written off	10,65,400	65,825
Less : Provision Written Back	-	(21,425)
	10,65,400	44,400
Software Expenses	1,54,90,581	1,54,00,137
Legal and Professional Fees	2,35,08,857	1,41,02,924

Particulars	For the Year Ended 31 March, 2018 (₹)	For the Year Ended 31 March, 2017 (₹)
Payment to Auditors		
As Auditors		
- Audit Fees	14,40,000	13,81,874
- Tax Audit Fees	1,50,000	1,00,500
In Other Capacity		
- Taxation Matter	80,850	2,45,221
- Other Services	9,85,155	3,54,263
	26,56,005	20,81,858
Commission to Independent Directors	9,50,000	8,30,875
Rent	1,89,28,002	1,69,29,548
Service Tax	1,42,441	6,12,171
Rates and Taxes	12,29,971	25,12,730
Miscellaneous Expenses	1,16,09,265	1,00,65,486
Foreign Exchange Rate Fluctuation Loss (Net)	64,684	2,29,217
Loss on Disposal/ Discard of Property, Plant and Equipment	4,98,410	6,33,411
Corporate Social Responsibility	3,50,000	-
Donation	24,06,000	1,40,000
	43,25,98,199	34,22,61,036

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 31st March, 2018, 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 120,000 options to employees of Subsidiary Companies.

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

- b) The Company introduced ESOP-2010 Scheme during the year 2010-11 and 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 9th 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 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	
	2017-18	2016-17	2017-18	2016-17
Options Outstanding at the beginning of the year	3,53,050	5,70,800	65,000	87,500
Options Granted during the year	-	-	-	-
Options Forfeited during the year	-	-	-	-
Options Exercised and Shares Allotted	80,880	400	40,500	-
Options Exercised and Shares Pending for Allotment	35,000	15,000	-	-
Options Exercised Last Year and Allotted in current year	15,000	-	-	-
Options Expired/ Lapsed during the year	150,170	2,02,350	9,000	22,500
Options Outstanding at the end of the year	87,000	3,53,050	15,500	65,000
Options Exercisable at the end of the year	87,000	3,53,050	15,500	65,000
Weighted Average remaining contractual life (in years)	1.12	1.22	0.50	1.62

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 earnings per share would have been as per the Proforma amounts indicated below:

Particulars	Year Ended 31.03.2018 (₹)	Year Ended 31.03.2017 (₹)
Net Income as reported	17,94,22,510	4,61,58,897
Add : Intrinsic Value Compensation Cost	Nil	Nil
Less : Fair Value Compensation Cost	(65,35,940)	(38,82,656)
Adjusted Proforma Net Income	18,59,58,450	5,00,41,553
Earning Per Share		
Basic		
- As Reported	7.32	1.89
- Proforma	7.59	2.05
Diluted		
- As Reported	7.30	1.89
- Proforma	7.57	2.04

e) The Fair Value and other disclosures and assumptions have been determined by an independent consultant and relied upon by the Auditors.

(ii) The Company has provided interest free loan to "Emkay Employees Welfare Trust" an independent ESOP Trust which is administrating ESOP 2010 Scheme of the Company and the loan outstanding as at 31st March, 2018 is ₹ NIL (Previous Year ₹ 374 Lacs). As on 31st March, 2018, the trust has 125,767 (net of 261,363 equity shares sold during financial year 2017-2018 in the secondary market) equity shares of the Company purchased from the market (having cost of acquisition amounting to ₹ 98.14 lacs) 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 125,767 equity shares comprises of 110,267 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 15,500 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 261,363 equity shares during the FY 2017-18 in the secondary market and the remaining Un-appropriated Options representing 110,267 equity shares shall be sold in the secondary market on or before 27.10.2019.

The Company introduced ESOP-2018 Scheme during the year ended 31.03.2018. The said scheme was approved by the shareholders of the Company on 21.03.2018 through postal ballot process. Consequently, the Company filed the said ESOP Scheme to the two stock exchanges where the equity shares of the company are presently listed namely, Bombay Stock Exchange Limited and National Stock Exchange of India Limited for in-principle approval.

National Stock Exchange of India Limited granted in-principle on 18.04.2018 and Bombay Stock Exchange Limited on 26.04.2018. Under this ESOP Scheme approval for listing of maximum 2,453,403 equity shares of ₹ 10/- each of the Company has been obtained.

No ESOP's under the said scheme have been granted by the Company to its employees or to the employees of its wholly owned subsidiary companies during the financial year ended 31.03.2018.

5. Defined Benefit Plan

Disclosure on retirement benefits as required in Accounting Standard 15 (AS -15) on “Employee Benefits” is given below:

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 :

Balance Sheet

	Gratuity 31.03.2018 (₹)	Gratuity 31.03.2017 (₹)
Present value of defined benefit obligation	46,918,054	35,097,602
Fair value of plan assets	34,987,764	28,669,926
Unrecognised past service cost	3,757	-
Plan asset / (liability)	(11,926,533)	(6,427,676)

Changes in the present value of the defined benefit obligations

	Gratuity 31.03.2018 (₹)	Gratuity 31.03.2017 (₹)
Opening defined benefit obligation	35,097,602	28,809,509
Current service cost	4,190,786	3,842,232
Past service cost (vested employees)	5,221,307	-
Past service cost (unvested employees)	3,767	-
Interest cost	2,384,949	2,216,757
Benefits paid	(3,891,783)	(3,057,430)
Actuarial (gains)/ losses on obligation	3,911,426	3,286,534
Closing defined benefit obligation	46,918,054	35,097,602

Changes in the fair value of Plan Assets

	Gratuity 31.03.2018 (₹)	Gratuity 31.03.2017 (₹)
Opening fair value of plan assets	28,669,926	26,531,685
Expected return	2,005,474	2,386,146
Contributions by employer	6,427,676	2,277,824
Benefits paid	(3,891,783)	(3,057,430)
Actuarial gains/ (losses)	1,776,471	531,701
Closing fair value of plan assets	34,987,764	28,669,926

Statement of Profit And Loss

	Gratuity 31.03.2018 (₹)	Gratuity 31.03.2017 (₹)
Current service cost	4,190,786	3,842,232
Past service cost (vested employees)	5,221,307	-
Past service cost (unvested employees)	10	-
Interest cost	2,384,949	2,216,757
Expected return on plan assets	(2,005,474)	(2,386,146)
Net actuarial (gain)/ loss recognised for the period	2,134,955	2,754,833
Expense recognised in Statement of Profit and Loss under Employee benefits expense	11,926,533	6,427,676

Principal assumptions

	Gratuity 31.03.2018	Gratuity 31.03.2017
Discount rate	7.20%	6.80%
Rate of increase in compensation	8.00%	7.00%
Expected rate of return on assets	7.50%	7.00%
Withdrawal rate	Up to Age 45: 30% 46 & above : 15%	Up to Age 45: 30% 46 & above : 15%

6. Contingent Liabilities

Sr. No.	Particulars	As at 31.03.2018 (₹)	As at 31.03.2017 (₹)
1	Claims against the Company not acknowledged as debt	387,650	387,650
2	Guarantees issued by Banks	1,440,000,000	1,070,000,000
3	Corporate Guarantee issued in favour of a bank to secure credit facilities sanctioned by the bank to Emkay Commotrade Limited (a wholly owned Subsidiary Company)	200,000,000	200,000,000
4	Income Tax matters in appeal (Net of taxes paid)	155,973	1,116,293

7. Capital Commitments

Sr. No.	Particulars	As at 31.03.2018 (₹)	As at 31.03.2017 (₹)
1	Estimated amounts of Contracts remaining to be executed on Capital Account and not provided for (net of advances)	1,134,632	924,540

8. a) Shares (i) received from Clients/ Remissiers/ 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) Client Fixed Deposits are kept 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 amounts paid to previous auditors for the following ₹ Nil (P.Y. 6,874/-) in Audit Fees, ₹ Nil (P.Y. 500/-) in Tax Audit Fees, ₹ 350/- (P.Y. 1,221/-) in Taxation Matter, ₹ 2412/- (P.Y. 1,763/-) in Other Services towards Swachh Bharat Cess. Further, Payment to Auditors include ₹ 80,500/- in Taxation Matter and ₹ 555,000/- in Other Services, paid to previous Auditors of the Company.
10. Other Current Liabilities includes ₹ 1,640,778/- (P.Y. ₹ 1,068,147/-) being aggregate amount of deposits in Company's bank accounts made directly by Clients whose details are awaited.
11. Expenses includes Nil (P.Y. 1,296,663/-) pertaining to earlier year.

12. Disclosure on Specified Bank Notes (SBNs):-

- a) The requirements for the disclosure regarding details of SBNs held and transacted during 8th November, 2016 to 30th December, 2016 were applicable for financial year ended 31st March 2017 and hence no disclosure has been made in the current year. Corresponding amounts as appearing in the audited standalone financial statement for the year ended 31st March, 2017 have been disclosed in (b) herein below.
- b) Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th 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. Assets taken on Operating Leases

- (a) The Company has taken various commercial premises on operating leases. These lease arrangements are normally renewable on expiry. The rental expenses (net of recovery) in respect of above operating leases is ₹ 18,928,002/- (P.Y. ₹ 16,929,548/-)
- (b) The future minimum lease payments in respect of non-cancellable operating leases are as follows:-

Particulars	Year Ended 31.03.2018 (₹)	Year Ended 31.03.2017 (₹)
a) Payments not later than one year	5,191,026	7,936,897
a) Payments later than one year and not later than five years	-	5,191,026
c) Payable later than five years	-	-
Total	5,191,026	13,127,923

14. Earnings per share

Particulars	Year Ended 31.03.2018 (₹)	Year Ended 31.03.2017 (₹)
Profit available for Equity Shareholders (₹)	17,94,22,510	4,61,58,897
Weighted average number of Shares used in Computing Basic Earning per share	2,45,05,251	2,44,37,907
Add : Potential number of Equity share that could arise on exercise of Employee Stock Options	73,200	39,085
Weighted average number of Shares used in Computing Diluted Earning per share	2,45,78,451	2,44,76,992
Nominal Value of Equity Shares (₹)	10	10
Basic Earnings per Share (₹)	7.32	1.89
Diluted Earnings per Share (₹)	7.30	1.89

15. 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.

16. A) Related Party Disclosures:**Related parties where control exists**

Subsidiaries	Emkay Fincap Limited
	Emkay Commotrade Limited
	Emkay Insurance Brokers Limited
	Emkay Investment Managers Limited
Related parties under AS 18 with whom transactions have taken place during the year	
Associate	Azalea Capital Partners LLP
Key Managerial Personnel	Krishna Kumar Karwa - MD (CFO upto 31.05.2017)
	Prakash Kacholia - MD
Relatives of Key Managerial Personnel	Preeti Kacholia (Woman Director)
	Priti Karwa
	Raunak Karwa
	Soumya Karwa
	Murlidhar Karwa HUF
	Krishna Kumar Karwa HUF
	Nidhi Kacholia
	Divya Kacholia
	Krishna R. Kacholia
Enterprises owned/controlled by Key Managerial Personnel	Cambridge Securities
	Synthetic Fibres Trading Company
	Emkay Corporate Services Pvt. Ltd.
	Krishna Investments
	Seven Hills Capital
Others	Emkay Charitable Foundation

Additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year

Chief Financial Officer	Saket Agrawal (w.e.f. 01.06.2017)
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(B) Related Party Transactions for the year ended 31st March, 2018

No.	Name	Relationship	Nature of transaction	Transaction amount during 2017-2018 (₹)	2016-2017 (₹)	Amount Outstanding as on 31.03.2018 (₹)	31.03.2017 (₹)
Related parties where control exists							
1	Emkay Fincap Limited	Subsidiary	Brokerage Income	16,09,645	7,45,913	-	-
			Depository Charges	2,40,405	1,56,955	-	-
			Rent Recovery	3,86,780	-	-	-
			Reimbursement of expenses	4,56,137	15,00,000	1,65,413	-
			Reimbursement of expenses paid	19,116	-	-	-
			Loan given and Repayment	-	4,50,00,000	-	-
			Loan taken & Repayment	44,50,00,000	5,00,00,000	-	-
			Interest Paid on Loan taken	2,69,727	15,068	-	-
			Interest Income on loan given	-	13,562	-	-
			Trade Payables	-	-	1,20,79,024	-
			Trade Receivables	-	-	-	20,168
			Interest Accrued & Due on loan given	-	-	-	12,205
			Investment in equity shares	-	-	22,00,00,000	22,00,00,000
2	Emkay Comtrade Limited	Subsidiary	Brokerage Income	77,365	91,950	-	-
			Depository Charges	3,700	4,320	-	-
			Rent Recovery	1,72,262	-	-	-
			Infrastructure Maintenance Charges	-	4,00,000	-	-
			Reimbursement of expenses	2,04,133	-	65,791	-
			Payment received on behalf of Client	18,975	18,893	-	-
			Trade Receivables	-	-	111	158
			Investment in equity shares	-	-	6,00,00,000	6,00,00,000
			Investment in preference shares	-	1,50,00,000	2,50,00,000	2,50,00,000
3	Emkay Insurance Brokers Limited	Subsidiary	Reimbursement of expenses	11,15,388	18,72,000	1,92,078	-
			Investment in equity shares	-	-	4,10,00,000	4,10,00,000
4	Emkay Investment Managers Limited	Subsidiary	Brokerage Income	5,829	9,850	-	-
			Depository Charges	50,525	60,235	-	-
			Rent Recovery	12,60,582	-	-	-
			Reimbursement of expenses	5,40,072	14,71,000	3,46,955	-
			Interest Income on loan given	1,38,630	-	-	-
			Loan given	2,00,00,000	-	2,00,00,000	-
			Trade Receivables	-	-	5,976	12,055
			Investment in equity shares	2,50,00,000	-	5,00,00,000	2,50,00,000
Associate							
5	Azalea Capital Partners LLP	Associate	Investment via Capital Contribution	4,50,000	-	4,50,000	-
			Payments made on behalf	20,835	-	-	-

No.	Name	Relationship	Nature of transaction	Transaction amount during 2017-2018 (₹)	2016-2017 (₹)	Amount Outstanding as on 31.03.2018 (₹)	31.03.2017 (₹)
Key Managerial Personnel							
6	Krishna Kumar Karwa	KMP having control or significant influence	Salaries & Other Benefits	94,08,000	89,04,000	-	-
			Brokerage Income	1,06,773	1,48,397	-	-
			Depository Charges	1,200	870	-	-
			Dividend Paid	49,22,500	-	-	-
			Trade Payables	-	-	-	36,908
7	Prakash Kacholia	KMP having control or significant influence	Salaries & Other Benefits	94,08,000	89,04,000	-	-
			Brokerage Income	44,312	27,773	-	-
			Depository Charges	1,240	1,445	-	-
			Dividend Paid	47,50,000	-	-	-
			Trade Payables	-	-	22,94,533	3,60,933
Relative of Key Managerial Personnel							
8	Preeti Kacholia	Relative of KMP	Brokerage Income	6,32,105	3,73,825	-	-
			Depository Charges	8,795	7,620	-	-
			Dividend Paid	21,25,000	-	-	-
			Trade Payables	-	-	73,11,524	32,85,516
9	Priti Karwa	Relative of KMP	Brokerage Income	37,867	11,312	-	-
			Depository Charges	1,180	735	-	-
			Trade Receivables	-	-	71	52
10	Raunak Karwa	Relative of KMP	Salaries & Other Benefits	3,36,000	-	-	-
			Brokerage Income	6,002	7,977	-	-
			Depository Charges	585	570	-	-
			Dividend Paid	17,50,000	-	-	-
			Trade Receivables	-	-	342	397
11	Soumya K Karwa	Relative of KMP	Brokerage Income	26,717	12,840	-	-
			Depository Charges	675	570	-	-
			Trade Payables	-	-	-	145
			Trade Receivables	-	-	44	-
12	Murlidhar Karwa HUF	Relative of KMP	Brokerage Income	1,084	-	-	-
			Depository Charges	405	-	-	-
			Dividend Paid	1,00,000	-	-	-
			Trade Receivables	-	-	12	128
13	Krishna Kumar Karwa HUF	KMP having control or significant influence	Brokerage Income	9,017	8,200	-	-
			Depository Charges	660	600	-	-
			Dividend Paid	1,00,000	-	-	-
			Trade Receivables	-	-	71	52

No.	Name	Relationship	Nature of transaction	Transaction amount during 2017-2018 (₹)	2016-2017 (₹)	Amount Outstanding as on 31.03.2018 (₹)	31.03.2017 (₹)
14	Nidhi Kacholia	Relative of KMP	Brokerage Income	183	160	-	-
			Depository Charges	645	45	-	-
			Trade Receivables	-	-	390	-
15	Divya Kacholia	Relative of KMP	Brokerage Income	18	160	-	-
			Depository Charges	15	330	-	-
			Trade Receivables	-	-	53	-
Enterprises owned/ controlled by KMP							
16	Cambridge Securities	Enterprise owned/ controlled by KMP	Depository Charges	15	315	-	-
17	Synthetic Fibres Trading Co	Enterprise owned/ controlled by KMP	Brokerage Income	13,44,370	7,66,639	-	-
			Depository Charges	4,170	1,380	-	-
			Trade Payables	-	-	1,33,51,064	52,28,968
18	Emkay Corporate Services Private Limited	Enterprise owned/ controlled by KMP	Brokerage Income	-	3,305	-	-
			Depository Charges	980	905	-	-
			Dividend Paid	41,50,000	-	-	-
			Interest Paid	42,192	-	-	-
			Short term borrowings & Repayment their on	3,50,00,000	-	-	-
			Trade Receivables	-	-	18	-
19	Krishna Investments	Enterprise owned/ controlled by relative of KMP	Brokerage and Commission	73,212	67,476	-	-
			Trade Receivables	-	-	2,20,079	11,10,663
20	Seven Hills Capital	Enterprise owned/ controlled by KMP	Brokerage Income	8,56,319	3,92,852	-	-
			Depository Charges	2,145	765	-	-
			Trade Payables	-	-	27,06,823	3,37,96,478
Others							
21	Emkay Charitable Foundation	Others	Donation:Corporate Responsibility Payment Made on behalf recovered	3,50,000	-	-	-
				-	200	-	-
Additional Related Parties as per Companies Act, 2013							
22	Saket Agrawal	Chief Financial Officer	Salaries & Other Benefits	34,38,767	-	-	-
23	Bhalchandra Raul	Company Secretary	Salaries & Other Benefits	21,72,386	16,19,254	-	-

17. Pursuant to section 135 of Companies Act, 2013 and Rules thereunder, the Company was required to spend ₹ 3.48 Lacs towards Corporate Social Responsibility (CSR) related activities during the financial year ended 31.03.2018. The Company has given contribution to Emkay Charitable Foundation, a section 8 company as per the Companies Act, 2013. Refer Annexure to the Directors report namely "Annual Report on Corporate Social Responsibility ('CSR') activities for the financial year 2017-18" for the disclosure of the activities undertaken by Emkay Charitable Foundation on behalf of the Company.

18. 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 31.03.2018			As at 31.03.2017		
	No. of Contract	No. of Units Long	No. of Units Short	No. of Contract	No. of Units Long	No. of Units Short
NIFTY	-	-	-	14	-	1,050
FUTSTK INDIANB	10	20,000	-	-	-	-
FUTSTK CASTROLIND	9	25,200	-	-	-	-
FUTSTK HDFCBANK	6	3,000	-	-	-	-
FUTSTK IDEA	2	-	14,000	-	-	-

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 31.03.2018 [net of provisions made] (₹)	Premium carried forward as at 31.03.2017 [net of provisions made] (₹)
NIFTY	20,35,123	44,61,220
Total	20,35,123	44,61,220

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

Particulars	Purchase (₹)		Sales (₹)	
	2017-18	2016-17	2017-18	2016-17
Shares & Securities	82,434,569	143,297,948	115,239,687	185,160,204

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

21. Exceptional Items

Particulars	2017-18 (₹)	2016-17 (₹)
Provision for Diminution in Value of Investment	Nil	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 March, 2018. EIBL, ceases to be a going concern as at 31 March, 2018, is incurring losses and has accumulated losses. Based on EIBL's Networth as at 31st March, 2017, and in accordance with the requirement of the Accounting Standard (AS) - 13 - Accounting for Investments, the management of the Company had estimated a provision of ₹ 33,500,000/- towards diminution in value of its investment in EIBL which is other than temporary in nature in the previous year.

22. Contribution as Sponsor in Emkay Emerging Stars Fund and Emkay Emerging Stars Fund-II Company has committed a sum of ₹ 100,000,000/- as sponsor for Emkay Emerging Stars Fund, first scheme of Emkay Emerging Stars Trust, a determinate Trust, organized under the Indian Trusts Act, 1882 and registered as a Category III Alternative Investment Fund by SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012. A sum of ₹ 35,000,000/- has been contributed by the Company during the financial year ended 31.03.2018. Balance sum of ₹ 65,000,000/- shall be contributed as and when draw down notice shall be received by the Company from Emkay Emerging Stars Fund.

Further, Company has also committed a sum of ₹ 22,500,000/- as sponsor for Emkay Emerging Stars Fund-II, second scheme of Emkay Emerging Stars Trust, a determinate Trust, organized under the Indian Trusts Act, 1882 and registered as a Category III Alternative Investment Fund by SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012. A sum of ₹ 7,875,000/- has been contributed by the Company during the financial year ended 31.03.2018. Balance sum of ₹14,625,000/- shall be contributed as and when draw down notice shall be received by the Company from Emkay Emerging Stars Fund-II.

23. The Board of Directors at their meeting held on May 28, 2018 proposed a dividend of ₹ 1.50 per share and one time special dividend of ₹ 0.50 per share for the year ended March 31, 2018, 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, 2018. If approved, the total liability arising to the Company would be ₹ 591.54 Lacs including dividend tax.

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

Particulars	Year Ended 31.03.2018 (₹)	Year Ended 31.03.2017 (₹)
(a) Expenditure in Foreign Currency (accrual basis)		
- Travelling Expenses	8,546,622	3,425,947
- Membership & Subscription	6,027,143	4,678,181
- Advertisement & Business Promotion	265,882	221,689
- Brokerage & Commission	9,261,729	4,078,023
- Others	167,136	495,325
(b) Earning in Foreign Currency (accrual basis)		
- Research Fees	18,843,658	10,671,513
- Miscellaneous Income	360,367	315,885

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

25. The financial statements of the Company for the year ended March 31, 2017, included in these standalone financial statements, have been audited by the predecessor auditor

26. Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

As per our report of even date
For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

per Viren H. Mehta
Partner
Membership No.048749

Place : Mumbai
Date : May 28, 2018

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

Krishna Kumar Karwa **Prakash Kacholia**
Managing Director Managing Director

Saket Agrawal **Bhalchandra Raul**
CFO Company Secretary

Place : Mumbai
Date : May 28, 2018

Independent Auditor's Report

To the Members of Emkay Global Financial Services Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Emkay Global Financial Services Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates, comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associate in accordance with accounting principles generally accepted in India including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the

accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates, 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 and its associate as at March 31, 2018, their consolidated profit, and their consolidated cash flows for the year ended on that date.

Other Matter

- (a) The consolidated financial statements of the Company for the year ended March 31, 2017, included in these consolidated financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 24, 2017.

- (b) We did not audit the financial statements and other financial information, in respect of four subsidiaries, whose financial statements include total assets of ₹ 1,024,764,140 and net assets of ₹ 637,623,870 as at March 31, 2018, and total revenues of ₹ 238,490,884 for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report(s) of such other auditors.
- (c) The consolidated financial statements also include the Company's share of net loss of ₹ 438,839 for the year ended March 31, 2018, as considered in the consolidated financial statements, in respect of one associate, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of this associate, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

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

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associates as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the 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 accounting principles generally accepted in India including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company and its subsidiary companies incorporated in India, refer to our separate report in "Annexure 1" to this report;
- (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 consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and jointly controlled entities – Refer Note 5 to the consolidated financial statements;
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 16 to the consolidated financial statements; and

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates and jointly controlled companies incorporated in India during the year ended March 31, 2018.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Viren H. Mehta

Partner

Membership Number : 048749

Place of Signature : Mumbai

Date : May 28, 2018

Annexure 1 To The Independent Auditor's Report of even date on the Consolidated Financial Statements of Emkay Global Financial Services Limited

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

In conjunction with our audit of the consolidated financial statements of Emkay Global Financial Services Limited as of and for the year ended March 31, 2018, 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, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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. 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 the respective 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated financial statements 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, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated financial statements 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 with reference to these consolidated financial statements 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 With Reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, 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 with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Holding 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.

Other Matter

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, insofar as it relates to these four subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Viren H. Mehta

Partner

Membership Number : 048749

Place of Signature : Mumbai

Date : May 28, 2018

Consolidated Balance Sheet

as at 31 March, 2018

Particulars	Note No.	As at 31 March, 2018 (₹)	As at 31 March, 2017 (₹)
I EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
(a) Share Capital	2.1	24,53,40,300	24,43,81,500
(b) Reserves and Surplus	2.2	1,36,88,94,198	1,10,64,28,647
		1,61,42,34,498	1,35,08,10,147
Share Application Money Pending Allotment		12,95,000	5,55,000
MINORITY INTEREST		-	-
2. NON-CURRENT LIABILITIES			
(a) Deferred Tax Liabilities (Net)	2.3	48,88,400	63,16,850
(b) Other Long-Term Liabilities	2.4	1,63,46,699	1,81,07,142
(c) Long-Term Provisions	2.5	9,90,306	11,53,387
		2,22,25,405	2,55,77,379
3. CURRENT LIABILITIES			
(a) Short-Term Borrowings	2.6	34,00,62,264	48,63,10,427
(b) Trade Payables		-	-
- Micro, Small and Medium Enterprises	2.7	-	-
- Others	2.7	96,71,95,350	68,34,35,313
(c) Other Current Liabilities	2.8	68,99,59,543	44,16,09,771
(d) Short-Term Provisions	2.9	1,21,28,664	66,25,521
		2,00,93,45,821	1,61,79,81,032
TOTAL		3,64,71,00,724	2,99,49,23,558
II ASSETS			
1. NON-CURRENT ASSETS			
(a) Fixed Assets			
- Property, Plant and Equipment	2.10 (a)	31,69,23,790	33,98,57,889
- Intangible Assets	2.10 (b)	97,37,497	1,35,10,718
- Capital Work In Progress		4,66,656	28,62,000
(b) Non-Current Investments	2.11	30,60,75,086	22,85,79,635
(c) Long-Term Loans and Advances	2.12	15,08,81,722	11,49,53,716
(c) Other Non Current Assets	2.13	2,35,94,898	10,03,576
		80,76,79,649	70,07,67,534
2. CURRENT ASSETS			
(a) Current Investments	2.14	5,80,98,203	3,53,63,914
(b) Inventories	2.15	25,12,963	2,91,09,882
(c) Trade Receivables	2.16	88,58,33,155	65,04,43,846
(d) Cash and Cash Equivalents	2.17	1,41,41,99,046	1,15,39,68,195
(e) Short-Term Loans and Advances	2.18	45,99,10,625	40,65,04,643
(f) Other Current Assets	2.19	1,88,67,083	1,87,65,544
		2,83,94,21,075	2,29,41,56,024
TOTAL		3,64,71,00,724	2,99,49,23,558
SIGNIFICANT ACCOUNTING POLICIES	1		

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

per Viren H. Mehta

Partner

Membership No.048749

Place : Mumbai

Date : May 28, 2018

For and on behalf of the Board of

Emkay Global Financial Services Limited**Krishna Kumar Karwa**

Managing Director

Prakash Kacholia

Managing Director

Saket Agrawal

CFO

Bhalchandra Raul

Company Secretary

Place : Mumbai

Date : May 28, 2018

Consolidated Statement of Profit and Loss

for the year ended 31 March, 2018

Particulars	Note	For the Year Ended 31 March, 2018 (₹)	For the Year Ended 31 March, 2017 (₹)
I INCOME			
Revenue from Operations	2.20	1,55,40,10,220	1,05,23,38,818
Other Income	2.21	1,16,61,272	3,60,75,813
Total Revenue		1,56,56,71,492	1,08,84,14,631
II EXPENSES			
Employee Benefits Expense	2.22	62,98,87,951	47,76,01,417
Finance Costs	2.23	4,30,07,745	3,19,66,627
Depreciation and Amortization Expense	2.24	4,68,11,892	4,11,52,686
Other Expenses	2.25	48,06,26,681	37,34,59,254
Total Expenses		1,20,03,34,269	92,41,79,984
Profit Before Tax		36,53,37,223	16,42,34,647
III Tax Expense:			
- Current Tax - for the year		8,03,25,000	3,76,90,000
- for earlier year		(1,39,104)	(24,888)
- Deferred Tax - for the year		(14,28,450)	46,51,540
Profit for the year before Minority Interest		28,65,79,777	12,19,17,995
Less: Minority Interest		-	-
Less: Share of Loss from Associate		4,38,839	-
Profit for the year		28,61,40,938	12,19,17,995
Earnings per Equity Shares of nominal value of ₹10/- each			
- Basic		11.68	4.99
- Diluted		11.64	4.98
SIGNIFICANT ACCOUNTING POLICIES	1		

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

per Viren H. Mehta

Partner

Membership No.048749

Place : Mumbai

Date : May 28, 2018

For and on behalf of the Board of

Emkay Global Financial Services Limited

Krishna Kumar Karwa

Managing Director

Prakash Kacholia

Managing Director

Saket Agrawal

CFO

Bhalchandra Raul

Company Secretary

Place : Mumbai

Date : May 28, 2018

Consolidated Cash Flow Statement

For the year ended 31st march, 2018

Particulars	Year ended 31 March, 2018 (₹)	Year ended 31 March, 2017 (₹)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax, exception/ extraordinary items	36,53,37,223	16,42,34,647
Adjustment for :		
Finance Costs	2,79,77,005	2,65,95,855
Depreciation and Amortization Expense	4,68,11,892	4,11,52,686
Net Gain on Sale of Investments	(24,78,985)	(2,57,03,425)
(Profit)/Loss on Sale/Discard of Fixed Assets	5,03,232	6,64,366
Interest Received	(60,48,532)	(83,48,023)
Dividend Received	(6,57,931)	(6,67,419)
Unrealised Foreign Exchange Loss (Net)	(1,91,598)	(1,74,985)
Provision for diminution in Value of Non-Current Investment	50,04,996	-
Provision for depreciation in Investments	20,05,491	-
Provision for Standard & Sub-Standard Assets (net off write back)	2,64,175	2,10,303
Provision for Doubtful Debts/Deposits/Advances (net off write back)	(48,61,829)	(7,33,42,731)
	6,83,27,916	(3,96,13,373)
Operating profit before working capital changes	43,36,65,139	12,46,21,274
Adjustment for :		
Trade and other receivables	(38,17,65,921)	(50,65,18,062)
Deposits with Banks and Other items not considered as cash equivalents (Refer Note 3 below)	(23,77,01,438)	(7,65,69,633)
Inventories	2,65,96,919	2,40,23,655
Trade and other payables	53,57,72,960	(5,70,97,480)
	23,09,63,167	(32,81,00,873)
Cash Generated from operations	37,65,67,659	(20,34,79,599)
Direct taxes (Paid)/Refund	(7,87,55,935)	(2,10,36,819)
Cash flow before extraordinary/ exceptional items	29,78,11,724	(22,45,16,418)
Net Cash from/ (used in) Operating Activities	29,78,11,724	(22,45,16,418)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(1,83,85,542)	(5,19,80,133)
Sale of fixed assets	1,73,083	8,84,415
Current Investments (Purchased)/Redeemed	(2,48,24,433)	(29,18,705)
Non Current Investments (Purchased)/Disposed Off	(8,24,15,794)	(14,83,74,212)
Net Gain on Sale of Investments	24,78,985	2,57,03,425
Loans received back from ESOP Trust	3,74,00,000	2,00,00,000
Interest received	60,48,532	83,48,023
Dividend received	6,57,931	6,67,419
Share of Loss from Associate	(4,38,839)	(7,93,06,077)
	(14,76,69,768)	

Particulars	Year ended 31 March, 2018 (₹)	Year ended 31 March, 2017 (₹)
Net Cash from/ (used in) Investing Activities	(7,93,06,077)	(14,76,69,768)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(Repayment) of Short Term Borrowings	(14,62,48,163)	37,32,15,083
Share Application Money Pending Allotment	12,95,000	5,55,000
Proceeds from Issue of ESOP Shares	62,27,760	25,200
Finance Costs	(2,79,77,005)	(2,65,95,855)
Dividend paid (including dividend tax)	(2,94,19,798) (19,61,22,206)	(2,01,892) 34,69,97,536
Net cash from/ (used in) financing activities	(19,61,22,206)	34,69,97,536
Net increase in cash and cash equivalents (A+B+C)	2,23,83,441	(2,51,88,650)

Particulars	Year Ended 31 st March, 2018 (₹)	Year Ended 31 st March, 2017 (₹)
Net increase in cash and cash equivalents (A+B+C)	2,23,83,441	(2,51,88,650)
Cash and cash equivalents at the beginning of the year	29,61,36,695	32,13,25,345
Cash and cash equivalents at the close of the year	31,85,20,136	29,61,36,695
Note :		
1. Cash and cash equivalents comprise of :		
Cash on hand	7,02,407	8,85,724
Cheques on hand	1,22,000	29,48,662
Balances with Scheduled Banks		
- In Current Accounts	31,49,83,101	28,84,74,770
- In Deposit Accounts	20,00,000	35,00,000
Balances in Prepaid Cards	7,75,132	2,44,071
	31,85,82,640	29,60,53,227
Less : Unrealised Exchange Loss / (Gain)		
Add / (Less) : Exchange difference on translation of foreign currency cash and cash equivalents	(62,504)	83,468
	31,85,20,136	29,61,36,695

- 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, balance in Unclaimed Dividend account.
- Finance Cost excludes incurred by a subsidiary engaged in NBFC activities.
- Previous year's figures are re-grouped/ recasted/ re-arranged wherever considered necessary.

As per our report of even date
For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

per Viren H. Mehta
Partner
Membership No.048749
Place : Mumbai
Date : May 28, 2018

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

Krishna Kumar Karwa **Prakash Kacholia**
Managing Director Managing Director

Saket Agrawal **Bhalchandra Raul**
CFO Company Secretary
Place : Mumbai
Date : May 28, 2018

NOTES ON FINANCIAL STATEMENTS

For The Year Ended 31st March 2018

1 Significant Accounting Policies:

1.1 Basis of Preparation of Consolidated Financial Statements

- a) The accompanying Consolidated Financial Statements of the Group have been prepared on going concern basis in accordance with generally accepted accounting principles in India to comply in all material respects with the accounting standards notified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. The Consolidated Financial Statements have been prepared on an accrual basis of accounting and under the historical cost convention except for derivative financial instruments which have been measured at fair value and for one of the subsidiary company, Emkay Insurance Brokers Limited on realization basis since it ceases to be going concern pursuant to its agreement for sale of business to a proposed buyer and the joint application is pending with IRDA for its approval. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year 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 financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

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, reference to Associate means Azalea Capital Partners LLP and reference to Group means the Parent Company, Subsidiary Companies and the Associate.

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 of the Group comprise of share of profits / losses of the associate
- 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.

iii) Goodwill/ Capital Reserve on Consolidation:

- The excess of cost to the Parent Company of its investment in subsidiaries over its portion of equity in the subsidiaries at the respective dates on which investment in subsidiaries was made is 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.

Income from Services

- a. Brokerage income is recognized as per contracted rates on the execution of transactions on behalf of the clients on the trade date.
- b. Brokerage and other revenue from operations is net of Good and Service Tax or Service Tax wherever applicable.
- c. Income from investment banking activities and other fees is recognized as and when such services are completed / performed.
- d. Commission on Income in relation to distribution of Third Party Financial products is recognised based on mobilization and intimation received from third parties
- 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.
 - (iii) Setup fees of the Portfolio Management Services are accounted on accrual basis in accordance with the terms of contracts entered into with clients.
- f. Alternate Investment Management Fees is accounted on accrual basis in accordance with Private Placement Memorandum.

Accounting for Derivative Transactions

- g. Income from derivative instruments comprises of 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 in accordance with "Guidance Note on Accounting for Derivative Contracts" issued by The Institute of Chartered Accountants of India as follows:

- i. 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.
- ii. All directly attributable transaction costs on derivative transactions are recognized in Statement of Profit and Loss as they are incurred.
- iii. 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 and Other Current Liabilities respectively.

Sale of Investments and Stock-in-trade

- h. The Profit/ (Loss) earned on Sale of Investments and Stock-in-trade are recognized on trade date basis. Profit or Loss on Sale of Investments is determined on the basis of the weighted average cost method and Stock-in-trade on FIFO 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.

Interest

- i. 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 NBFC Prudential norms and any interest income recognized before the assets became non-performing and remaining unrealized is reversed.

Trading Income in Bonds

- j. (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.

Insurance Broking Income

- k. 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.

Dividend

- l. Dividend including interim are accounted when the right to receive payment is established.

1.5 Property, Plant and Equipment and Depreciation

- a. Property, plant and equipment, capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price.
- 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 basis over the Primary Lease Period or over a period of 3 years whichever is less.

1.6 Intangible Assets and Amortization

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the Statement of Profit and Loss in the year in which the expenditure is incurred. 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.

1.7 Investments

Investments which are readily realizable and intended to be held for not more than twelve months from the date, on which such investments are made, 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.

1.8 Retirement and other 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

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

(b) Other Long Term Benefits

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

1.9 Assets on Operating Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

1.10 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".

1.11 Income Taxes**Current Tax**

Provision for Current taxation has been measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates for the relevant assessment years.

Deferred Tax

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.

Minimum Alternate Tax (MAT)

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. 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, i.e.,

the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" at each reporting date and writes down the asset to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

1.12 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.

1.13 Impairment of Fixed Assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

1.14 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.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation.

1.15 Foreign Currency Transactions

a. Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

b. Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

c. Exchange differences

The company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

- i. Exchange differences arising on a monetary item that, in substance, forms part of the company's net investment in a non-integral

foreign operation is accumulated in the foreign currency translation reserve until the disposal of the net investment. On the disposal of such net investment, the cumulative amount of the exchange differences which have been deferred and which relate to that investment is recognized as income or as expenses in the same period in which the gain or loss on disposal is recognized.

- ii. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.
- iii. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.
- iv. All other exchange differences are recognized as income or as expenses in the period in which they arise.

1.16 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.

1.17 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

1.18 Segments

a. Identification of segments

The company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The analysis of geographical segments is based on the areas in which major operating divisions of the company operate.

b. Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

c. Segment accounting policies

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

1.19 Earnings 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 attributable to equity shareholders, 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 attributable to equity shareholders 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.

2.1 : SHARE CAPITAL

Particulars	As at 31 March, 2018 (₹)	As at 31 March, 2017 (₹)
Authorised 40,000,000 (PY 40,000,000) Equity Shares of ₹ 10/- each	40,00,00,000	40,00,00,000
Issued, Subscribed and Paid Up 24,534,030 (PY 24,438,150) Equity Shares of ₹ 10/- each fully paid up	24,53,40,300	24,43,81,500
	24,53,40,300	24,43,81,500

Notes:-

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

Particulars	As at 31 March, 2018		As at 31 March, 2017	
	No of Shares	Amount (₹)	No of Shares	Amount (₹)
At the beginning of the reporting period	2,44,38,150	24,43,81,500	2,44,37,750	24,43,77,500
Add: Shares issued during the reporting period under ESOP	95,880	9,58,800	400	4,000
Outstanding at the end of the reporting period	2,45,34,030	24,53,40,300	2,44,38,150	24,43,81,500

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 Parent 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 Parent Company, the holders of Equity shares will be entitled to receive remaining assets of the Parent 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 March, 2018		As at 31 March, 2017	
	No of Shares	% held	No of Shares	% held
Equity shares of ₹10 each fully paid				
Mr. Krishna Kumar Karwa	49,22,500	20.06	49,22,500	20.14
Mr. Prakash Kacholia	47,50,000	19.36	47,50,000	19.44
Emkay Corporate Services Private Limited	41,50,000	16.92	41,50,000	16.98
Mrs. Preeti Kacholia	18,80,000	07.66	21,25,000	08.70
Mr. Raunak Karwa	17,50,000	07.13	17,50,000	07.16

d: Shares Reserved for issue under options:

The Parent Company has reserved issuance of 22,45,045 (Previous Year 23,50,925) 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 exercise of Employees Stock Options (ESOP'S).

2.2 : RESERVES AND SURPLUS

Particulars	As at 31 March, 2018 (₹)	As at 31 March, 2017 (₹)
Capital Redemption Reserve		
Balance as per Last Financial Statements	5,00,00,000	5,00,00,000
Securities Premium Reserve		
Balance as per last Financial Statements	69,13,74,784	69,13,53,584
Add: Additions on ESOP's exercised & Shares allotted	58,23,960	21,200
Closing Balance	69,71,98,744	69,13,74,784
Special Reserve u/s 45-IC of the Reserve Bank of India Act, 1934		
Balance as per Last Financial Statements	4,27,39,856	3,72,72,234
Add: Transfer from Surplus in the statement of Profit and Loss	1,83,77,882	54,67,622
Closing Balance	6,11,17,738	4,27,39,856
General Reserve		
Balance as per last Financial Statements	18,03,65,380	18,03,65,380
Capital Reserve on Consolidation		
Balance as per last Financial Statements	1,02,723	1,02,723
Surplus in the Statement of Profit and Loss		
Balance as per last Financial Statements	14,18,45,904	2,53,95,531
Add : Profit for the year	28,61,40,938	12,19,17,995
Amount available for appropriations	42,79,86,842	14,73,13,526
Less: Appropriations:		
Dividend paid on Equity Shares	2,45,09,750	-
Dividend Distribution Tax - on Dividend	49,89,597	-
Transfer to Special Reserve u/s 45-IC of the RBI Act, 1934	1,83,77,882	54,67,622
Total of appropriations	4,78,77,229	54,67,622
Net Surplus in the Statement of Profit and Loss	38,01,09,613	14,18,45,904
	1,36,88,94,198	1,10,64,28,647

2.3 : DEFERRED TAX LIABILITIES (NET)

Particulars	As at 31 March, 2018 (₹)	As at 31 March, 2017 (₹)
Deferred Tax Assets		
Provisions	23,96,700	3,84,761
Losses	-	-
	23,96,700	3,84,761
Deferred Tax Liability		
Differences between book and tax depreciation	72,85,100	67,01,611
	72,85,100	67,01,611
Net Deferred Tax Liabilities	48,88,400	63,16,850

2.4 : OTHER LONG-TERM LIABILITIES

Particulars	As at 31 March, 2018 (₹)	As at 31 March, 2017 (₹)
Others		
Security Deposits	1,63,46,699	1,81,07,142
	1,63,46,699	1,81,07,142

2.5 : LONG-TERM PROVISIONS

Particulars	As at 31 March, 2018 (₹)	As at 31 March, 2017 (₹)
Provision for Standard Assets	9,90,306	7,98,014
Provision for Gratuity	-	3,55,373
	9,90,306	11,53,387

2.6: SHORT-TERM BORROWINGS

Particulars	As at 31 March, 2018 (₹)	As at 31 March, 2017 (₹)
Secured		
Loan repayable on demand:		
- Overdraft from a Bank	1,20,62,264	20,23,10,427
Short Term Loan from a Bank	5,00,00,000	5,00,00,000
Unsecured		
- Short Term Loan from a Bank	5,00,00,000	5,00,00,000
- from other parties	22,80,00,000	18,40,00,000
	34,00,62,264	48,63,10,427

Note: (1) Overdraft referred above to the extent of :
 (a) ₹ Nil (P.Y. 188,108,349/-) is secured by equitable mortgage of office premises and
 (b) ₹ 12,062,264/- (P.Y. 14,202,078/-) is secured by way of lien against term deposits with bank

(2) Short Term Loan is secured by way of margin money with bank.

2.7 : TRADE PAYABLES

Particulars	As at 31 March, 2018 (₹)	As at 31 March, 2017 (₹)
Micro, Small and Medium Enterprises		
	-	-
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 -		
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-

Particulars	As at 31 March, 2018 (₹)	As at 31 March, 2017 (₹)
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	96,71,95,350	68,34,35,313
	96,71,95,350	68,34,35,313

2.8 : OTHER CURRENT LIABILITIES

Particulars	As at 31 March, 2018 (₹)	As at 31 March, 2017 (₹)
Interest Accrued and Not Due on Borrowings	3,60,534	3,89,411
Income Received in advance	12,54,648	17,84,450
Unclaimed Dividend *	2,96,406	2,16,857
Other Payables		
Advance Received from Clients	77,81,168	59,37,416
Payable for Expenses	18,64,72,419	9,69,29,074
Statutory Liabilities	6,74,34,333	3,93,67,876
Deposit towards Margin and other from Clients	42,32,35,536	29,34,34,361
Other Liabilities	31,24,499	27,43,011
Cheques Overdrawn	-	8,07,315
	68,99,59,543	44,16,09,771

* There is no amount due and outstanding to be transferred to the Investor Education and Protection Fund (IEPF) as on March 31, 2018. Unclaimed Dividend, if any, shall be transferred to IEPF as and when they become due.

2.9 : SHORT-TERM PROVISIONS

Particulars	As at 31 March, 2018 (₹)	As at 31 March, 2017 (₹)
Provision for Employee Benefits		
Gratuity Obligation	1,21,28,664	66,25,521
	1,21,28,664	66,25,521

2.10 : FIXED ASSETS**(a) Property, Plant and Equipment**

Description	Office Premises (₹)	Furniture & Fixtures (₹)	Vehicles (₹)	Office Equipment (₹)	Computers (₹)	Air Conditioners (₹)	Leasehold Improvements (₹)	Total (₹)
Gross Block (At Cost)								
At 1 April 2016	38,04,75,731	4,01,71,304	1,23,08,991	2,17,69,960	8,38,92,269	69,16,061	3,08,28,678	57,63,62,994
Additions	-	5,20,348	-	19,24,961	2,49,78,383	9,26,196	18,76,168	3,02,26,056
Deductions	-	7,06,702	-	24,48,183	93,52,030	15,68,788	84,50,558	2,25,26,261
At 31 March 2017	38,04,75,731	3,99,84,950	1,23,08,991	2,12,46,738	9,95,18,622	62,73,469	2,42,54,288	58,40,62,789
Additions	-	5,20,804	-	13,77,605	1,14,22,383	9,29,902	13,69,985	1,56,20,679
Deductions	-	56,256	-	21,78,435	1,27,20,870	1,76,398	-	1,51,31,959
At 31 March 2018	38,04,75,731	4,04,49,498	1,23,08,991	2,04,45,908	9,82,20,135	70,26,973	2,56,24,273	58,45,51,509
Depreciation/ Amortization								
At 1 April 2016	7,81,89,569	2,85,05,537	45,93,619	1,85,48,603	6,91,66,898	42,17,869	2,93,43,456	23,25,65,551
Charge for the Year	1,46,90,729	34,02,219	24,33,406	15,32,641	89,25,209	5,49,376	10,83,249	3,26,16,829
Deductions	-	7,02,251	-	21,30,975	88,38,158	11,23,118	81,82,978	2,09,77,480
At 31 March 2017	9,28,80,298	3,12,05,505	70,27,025	1,79,50,269	6,92,53,949	36,44,127	2,22,43,727	24,42,04,900
Charge for the Year	1,39,76,778	25,66,287	16,65,250	13,48,121	1,67,59,411	6,00,755	9,61,862	3,78,78,464
Deductions	-	56,256	-	19,76,326	1,22,76,137	1,46,926	-	1,44,55,645
At 31 March 2018	10,68,57,076	3,37,15,536	86,92,275	1,73,22,064	7,37,37,223	40,97,956	2,32,05,589	26,76,27,719
Net Block								
At 31 March, 2017	28,75,95,433	87,79,445	52,81,966	32,96,469	3,02,64,673	26,29,342	20,10,561	33,98,57,889
At 31 March, 2018	27,36,18,655	67,33,962	36,16,716	31,23,844	2,44,82,912	29,29,017	24,18,684	31,69,23,790

(b) Intangibles

Description	Software (₹)	Total (₹)
Gross Block (At Cost)		
At 1 April 2016	6,94,55,883	6,94,55,883
Additions	1,88,92,077	1,88,92,077
Deductions	-	-
At 31 March 2017	8,83,47,960	8,83,47,960
Additions	51,60,207	51,60,207
Deductions	-	-
At 31 March 2018	9,35,08,167	9,35,08,167
Depreciation/ Amortization		
At 1 April 2016	6,63,01,385	6,63,01,385
Charge for the Year	85,35,857	85,35,857
Deductions	-	-
At 31 March 2017	7,48,37,242	7,48,37,242
Charge for the Year	89,33,428	89,33,428
Deductions	-	-
At 31 March 2018	8,37,70,670	8,37,70,670
Net Block		
At 31 March, 2017	1,35,10,718	1,35,10,718
At 31 March, 2018	97,37,497	97,37,497

2.11 : NON-CURRENT INVESTMENTS

Particulars	Face Value Per Share/ Units (₹)	No. of Shares/ Units		Amount	
		As At 31 March, 2018	As At 31 March, 2017	As At 31 March, 2018 (₹)	As At 31 March, 2017 (₹)
AT COST					
Investment in Equity Instruments					
(I) Investments in fully paid Equity Shares					
(Quoted)					
- Aurobindo Pharma Ltd	1	-	11,000	-	92,41,759
- Aegis Logistics Ltd	1	-	40,000	-	63,54,936
- Action Construction Equipment Ltd	2	77,362	-	1,08,23,786	-
- Ador Welding Ltd	10	20,921	-	1,18,69,332	-
- Amber Enterprises India Ltd	10	9,000	-	1,04,42,107	-
- Bhartiya International Ltd	10	-	17,789	-	96,27,355
- Birla Corporation Ltd	10	14,500	-	1,50,97,781	-
- Butterfly Appliances Ltd	10	17,000	-	97,88,604	-
- Capital Trust Ltd	10	1,25,000	1,25,000	2,71,25,000	2,71,25,000
- Claris Lifesciences Ltd	10	-	25,000	-	80,90,659
- CMI FPE Ltd	10	7,139	-	73,72,524	-
- Den Networks Ltd	10	-	81,525	-	68,73,733
- EIH Ltd	2	50,000	-	77,17,512	-
- GHCL Ltd	10	-	50,000	-	69,74,495
- Gulf Oil Lubricants India Ltd	2	-	10,265	-	74,79,329
- Goodyear India Ltd	10	9,356	-	89,88,341	-
- Himadri Speciality Chemical Ltd	1	-	1,50,000	-	50,69,146
- Ipca Laboratories Ltd	2	16,200	-	1,00,49,846	-
- KPIT Technologies Ltd	2	46,500	-	1,00,08,319	-
- Kamath Hotels (India) Ltd	10	73,746	-	74,35,037	-
- Muthoot Capital Services Ltd	10	13,151	23,483	1,00,08,978	65,94,203
- Maharashtra Seamless Ltd	5	21,000	-	87,34,373	-
- MIRC Electronics Ltd	1	1,50,000	-	58,43,826	-
- Neuland Laboratories Ltd	10	-	10,224	-	89,41,535
- NOCIL Ltd	10	51,000	65,000	99,94,156	50,51,410
- NCL Industries Ltd	10	-	30,000	-	44,81,053
- NR Agarwal Industries Ltd	10	-	27,746	-	61,55,017
- NRB Bearings Ltd	2	42,874	-	62,31,356	-
- Ok Play India Ltd	10	1,42,379	1,42,379	1,99,99,978	1,99,99,978
- Parag Milk Foods Ltd	10	38,405	28,405	94,51,411	69,98,065
- Ratnamani Metals & Tubes Ltd	2	6,291	9,691	36,57,323	56,11,291
- Radico Khaitan Ltd	2	-	90,000	-	1,04,58,133
- Rallis India Ltd	1	-	20,000	-	45,80,059
- Ramco Systems Ltd	10	20,178	-	85,50,298	-
- Surya Roshni Ltd	10	-	35,000	-	78,88,540
- Somany Ceramics Ltd	2	-	14,900	-	76,86,576
- Sintex Industries Ltd	1	-	1,10,000	-	95,90,824
- Sun TV Networks Ltd	5	-	7,000	-	47,75,738
- Shriram Transport Finance Ltd	10	-	5,370	-	51,82,547

Particulars	Face Value Per Share/ Units (₹)	No. of Shares/ Units		Amount	
		As At 31 March, 2018	As At 31 March, 2017	As At 31 March, 2018 (₹)	As At 31 March, 2017 (₹)
- South Indian Bank Ltd	1	3,00,000	-	92,82,222	-
- UFO Moviez India Ltd	10	23,500	17,500	1,04,35,239	80,18,941
- Vishnu Chemicals Ltd	10	-	9,839	-	26,47,157
- Vaibhav Global Ltd	10	19,873	-	1,12,97,933	-
- Aditya Birla Fashion & Retail Ltd.	10	-	962	-	2,730.00
- Bajaj Corp. Ltd.	1	1705	1705	4,89,233.00	4,89,233.00
- Bayer Cropscience Ltd.	10	182	185	3,57,846.00	3,63,744.00
- Centum Electronics Ltd.	10	1,311	1,131	7,15,154.00	6,02,541.00
- Cipla Ltd.	2	700	700	2,81,902.00	2,81,902.00
- Divi's Laboratories Ltd.	2	1,563	1,035	11,57,975.00	7,05,497.00
- Gujarat Pipavav Port Ltd.	10	8,658	4,025	8,51,440.00	2,05,075.00
- HDFC Bank Ltd.	2	1,098	1,098	7,84,931.00	7,84,931.00
- Hero Motocorp Ltd.	2	75	75	1,14,724.00	1,14,724.00
- Housing Development Finance Corporation Ltd.	2	150	150	1,23,186.00	1,23,186.00
- ICICI Bank Ltd. (1)	2	4,004	3,630	6,20,266.00	6,17,188.00
- Infosys Ltd.	5	-	571	-	4,99,977.00
- L&T Finance Holdings Ltd.	10	8,134	8,134	6,05,452.00	6,05,452.00
- LIC Housing Finance Ltd.	2	2,338	2,318	8,73,782.00	8,60,764.00
- Mahindra & Mahindra Ltd. (2)	5	1,812	513	9,17,742.00	4,16,184.00
- Mahindra Holidays & Resorts India Ltd. (3)	10	3,580	2,267	8,16,182.00	7,62,110.00
- NESCO Ltd. (4)	2	2,470	494	8,35,484.00	8,35,484.00
- Pidilite Industries Ltd.	1	1,210	1,250	2,73,403.00	2,82,444.00
- Power Grid Corporation of India Ltd.	10	6,350	6,350	8,04,903.00	8,04,903.00
- PTC India Ltd.	2	8,743	8,743	6,34,066.00	6,34,066.00
- Sundram Fasteners Ltd.	1	2,945	2,945	4,84,725.00	4,84,725.00
- TD Power Systems Ltd.	10	1,600	1,600	5,67,993.00	5,67,993.00
- Tech Mahindra Ltd.	5	-	900	-	2,24,310.00
- TV18 Broadcast Ltd.	2	-	5,000	-	1,34,743.00
- VRL Logistics Ltd.	10	2,380	2,380	6,73,254.00	6,73,254.00
Total Quoted Investments (A)				26,31,88,925	22,35,74,639
II) Investments in fully paid Equity Shares (Unquoted)					
- Prothom Industries India Pvt Ltd	10	14,764	14,764	50,04,996	50,04,996
Less: Diminution in Value of Non-Current Investments				50,04,996	-
Total Unquoted Investments (B)				-	50,04,996
III) Investments in AIF					
- Emkay Emerging Stars Fund (5)	100	3,50,000	-	3,50,00,000	-
- Emkay Emerging Stars Fund II (6)	100	78,750	-	78,75,000	-
Total Investments in AIF (C)				4,28,75,000	-
IV) Investments in LLP					

Particulars	Face Value Per Share/ Units (₹)	No. of Shares/ Units		Amount	
		As At 31 March, 2018	As At 31 March, 2017	As At 31 March, 2018 (₹)	As At 31 March, 2017 (₹)
- Azalea Capital Partners LLP				4,50,000	-
Less: Share in Accumulated Loss				4,38,839	-
Total (D)				11,161	-
Total (A+B+C+D)				30,60,75,086	22,85,79,635
Aggregate of Quoted Investments in Shares					
- Cost				26,31,88,925	22,35,74,639
- Market Value				26,83,24,819	28,20,86,779
Aggregate of Unquoted Investments in Shares					
- Cost				50,04,996	50,04,996
Aggregate Cost of Investment in AIF				4,28,75,000	-
Aggregate Cost of Investment in LLP				4,50,000	-

- (1) Includes 364 equity shares received as bonus
- (2) Includes 906 equity shares received as bonus
- (3) Includes 1133 equity shares received as bonus
- (4) Face value sub-divided from ₹ 10/- to ₹ 2/- per equity share
- (5) NAV per unit as on 31st March, 2018 : ₹ 101.8519
- (6) NAV per unit as on 31st March, 2018 : ₹ 099.9354

2.12 : LONG-TERM LOANS AND ADVANCES

Particulars	As at 31 March, 2018 (₹)	As at 31 March, 2017 (₹)
Unsecured, Considered Good		
Capital Advances	13,25,380	23,33,190
Deposits	3,49,34,111	3,41,94,167
Loan to ESOP Trust [Refer note no.3(ii)]	-	3,74,00,000
Advances recoverable in cash or kind for value to be received	2,46,640	3,57,338
Other Loans and Advances		
Income Tax Paid (Net of Provisions)	3,34,16,927	3,48,46,888
Fringe Benefit Tax Refundable	5,28,303	5,28,303
Prepaid Expenses	8,03,25,361	43,08,130
Loans to Employees	1,05,000	9,85,700
	15,08,81,722	11,49,53,716

2.13 : OTHER NON CURRENT ASSETS

Particulars	As at 31 March, 2018 (₹)	As at 31 March, 2017 (₹)
Other Bank Balances		
In Deposit Account with maturity more than 12 months	2,35,00,000	10,00,000
Accrued Interest on Fixed Deposits	94,898	3,576
	2,35,94,898	10,03,576

Note:- Deposits with banks includes of ₹ 235,00,000/- (P.Y ₹10,00,000/-) with maturity of more than 12 months which is lien marked In favour of a Regulatory Authority.

2.14 : CURRENT INVESTMENTS

Particulars	Face Value Per Share/ Units (₹)	No. of Shares/ Units		Amount	
		As At 31 March, 2018	As At 31 March, 2017	As At 31 March, 2018 (₹)	As At 31 March, 2017 (₹)
Valued At Lower of Cost and Fair Value					
Investments in Units of Mutual Funds					
Quoted, Fully Paid-up					
- Reliance ETF Liquid Bees	1000	2,219.990	1,621.284	22,19,996	16,21,291
- Reliance MF - CPSE ETF	10	-	30,091.000	-	7,42,623
(A)				22,19,996	23,63,914
Unquoted, Fully Paid-up					
- IDFC Cash Fund - Growth	1000	-	8,373.796	-	1,65,00,000
- HDFC Liquid Fund - Growth	1000	-	5,158.405	-	1,65,00,000
(B)				-	3,30,00,000
Total (A+B)				22,19,996	3,53,63,914
Investment in Equity Instruments					
(I) Investments in fully paid Equity Shares (Quoted)					
- Cochin Shipyard Ltd	10	18,500	-	95,37,297	-
- Jamna Auto Industries Ltd	1	97,500	-	63,42,331	-
- Minda Corporation Ltd	2	30,000	-	46,21,403	-
- Manpasand Beverages Ltd	10	10,035	-	38,18,049	-
- Plastiblends India Ltd (1)	5	34,000	-	84,54,733	-
- Radico Khaitan Ltd	2	20,000	-	45,36,792	-
- Sagar Cements Ltd	10	11,600	-	95,32,553	-
- Sanghvi Movers Ltd	2	75,000	-	1,10,40,540	-
				5,78,83,698	-
Less : Reduction in Carrying Amount of Current Investments				20,05,491	-

Particulars	Face Value Per Share/ Units (₹)	No. of Shares/ Units		Amount	
		As At 31 March, 2018	As At 31 March, 2017	As At 31 March, 2018 (₹)	As At 31 March, 2017 (₹)
Total (C)				5,58,78,207	-
Total (A+B+C)				5,80,98,203	3,53,63,914
Note :					
Aggregate of Quoted Investments in Shares					
- Cost				5,58,78,207	-
- Market Value				6,34,52,452	-
Aggregate Amount of Quoted Investments in Mutual Funds					
- Cost				22,19,996	23,63,914
- Market Value				22,20,012	24,70,468
Aggregate Amount of Unquoted Investments in Mutual Funds					
- Cost				-	3,30,00,000
- Net Asset Value				-	3,30,09,191

(1) Includes 17000 equity shares received as bonus.

2.15 : INVENTORIES

Particulars	As at 31 March, 2018 (₹)	As at 31 March, 2017 (₹)
Stock in Trade (Valued at lower of cost or fair value)		
Shares and Securities	25,12,963	2,91,09,882
	25,12,963	2,91,09,882

2.16 : TRADE RECEIVABLES

Particulars	As at 31 March, 2018 (₹)	As at 31 March, 2017 (₹)
Trade Receivable outstanding for a period exceeding six months from the date they are due for payment:		
Secured, considered good	1,09,266	5,43,781
Unsecured, considered good	2,41,146	33,56,948
Unsecured, considered doubtful	3,60,28,434	4,36,43,041
	3,63,78,846	4,75,43,770
Less: Provision for doubtful debts	3,60,28,434	4,36,43,041
	3,50,412	39,00,729
Trade Receivable outstanding for a period less than six months from the date they are due for payment:		
Secured, considered good	4,16,79,628	37,82,47,755
Unsecured, considered good	84,38,03,115	26,82,95,362
Unsecured, considered doubtful	34,20,758	6,67,980

Particulars	As at 31 March, 2018 (₹)	As at 31 March, 2017 (₹)
	88,89,03,501	64,72,11,097
Less: Provision for doubtful debts	34,20,758	6,67,980
	88,54,82,743	64,65,43,117
	88,58,33,155	65,04,43,846
Note: Above includes due from :		
- Director/ KMP [Refer note no.17(B)]	1,15,369	85,702

2.17 : CASH AND CASH EQUIVALENTS

Particulars	As at 31 March, 2018 (₹)	As at 31 March, 2017 (₹)
Cash and Cash Equivalents		
Balances with Banks		
- Current Accounts	31,49,83,101	28,84,74,770
- Deposit Accounts	20,00,000	35,00,000
Cheque on Hand	1,22,000	29,48,662
Cash on Hand	7,02,407	8,85,724
Balance in Prepaid Cards	7,75,132	2,44,071
	31,85,82,640	29,60,53,227
Other Bank Balances		
- In Deposit Accounts towards margin/security for Bank Guarantees, Borrowings and other commitments	1,04,53,20,000	80,76,98,111
- In Margin Account towards security for borrowings	5,00,00,000	5,00,00,000
- In Earmarked Accounts		
Unclaimed Dividend	2,96,406	2,16,857
	1,41,41,99,046	1,15,39,68,195

Note:

- Deposits with banks includes deposits of ₹ 47,45,21,000/- (P.Y. ₹ 34,55,00,000/-) 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.

2.18 : SHORT-TERM LOANS AND ADVANCES

Particulars	As at 31 March, 2018 (₹)	As at 31 March, 2017 (₹)
Unsecured Considered Good, Unless otherwise stated		
Deposits		
- Considered Good	30,00,472	6,22,71,927
- Considered Doubtful	6,32,858	6,32,858
	36,33,330	6,29,04,785
Less: Provision for Doubtful Deposits	6,32,858	6,32,858
	30,00,472	6,22,71,927
Loans relating to Financing Activity		

Particulars	As at 31 March, 2018 (₹)	As at 31 March, 2017 (₹)
- Secured, Considered Good	39,56,94,923	31,86,05,760
- Unsecured Considered Good	4,45,265	6,00,000
- Secured, Considered Sub-Standard	20,21,346	13,02,523
Less: Provision for Sub-Standard Assets	2,02,135	1,30,252
	18,19,211	11,72,271
	39,79,59,399	32,03,78,031
Advances recoverable in cash or kind or for value to be received		
- Considered Good	17,36,656	20,87,377
- Considered Doubtful	1,04,260	1,04,260
	18,40,916	21,91,637
Less: Provision for Doubtful Advances	1,04,260	1,04,260
	17,36,656	20,87,377
Other Loans and Advances		
Prepaid Expenses	3,75,76,900	1,10,59,391
Loans to Employees		
- Considered Good	17,90,014	24,56,214
- Considered Doubtful	20,356	20,356
	18,10,370	24,76,570
Less: Provision for Doubtful Loans	20,356	20,356
	17,90,014	24,56,214
GST/ Service Tax Input Credit Available/ Receivable	1,58,12,061	37,90,483
Equity Index/ Stock Options Premium	20,35,123	44,61,220
	45,99,10,625	40,65,04,643

2.19 : OTHER CURRENT ASSETS

Particulars	As at 31 March, 2018 (₹)	As at 31 March, 2017 (₹)
Interest Accrued on deposits with banks	90,13,606	1,21,72,902
Interest Accrued on Financing Activities	37,55,862	29,78,010
Dividend Receivable	60,024	-
Income Receivable	60,37,591	36,14,632
	1,88,67,083	1,87,65,544

2.20 : REVENUE FROM OPERATIONS

Particulars	For the Year Ended 31 March, 2018 (₹)	For the Year Ended 31 March, 2017 (₹)
Sale of Services		
Advisory and Transactional Services		
Brokerage and Commission	1,14,15,00,478	81,08,94,691

Particulars	For the Year Ended 31 March, 2018 (₹)	For the Year Ended 31 March, 2017 (₹)
Investment Banking Activities	4,33,13,166	1,32,99,000
Portfolio Management Fees	3,18,27,545	1,77,18,967
Alternate Investment Fund Management Fees	78,13,980	-
Depository Operations	87,33,625	90,35,040
Other Fees	3,65,44,657	3,58,48,331
Income from Financing & Investment Activities		
Interest on Loan from Financing Activities	3,73,39,499	2,99,53,654
Gain from Investing Activities	11,29,77,279	2,36,30,186
Dividend from Investing Activities	19,93,376	10,85,118
Income from Trading in Corporate Bonds	5,59,571	8,62,658
	1,42,26,03,176	94,23,27,645
Other Operating Income		
Interest on Deposit* with		
- Banks	5,72,12,476	5,64,32,661
- Others	5,17,142	36,97,781
Delayed Payments Charges	3,23,89,494	2,08,74,592
Income from Trades in Securities/Derivatives Instruments (Net)	1,90,57,870	1,76,25,230
Provision for Doubtful Debts Written Back	27,93,718	29,08,009
Provision for Sub Standard Assets Written Back	1,30,252	1,16,731
Bad Debts Recovered	27,01,898	93,063
Miscellaneous Income	1,66,04,194	82,63,106
	13,14,07,044	11,00,11,173
Revenue from Operations	1,55,40,10,220	1,05,23,38,818

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

2.21 : OTHER INCOME

Particulars	For the Year Ended 31 March, 2018 (₹)	For the Year Ended 31 March, 2017 (₹)
Interest		
- On Deposit with Banks*	55,13,374	57,12,959
- Others	5,35,158	26,35,064
Dividend	6,57,931	6,67,419
Gain on Sale of Investments	24,78,985	2,57,03,425
Reduction in Carrying Amount of Current Investments Written Back	-	1,45,927
Other Miscellaneous Income	24,75,824	12,11,019
	1,16,61,272	3,60,75,813

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

2.22: EMPLOYEE BENEFITS EXPENSES

Particulars	For the Year Ended 31 March, 2018 (₹)	For the Year Ended 31 March, 2017 (₹)
Salaries and Other Benefits	59,71,91,088	45,59,29,103
Contribution to Provident and Other Funds	1,42,91,616	1,04,15,594
Gratuity	1,23,25,666	66,91,669
Employees Welfare Expenses	60,79,581	45,65,051
	62,98,87,951	47,76,01,417

2.23 : FINANCE COSTS

Particulars	For the Year Ended 31 March, 2018 (₹)	For the Year Ended 31 March, 2017 (₹)
Interest Expense	2,98,03,846	1,81,45,087
Other Borrowing Costs	1,32,03,899	1,38,21,540
	4,30,07,745	3,19,66,627

2.24 : DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	For the Year Ended 31 March, 2018 (₹)	For the Year Ended 31 March, 2017 (₹)
Depreciation of Tangible assets	3,78,78,464	3,26,16,829
Amortization of Intangible assets	89,33,428	85,35,857
	4,68,11,892	4,11,52,686

2.25 : OTHER EXPENSES

Particulars	For the Year Ended 31 March, 2018 (₹)	For the Year Ended 31 March, 2017 (₹)
Brokerage & Commission	16,53,93,641	10,86,40,262
Communication, Postage and Courier Charges	2,20,90,377	2,31,62,711
Fees & Stamps	22,88,112	23,16,660
Contribution/Payments to Exchanges / PCM	91,26,317	78,50,525
Membership & Subscription	3,38,38,817	2,93,00,839
Registration Fees	8,34,851	10,80,781
Depository Charges	11,56,932	14,36,794
Loss due to Execution of Error Trades	97,31,132	76,05,397
Claims/ Compensation/ Settlement Charges	1,09,000	2,30,000
Expenses Attributable to Trades in Securities/Derivative Instrument	1,65,560	2,27,198
Electricity Charges	1,34,24,067	1,61,85,461
Insurance	12,53,134	12,56,291
Repair & Maintenance - Building	57,41,327	53,82,413

Particulars	For the Year Ended 31 March, 2018 (₹)	For the Year Ended 31 March, 2017 (₹)
Repair & Maintenance - Other	1,87,76,066	1,82,96,396
Advertisement & Business Promotion Expenses	3,28,40,290	2,23,31,362
Printing & Stationery	50,43,583	44,34,767
Travelling, Conveyance & Vehicle Expenses	6,30,08,333	4,49,62,100
Provision for Doubtful Debts	6,33,202	13,12,870
Provision for diminution in Value of Non-Current Investment	50,04,996	-
Provision for Doubtful Deposits / Loans /Advances	-	1,04,260
Provision for Standard Assets	1,92,292	1,96,782
Provision for Sub-Standard Assets	2,02,135	1,30,252
Bad Debts Written off	45,63,714	7,23,00,108
Less : Provision Written Back	(27,01,313)	(7,18,30,427)
	18,62,401	4,69,681
Deposits & Advances Written off	10,99,400	47,43,137
Less: Provision Written Back	-	(21,425)
	10,99,400	47,21,712
Software Expenses	1,66,21,905	1,66,52,787
Legal & Professional Fees	2,65,75,370	1,60,50,082
Payment to Auditors		
As Auditors		
- Audit Fees	19,70,750	18,33,922
- Tax Audit Fees	3,34,000	2,30,625
In Other Capacity		
- Taxation Matter	2,36,550	4,80,018
- Other Matters	11,47,003	5,35,408
	36,88,303	30,79,973
Commission to Independent Directors	9,50,000	8,64,625
Rent	2,00,60,950	1,96,58,900
Service Tax	3,08,087	8,20,231
Rates & Taxes	12,29,971	25,12,730
Reduction in Carrying Amount of Current Investments	20,05,491	-
Miscellaneous Expenses	1,19,42,641	1,10,82,660
Foreign Exchange Rate Fluctuation Loss (Net)	83,766	2,72,386
Loss on Sale/Discard of Property, Plant and Equipment	5,03,232	6,64,366
Corporate Social Responsibility	3,50,000	-
Donation	24,91,000	1,65,000
	48,06,26,681	37,34,59,254

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 March 2018, 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 120,000 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 09 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 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	
	2017-18	2016-17	2017-18	2016-17
Options Outstanding at the beginning of the year	3,53,050	5,70,800	65,000	87,500
Options Granted during the year	-	-	-	-
Options Forfeited during the year	-	-	-	-
Options Exercised and Shares Allotted	80,880	400	40,500	-
Options Exercised and Shares Pending for Allotment	35,000	15,000	-	-
Options Exercised Last Year and Allotted in current year	15,000	-	-	-
Options Expired/ Lapsed during the year	150,170	2,02,350	9,000	22,500
Options Outstanding at the end of the year	87,000	3,53,050	15,500	65,000
Options Exercisable at the end of the year	87,000	3,53,050	15,500	65,000
Weighted Average remaining contractual life (in years)	1.12	1.22	0.50	1.62

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

Particulars	Year Ended 31.03.2018 (₹)	Year Ended 31.03.2017 (₹)
Net Income as reported	286,140,938	1,219,917,995
Add : Intrinsic Value Compensation Cost	Nil	Nil
Less : Fair Value Compensation Cost	(6,535,940)	(3,882,656)
Adjusted Proforma Net Income	292,676,878	1,223,800,651
Earnings Per Share		
Basic		
- As Reported	11.68	4.99
- Proforma	11.97	5.15
Diluted		
- As Reported	11.64	4.98
- Proforma	11.91	5.14

- e. The fair value and other disclosures and assumptions have been determined by an Independent consultant and relied upon by the Auditors.
- (ii) The 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 March, 2018 is ₹ NIL (Previous Year ₹ 374 Lacs). As on 31 March, 2018, the trust has 125,767 (net of 261,363 equity shares sold during financial year 2017-2018 in the secondary market) equity shares of the Parent Company purchased from the market (having cost of acquisition amounting to ₹ 98.14 lacs) 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 125,767 equity shares comprises of 110,267 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 15,500 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 261,363 equity shares during the FY 2017-18 in the secondary market and the remaining Un-appropriated Options representing 110,267 equity shares shall be sold in the secondary market on or before 27.10.2019.

The Parent Company introduced ESOP-2018 Scheme during the year ended 31 March, 2018. The said scheme was approved by the shareholders of the Company on 21.03.2018 through postal ballot process. Consequently, the Parent Company filed the said ESOP Scheme to the two stock exchanges where the equity shares of the company are presently listed namely, Bombay Stock Exchange Limited and National Stock Exchange of India Limited for in-principle approval.

National Stock Exchange of India Limited granted in-principle on 18.04.2018 and Bombay Stock Exchange Limited on 26.04.2018. Under this ESOP Scheme approval for listing of maximum 2,453,403 equity shares of ₹ 10/- each of the Parent Company has been obtained.

No ESOP's under the said scheme have been granted by the Parent Company to its employees or to the employees of it's wholly owned subsidiary companies during the financial year ended 31.03.2018.

4 Defined Benefit Plan

Disclosure on retirement benefits as required in Accounting Standard 15 (AS - 15) on "Employee Benefits" is given below:

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 :

Balance Sheet

	Gratuity 31.03.2018 (₹)	Gratuity 31.03.2017 (₹)
Present value of defined benefit obligation	49,433,226	37,138,028
Fair value of plan assets	37,547,445	30,514,472
Unrecognised past service cost	3,757	-
Plan asset / (liability)	(11,882,024)	(6,623,556)

Changes in the present value of the defined benefit obligations

	Gratuity 31.03.2018 (₹)	Gratuity 31.03.2017 (₹)
Opening defined benefit obligation	37,138,028	30,487,875
Current service cost	4,567,756	4,189,171
Past service cost (vested employees)	5,235,974	-
Past service cost (unvested employees)	3,767	-
Interest cost	2,523,598	2,345,900
Benefits paid	(3,891,783)	(3,160,220)
Actuarial (gains) / losses on obligation	3,855,886	3,275,302
Closing defined benefit obligation	49,433,226	37,138,028

Changes in the fair value of Plan Assets

	Gratuity 31.03.2018 (₹)	Gratuity 31.03.2017 (₹)
Opening fair value of plan assets	30,514,472	28,266,311
Expected return	2,134,499	2,542,151
Contributions by employer	7,067,198	2,289,677
Benefits paid	(3,891,783)	(3,160,220)
Actuarial gains / (losses)	1,723,059	576,553
Closing fair value of plan assets	37,547,445	30,514,472

Statement of Profit and Loss

	Gratuity 31.03.2018 (₹)	Gratuity 31.03.2017 (₹)
Current service cost	4,567,756	4,189,171
Past service cost (vested employees)	5,235,974	-
Past service cost (unvested employees)	10	-
Interest cost	2,523,598	2,345,900
Expected return on plan assets	(2,134,499)	(2,542,151)
Net actuarial (gain) / loss recognised for the period	2,132,827	2,698,749
Expense recognised in Statement of Profit and Loss under Employee benefits expense	12,325,666	6,691,669

Principal Assumptions

	Gratuity 31.03.2018	Gratuity 31.03.2017
Discount rate	7.20%	6.80%
Rate of increase in compensation	8.00%	7.00%
Expected rate of return on assets	7.50%	7.00%
Withdrawal rate	Up to Age 45: 30% 46 & above : 15%	Up to Age 45: 30% 46 & above : 15%

5 Contingent Liabilities

Sr. No.	Particulars	As at 31.03.2018 (₹)	As at 31.03.2017 (₹)
1	Claims against the Group not acknowledged as debt	762,650	762,650
2	Guarantees issued by the Banks	1,560,000,000	1,190,000,000
3	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 wholly owned Subsidiary Company)	200,000,000	200,000,000
4	Income Tax matters in appeal (Net of taxes paid)	217,303	1,177,623

6 Capital Commitments

Sr. No.	Particulars	As at 31.03.2018 (₹)	As at 31.03.2017 (₹)
1	Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)	1,134,632	924,540

- 7 (a) Shares (i) received from clients/ Remissiers/ 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) Client Fixed Deposits are kept 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.

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

Particulars	Year Ended 31.03.2018 (₹)	Year Ended 31.03.2017 (₹)
Provision for diminution in Value of Non-Current Investments	5,004,996	Nil
Provision for Sub-Standard Assets	202,135	130,252

- 9 The accumulated losses in case of one subsidiary company namely Emkay Commotrade Limited exceeds more than 50% of their net worth. The management of the said subsidiary company is 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 company has been prepared on the basis that it is a going concerns and that no adjustments are required to the carrying value of assets and liabilities.

- 10 Other Current Liabilities includes ₹ 1,710,408/- (P.Y. ₹ 1,221,939/-) 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 1st April, 2003) :

- (a) The Parent Company has 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 ₹ 20,060,950/- (P.Y. ₹ 19,658,900/-).

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

Particulars	Year Ended 31.03.2018 (₹)	Year Ended 31.03.2017 (₹)
a) Payments not later than one year	5,191,026	7,936,897
a) Payments later than one year and not later than five years	-	5,191,026
c) Payable later than five years	-	-
Total	5,191,026	13,127,923

12 Earnings per share

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
Profit/(loss) available for Equity Shareholders (₹)	28,61,40,938	12,19,17,995
Weighted average number of Shares used in Computing Basic Earning per share	2,45,05,251	2,44,37,907
Add : Potential number of Equity share that could arise on exercise of Employee Stock Options	73,200	39,085
Weighted average number of Shares used in Computing Diluted Earning per share	2,45,78,451	2,44,76,992
Nominal Value of Equity Shares (₹)	10	10
Basic Earnings per Share (₹)	11.68	4.99
Diluted Earnings per Share (₹)	11.64	4.98

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.

(c) Information about Business Segments

Particulars	Advisory and Transactional Services		Financing & Investment Activities		Eliminations		Consolidated for the Year Ended	
	Year ended 31.03.2018 (₹)	Year ended 31.03.2017 (₹)	Year ended 31.03.2018 (₹)	Year ended 31.03.2017 (₹)	Year ended 31.03.2018 (₹)	Year ended 31.03.2017 (₹)	Year ended 31.03.2018 (₹)	Year ended 31.03.2017 (₹)
A. REVENUE								
1a. Income from External Clients	1,40,05,45,111	99,65,88,678	15,34,65,109	5,57,50,140	-	-	1,55,40,10,220	1,05,23,38,818
1b. Income from Intersegment Operations	18,50,050	9,02,868	(11,98,671)	(2,40,563)	(6,51,379)	(6,62,305)	-	-
Total Revenue	1,40,23,95,161	99,74,91,546	15,22,66,438	5,55,09,577	(6,51,379)	(6,62,305)	1,55,40,10,220	1,05,23,38,818
B. RESULTS								
1 Segment Results (PBIT)	26,35,92,378	11,63,40,474	11,82,01,824	3,86,16,689	1,41,246	1,88,912	38,16,52,956	15,47,68,251
Segment Results (PBIT) - Intersegment	1,41,246	1,88,912	-	-	-	-	-	-
Total Segment Results (PBIT)	26,34,51,132	11,61,51,562	11,82,01,824	3,86,16,689	1,41,246	1,88,912	38,16,52,956	15,47,68,251
2 Finance Cost*							2,79,77,005	2,66,09,417
3 Unallocated Income							1,16,61,272	3,60,75,813
4 Profit from Ordinary Activities before exceptional item & tax							36,53,37,223	16,42,34,647
5 Exceptional Items							-	-
6 Profit from Ordinary Activities after exceptional item but before tax							36,53,37,223	16,42,34,647
7 Provision for Current Tax							8,03,25,000	3,76,90,000
8 Deferred Tax Charge/(Benefit)							(14,28,450)	46,51,540
9 Tax Provision of Earlier Years							(1,39,104)	(24,888)
10 (Loss)/Profit After Tax							28,65,79,777	12,19,17,995
11 Less: Minority Interest							-	-
12 Less: Share of Loss from Associate							4,38,839	-
12 Profit							28,61,40,938	12,19,17,995
C. OTHER INFORMATION:								
1 Segment Assets	2,70,30,21,537	2,16,92,42,032	71,59,55,403	58,62,44,316			3,41,89,76,940	2,75,54,86,348
2 Unallocated Corporate Assets							22,81,23,784	23,94,37,210
3 Total Assets							3,64,71,00,724	2,99,49,23,558
4 Segment Liabilities	1,68,12,46,678	1,14,63,94,681	23,27,16,944	18,79,30,185			1,91,39,63,62	1,33,43,24,866
5 Unallocated Corporate Liabilities							64,79,806	70,88,707
6 Total Liabilities							1,92,04,43,428	1,34,14,13,573
7 Capital Expenditure	1,73,77,732	5,24,26,380	-	7,84,443			1,73,77,732	5,32,10,823
(Including Capital Work in Progress)								
8 Depreciation & Amortization	4,64,96,716	4,09,88,993	3,15,176	1,63,693			4,68,11,892	4,11,52,686
9 Unallocated Depreciation & Amortization							-	-
10 Total Depreciation & Amortization	4,64,96,716	4,09,88,993	3,15,176	1,63,693			4,68,11,892	4,11,52,686
11 Non Cash Expenses Other than Depreciation & Amortization	11,35,971	20,81,444	74,05,377	3,27,086			85,41,348	24,08,530

* excluding finance costs incurred by a subsidiary engaged in Non-Banking Financial activities.

14 Companies whose accounts have been considered for the Consolidated Financial Statements:-

Name of Entities	Date of Incorporation	% of Holding as at 31.03.2018	% of Holding as at 31.03.2017	Nature of Business
SUBSIDIARIES				
Emkay Fincap Limited	16.05.2005	100%	100%	Non-Banking Finance Activities
Emkay Investment Managers Limited	08.06.2010	100%	100%	Asset Management Services
Emkay Insurance Brokers Limited	08.03.2007	100%	100%	Direct Insurance Brokers
Emkay Commotrade Limited	05.01.2006	100%	100%	Commodity Broking
ASSOCIATES				
Azalea Capital Partners LLP	15.07.2017	45%	-	Advisory Services for Fund raising

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	
	2017-18		2017-18	
	As % of Consolidated Net Assets	Amount (₹)	As % of Consolidated Profit or Loss	Amount (₹)
Parent				
Emkay Global Financial Services Ltd.	67.77%	1,339,997,666	62.67%	179,422,510
Subsidiaries				
Emkay Fincap Ltd.	24.96%	493,469,474	32.10%	91,889,411
Emkay Investment Managers Ltd.	4.41%	87,146,101	2.70%	7,735,885
Emkay Insurance Brokers Ltd.	0.37%	7,280,769	-0.21%	(591,642)
Emkay Commotrade Ltd.	2.52%	49,727,526	2.88%	8,257,128
Accumulated Loss of Associate				
Azalea Capital Partners LLP	-0.02%	(438,839)	-0.15%	(438,839)
Sub Total	100.00%	1,977,182,697	100.00%	286,274,453
Adjustments arising out of consolidation		(362,948,199)		(133,515)
Total		1,614,234,498		286,140,938

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 31.03.2018			As at 31.03.2017		
	No. of Contract	No. of Units Long	No. of Units Short	No. of Contract	No. of Units Long	No. of Units Short
NIFTY	-	-	-	14	-	1,050
FUTSTK INDIANB	10	20,000	-	-	-	-
FUTSTK CASTROLIND	9	25,200	-	-	-	-
FUTSTK HDFCBANK	6	3,000	-	-	-	-
FUTSTK IDEA	2	-	14,000	-	-	-

- (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 31.03.2018 [net of provisions made]	Premium carried forward as at 31.03.2017 [net of provisions made]
	(₹)	(₹)
NIFTY	20,35,123	44,61,220
Total	20,35,123	44,61,220

17 A) Related Party Disclosures:

Related parties under AS 18 with whom transactions have taken place during the year

Associate	Azalea Capital Partners LLP
Key Managerial Personnel	Krishna Kumar Karwa - MD (CFO upto 31.05.2017)
	Prakash Kacholia - MD
Relatives of Key Managerial Personnel	Preeti Kacholia (Woman Director)
	Priti Karwa
	Raunak Karwa
	Soumya Karwa
	Murlidhar Karwa HUF
	Krishna Kumar Karwa HUF
	Nidhi Kacholia
	Divya Kacholia
	Krishna R. Kacholia
Enterprises owned/controlled by Key Managerial Personnel	Cambridge Securities
	Synthetic Fibres Trading Company
	Emkay Corporate Services Pvt. Ltd.
	Krishna Investments
	Seven Hills Capital
Others	Emkay Charitable Foundation

Additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year

Chief Financial Officer	Saket Agrawal (w.e.f. 01.06.2017)
Company Secretary	Bhalchandra Raul

(B) Related Party Transactions for the year ended 31st March, 2018

No.	Name	Relationship	Nature of transaction	Transaction amount during 2017-2018 (₹)	2016-2017 (₹)	Amount Outstanding as on 31.03.2018 (₹)	31.03.2017 (₹)
Related parties where control exists							
1	Azalea Capital Partners LLP	Associate	Investment via Capital Contribution	4,50,000	-	4,50,000	-
			Payments made on behalf	20,835	-	-	-
Key Managerial Personnel							
2	Krishna Kumar Karwa	KMP having control or significant influence	Salaries & Other Benefits	94,08,000	89,04,000	-	-
			Dividend Paid	49,22,500	-	-	-
			Brokerage Income	1,06,773	1,48,397	-	-
			Depository Charges	1,200	870	-	-
			Trade Payables	-	-	-	36,908
3	Prakash Kacholia	KMP having control or significant influence	Salaries & Other Benefits	94,08,000	89,04,000	-	-
			Dividend Paid	47,50,000	-	-	-
			Brokerage Income	44,312	27,773	-	-
			Depository Charges	1,240	1,445	-	-
			Trade payables	-	-	22,94,533	3,60,933
			Trade Receivables	-	-	1,15,369	85,702
			Portfolio Management Fees	3,63,701	2,62,339	-	-
Relative of Key Managerial Personnel							
4	Preeti Kacholia	Relative of KMP	Dividend Paid	21,25,000	-	-	-
			Brokerage Income	6,32,105	3,73,825	-	-
			Depository Charges	8,795	7,620	-	-
			Trade payables	-	-	73,11,524	32,85,516
5	Priti Karwa	Relative of KMP	Brokerage Income	37,867	11,312	-	-
			Depository Charges	1,180	735	-	-
			Trade Receivables	-	-	71	52
6	Raunak Karwa	Relative of KMP	Salaries & Other Benefits	3,36,000	-	-	-
			Dividend Paid	17,50,000	-	-	-
			Brokerage Income	6,002	7,977	-	-
			Depository Charges	585	570	-	-
			Trade Receivables	-	-	342	397
7	Soumya K Karwa	Relative of KMP	Brokerage Income	26,717	12,840	-	-
			Depository Charges	675	570	-	-
			Trade Payables	-	-	-	145
			Trade Receivables	-	-	44	-
8	Murlidhar Karwa HUF	KMP having control or significant influence	Dividend Paid	1,00,000	-	-	-
			Brokerage Income	1,084	-	-	-
			Depository Charges	405	-	-	-
			Trade Receivable	-	-	12	128
9	Krishna Kumar Karwa HUF	KMP having control or significant influence	Dividend Paid	1,00,000	-	-	-

No. Name	Relationship	Nature of transaction	Transaction amount during 2017-2018 (₹)	2016-2017 (₹)	Amount Outstanding as on 31.03.2018 (₹)	31.03.2017 (₹)
		Brokerage Income	9,017	8,200	-	-
		Depository Charges	660	600	-	-
		Trade Receivables	-	-	71	52
10 Nidhi Kacholia	Relative of KMP	Brokerage Income	183	160	-	-
		Depository Charges	645	45	-	-
		Trade Receivables	-	-	390	-
11 Divya Kacholia	Relative of KMP	Brokerage Income	18	160	-	-
		Depository Charges	15	330	-	-
		Trade Receivables	-	-	53	-
Enterprises owned/controlled by KMP						
12 Cambridge Securities	Enterprise owned/controlled by KMP	Depository Charges	15	315	-	-
13 Synthetic Fibres Trading Co	Enterprise owned/controlled by KMP	Brokerage Income	13,44,370	7,66,639	-	-
		Depository Charges	4,170	1,380	-	-
		Trade Payables	-	-	1,33,51,064	52,28,968
14 Emkay Corporate Services Private Limited	Enterprise owned/controlled by KMP	Dividend Paid	41,50,000	-	-	-
		Interest Paid	42,192	1,05,479	-	-
		Brokerage Income	-	3,305	-	-
		Depository Charges	980	905	-	-
		Short term borrowings & Repayment their on	3,50,00,000	50,00,000	-	-
		Trade Receivables	-	-	18	-
15 Krishna Investments	Enterprise owned/controlled by relative of KMP	Brokerage and Commission	73,212	67,476	-	-
		Trade Receivables	-	-	2,20,079	11,10,663
16 Seven Hills Capital	Enterprise owned/controlled by KMP	Brokerage Income	8,56,319	3,92,852	-	-
		Depository Charges	2,145	765	-	-
		Trade Payables	-	-	27,06,823	3,37,96,478
Others						
17 Emkay Charitable Foundation	Others	Corporate Social Responsibility	3,50,000	-	-	-
		Payment Made on behalf recovered	-	200	-	-
Additional Related Parties as per Companies Act, 2013						
18 Saket Agrawal	Chief Financial Officer	Salaries & Other Benefits	34,38,767	-	-	-
19 Bhalchandra Raul	Company Secretary	Salaries & Other Benefits	21,72,386	16,19,254	-	-

18 Pursuant to section 135 of Companies Act, 2013 and Rules thereunder, the Parent Company was required to spend ₹3.48 Lacs towards Corporate Social Responsibility (CSR) related activities during the financial year ended 31.03.2018. The Parent Company has given contribution to Emkay Charitable Foundation, a section 8 company as per the Companies Act, 2013. Refer Annexure to the Directors report namely "Annual Report on Corporate Social Responsibility ('CSR') activities for the financial year 2017-18" for the disclosure of the activities undertaken by Emkay Charitable Foundation on behalf of the Company. The provisions of this section are not applicable to any of the subsidiary company.

19 (i) Additional information required pursuant to Part II of Schedule III of the Companies Act, 2013:

Particulars	Year Ended 31.03.2018 (₹)	Year Ended 31.03.2017 (₹)
(a) Expenditure in Foreign Currency (accrual basis)		
- Travelling Expenses	8,812,256	3,531,938
- Membership & Subscription	6,738,710	5,255,741
- Advertisement & Business Promotion	294,793	223,488
- Brokerage & Commission	9,261,729	4,078,023
- Others	167,195	502,558
(b) Earning in Foreign Currency (accrual basis)		
- Research Fees	18,843,658	10,671,513
- Miscellaneous Income	360,367	315,885

(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.

20 Payment to Auditors includes ₹ 24,750/- (PY 25,423/-) in Audit Fees, ₹ 9,000/- (PY 5,625/-) in Tax Audit Fees, ₹ 7,550/- (PY 14,518/-) in fees for Taxation Matters, ₹ 9,260/- (PY 8,408/-) in other services towards Goods & Service Tax, Service Tax and Swachh Bharat Cess. Further, Payment to Auditors include ₹ 80,500/- in Taxation Matter and ₹ 555,000/- in Other Services to previous Auditors of the Parent Company.

21 Expenses includes ₹ 2,809/- (PY ₹ 1,325,618/-) pertaining to earlier year.

22 Detailed information in respect of Securities traded in :

Particulars	Purchase (₹)		Sale (₹)	
	2017-18	2016-17	2017-18	2016-17
Shares	93,737,569	161,494,753	134,905,476	203,647,425
Corporate Bonds	63,791,820	125,493,580	64,351,391	126,356,238

23 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	31.03.2018	31.03.2018	31.03.2018	31.03.2018
Reporting Currency	INR	INR	INR	INR
The date from which became subsidiary	16/05/2005	05/01/2006	08/03/2007	08/06/2010

Serial Number	1	2	3	4
Name of Subsidiary	Emkay Fincap Ltd.	Emkay Commotrade Ltd.	Emkay Insurance Brokers Ltd.	Emkay Investment Managers Ltd.
	(₹)	(₹)	(₹)	(₹)
Share Capital	220,000,000	85,000,000	41,000,000	50,000,000
Reserves & Surplus	273,469,475	(35,272,474)	(33,719,231)	37,146,101
Total Assets	731,632,254	137,331,976	9,869,929	152,445,864
Total Liabilities	238,162,779	87,604,450	2,589,160	65,299,763
Investments	306,469,405	-	-	15,219,141
Turnover/Total Income	152,430,034	30,380,762	13,288,420	42,363,165
Profit Before Tax	118,365,420	8,906,210	(601,742)	10,432,340
Provision for Taxation	26,476,009	649,082	(10,100)	2,696,455
Profit after Taxation	91,889,411	8,257,128	(591,642)	7,735,885
Proposed Dividend	Nil	Nil	Nil	Nil
% 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: Not applicable

Disclosure is given only in case of associate company and not in case of other enterprises

24 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. As per media reports, the Company has shut-down its factory during the year. Also the latest financial statements of the said company are not available and are not likely to be made available in view of the above said shut-down. Hence, the Subsidiary Company has made provision for diminution in value of Non-Current Investments of ₹ 5,004,996/- for the said investments during the year ended 31 March 2018.

25 a) The disclosure regarding details of SBNs held and transacted during 8th November, 2016 to 30th December, 2016 has not been made since the requirement does not pertain to financial year ended 31st March, 2018. Corresponding amounts as appearing in the audited standalone financial statement for the year ended 31 March, 2017 have been disclosed in (b) herein below.

(b) Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in the below table:-

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

26 The Board of Directors of the Parent Company at their meeting held on May 28, 2018 proposed a dividend of ₹ 1.50 per share and one time special dividend of ₹ 0.50 per share for the year ended March 31, 2018, 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 at their meeting held on May 28, 2018 proposed a dividend of ₹ 1.50 per Board of Directors of the Parent Company for the year ended March 31, 2018. If approved, the total liability arising to the Parent Company would be ₹ 591.54 Lacs including corporate dividend tax.

- 27 Figures pertaining to the Subsidiary Companies have been reclassified wherever necessary to bring them in line with the Parent Company's Financial Statements.
- 28 The Consolidated Financial Statements of the Company for the year ended March 31, 2017, included in these Consolidated Financial Statements, have been audited by the predecessor auditor.
- 29 Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

As per our report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

per Viren H. Mehta

Partner

Membership No. 048749

Place : Mumbai

Date : May 28, 2018

For and on behalf of the Board of

Emkay Global Financial Services Limited

Krishna Kumar Karwa

Managing Director

Prakash Kacholia

Managing Director

Saket Agrawal

CFO

Bhalchandra Raul

Company Secretary

Place : Mumbai

Date : May 28, 2018

Emkay[®]

Your success is our success

Emkay Global Financial Services Ltd

CIN: L67120MH1995PLC084899

Registered Office: The Ruby, 7th Floor, Senapati Bapat Marg,
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