

19th July, 2019

To, Listing Department National Stock Exchange of India Limited Exchange Plaza Bandra Kurla Complex Bandra (East), Mumbai-400 05	To, Listing Department Bombay Stock Exchange Limited P. J. Tower, Dalal Street, Mumbai 400 001
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Dear Sir,

Sub: Submission of Notice of 25th Annual General Meeting and Annual Report for the Financial Year 2018-19 under Regulation 34 of the SEBI ((Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulations 30 & 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the following, which are being sent to the Members of the Company:

1. Notice of the 25th Annual General Meeting of the Company to be held on Monday, 12th August, 2019 at 12.00 noon at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, K. Dubhash Marg, Mumbai- 400 001;
2. Annual Report for the Financial Year ended 31st March, 2019; and
3. Attendance Slip and Proxy Form.

For Emkay Global Financial Services Limited



B. M. Raul
Company Secretary & Compliance Officer

Encl: As above





Your success is our success

EMKAY GLOBAL FINANCIAL SERVICES LIMITED

CIN No. L67120MH1995PLC084899

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

Website: www.emkayglobal.com **T:** 022-66121212 **Fax:** 022-66121299 **Email:** secretarial@emkayglobal.com

AGM NOTICE

Notice is hereby given that the Twenty Fifth Annual General Meeting of the Members of Emkay Global Financial Services Limited will be held on Monday, 12th August, 2019 at 12.00 noon at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20 K. Dubhash Marg, Mumbai - 400 001 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited financial statements including audited consolidated financial statements of the Company for the financial year ended 31st March, 2019 together with the reports of the Board of Directors and Auditors thereon.
2. To declare Dividend on equity shares of the Company for the Financial Year ended 31st March, 2019.
3. To appoint a director in place of Mr. S. K. Saboo (DIN-00373201), aged 76 years, who retires by rotation and being eligible, offers himself for re-appointment

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

“RESOLVED THAT pursuant to the provisions of Section 152 (6) of the Companies Act, 2013 (“the Act”) and Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended by SEBI (Listing Obligation and Disclosure Requirements) (Amendment) Regulations, 2018 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed there under (including any statutory modification(s) or re-enactment (s) thereof for the time being in force), Mr. S.K. Saboo (DIN-00373201), aged 76 years be and is hereby appointed as a Non-Executive Non-Independent Director of the Company liable to retire by rotation”.

Special Business:

4. **Re-appointment of Mr. G.C.Vasudeo as an Independent Director.**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule IV of the Companies Act, 2013 and other applicable Regulations including Regulation 17 (A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 as may be amended from time to time, Mr. G. C. Vasudeo (DIN-00021772), aged 64 years who was appointed as an Independent Director of the Company for a term of five years with effect from 13th August, 2014 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of a Director of the Company, be and is hereby re-appointed as an Independent Director of the Company to hold office for second term of five consecutive years with effect from 13th August, 2019 upto 12th August, 2024, not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors and/ or the Company Secretary of the Company be and are hereby authorised to do all such acts, deeds, matters and things, as may be required to give effect to this resolution.”

5. Re-appointment of Mr. R. K. Krishnamurthi as an Independent Director.

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule IV of the Companies Act, 2013 and other applicable Regulations including Regulation 17 (A) of the SEBI (Listing Obligations and Disclosure Requirements (Amendment) Regulations, 2018 as may be amended from time to time, Mr. R. K. Krishnamurthi (DIN-00464622), aged 73 years who was appointed as an Independent Director of the Company for a term of five years with effect from 13th August, 2014 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of a Director of the Company, be and is hereby re-appointed as an Independent Director of the Company to hold office for second term of five consecutive years with effect from 13th August, 2019 upto 12th August, 2024, not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors and/ or the Company Secretary of the Company be and are hereby authorised to do all such acts, deeds, matters and things, as may be required to give effect to this resolution.”

6. Re-appointment of Mr. Krishna Kumar Karwa as Managing Director with effect from October 1, 2019 and Payment of remuneration to him.

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

“RESOLVED THAT pursuant to the applicable provisions of Sections 196 and 197 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) or any statutory modification(s) or re-enactment thereof, consent of the Company be and is hereby accorded to the Board of Directors/ Committee of Board (hereinafter referred to as the ‘Board’) (which term shall be deemed to include any Committee which the Board may have constituted or hereafter constitute for the time being exercising the powers conferred on the Board by this resolution) for re-appointment of Mr. Krishna Kumar Karwa, as Managing Director of the Company, for a further term of three years with effect from 1st October, 2019 to 30th September, 2022, not liable to retire by rotation and payment of remuneration to him on the terms and conditions as set out below:

(A) Salary:

- (i) Salary of ₹ 10,00,000 (Rupees Ten Lac only) per month, with such annual increments as may be decided by the Nomination, Remuneration and Compensation Committee and the Board of Directors of the Company from time to time.
- (ii) Perquisites: Subject to a maximum of 25 per cent of the annual salary as may be approved by the Board of Directors of the Company for each year.
- (iii) Provident Fund: The Company’s contribution towards provident fund as per the Provident fund Act and rules of Company, but not exceeding 12 per cent of the salary.
- (iv) Performance Bonus of such amount, not exceeding 50 per cent of the Salary for each Financial year or part thereof, as may be decided by the Board of Directors and the Nomination, Remuneration and Compensation Committee.

(B) Reimbursement of Expenses:

Reimbursement of expenses incurred for travelling, boarding and lodging during business trips, provision of car for use on the Company's business, telephone expenses at residence and mobile phone used for business purposes shall be reimbursed and shall not be considered as perquisites.

(C) Minimum Remuneration:

If in any financial year during the tenure of Mr. Krishna Kumar Karwa as Managing Director, the Company has no profits or its profits are inadequate, the Company shall pay him the same remuneration as mentioned above as minimum remuneration subject to the limits laid down and in the manner as stipulated in Schedule V of the Act, as in force and as amended from time to time for the entire tenure.

RESOLVED FURTHER THAT the Board be and is hereby authorised to fix the actual remuneration and revise it from time to time subject to the provisions of the Act.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board and/or Managing Directors and/or Company Secretary be and are hereby authorised severally to do all such acts, deeds, matters and things as may be necessary or desirable to settle any question or difficulty that may arise in such manner as it may deem fit from time to time.

7. Re-appointment of Mr. Prakash Kacholia as Managing Director with effect from October 1, 2019 and Payment of remuneration to him.

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

"RESOLVED THAT pursuant to the applicable provisions of Sections 196 and 197 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and amended Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") or any statutory modification(s) or re-enactment thereof, consent of the Company be and is hereby accorded to the Board of Directors/ Committee of Board (hereinafter referred to as the 'Board') (which term shall be deemed to include any Committee which the Board may have constituted or hereafter constitute for the time being exercising the powers conferred on the Board by this resolution) for re-appointment of Mr. Prakash Kacholia, as Managing Director of the Company, for a further term of three years with effect from 1st October, 2019 to 30th September, 2022, not liable to retire by rotation and payment of remuneration to him on the terms and conditions as set out below:

(A) Salary:

- (i) Salary of ₹ 10,00,000 (Rupees Ten Lac only) per month, with such annual increments as may be decided by the Nomination, Remuneration and Compensation Committee and the Board of Directors of the Company from time to time.
- (ii) Perquisites: Subject to a maximum of 25 per cent of the annual salary as may be approved by the Board of Directors of the Company for each year.
- (iii) Provident Fund: Company's contribution towards provident fund as per rules of the Company, but not exceeding 12 per cent of the salary.
- (iv) Performance Bonus of such amount, not exceeding 50 per cent of the Salary for each Financial year or part thereof, as may be decided by the Board of Directors and the Nomination, Remuneration and Compensation Committee.

(B) Reimbursement of Expenses:

Reimbursement of expenses incurred for travelling, boarding and lodging during business trips, provision of car for use on the Company's business, telephone expenses at residence and mobile phone used for business purposes shall be reimbursed and shall not be considered as perquisites.

(C) Minimum Remuneration:

If in any financial year during the tenure of Mr. Prakash Kacholia as Managing Director, the Company has no profits or its profits are inadequate, the Company shall pay him the same remuneration as mentioned above as minimum remuneration subject to the limits laid down and in the manner as stipulated in amended Schedule V of the Act, as in force and as amended from time to time for entire tenure..

RESOLVED FURTHER THAT the Board be and is hereby authorised to fix the actual remuneration and revise it from time to time subject to the provisions of the Act.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board and/or Managing Directors and/or Company Secretary be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary or desirable to settle any question or difficulty that may arise in such manner as it may deem fit from time to time.”

8. Grant of stock options to Mr. Yatin Kumar Singh, Head of Investment Banking in excess of one per cent of issued equity capital under Employee Stock Option Plan-2018 (ESOP-2018)

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

“**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time (hereinafter referred to as “SEBI SBEB Regulations”) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be accepted by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee, including the Nomination, Remuneration and Compensation Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution), approval and consent of the Shareholders of the Company (“Shareholders”) be and is hereby accorded to create, offer and grant 3,07,738 employee stock options equal to 1.25 per cent of the issued equity share capital of the Company to Mr. Yatin Kumar Singh, Head of Investment Banking being eligible permanent employee of the Company, in one or more tranches under the Employees’ Stock Option Plan-2018 (hereinafter referred to as “ESOP-2018” or “the Scheme”), exercisable into not more than 3,07,738 (Three Lakh Seven Thousand Seven Hundred Thirty Eight) fully paid-up equity shares in aggregate (including 2,46,000 stock options already granted) of face value of ₹ 10/- (Rupees Ten) each at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the Scheme, SEBI SBEB Regulations and in due compliance with other applicable laws and regulations.

RESOLVED FURTHER THAT the Company do grant during the FY 2019-20, the remaining 61,738 employee stock options exceeding one per cent of the issued equity capital of the company to Mr. Yatin Kumar Singh, being eligible permanent employee of the Company, in one or more tranches under the Employees’ Stock Option Plan-2018 in addition to the 2,46,000 stock options granted earlier during the FY 2019-20.

RESOLVED FURTHER THAT the exercise price for the remaining 61,738 stock options proposed to be granted to Mr. Yatin Kumar Singh, be considered at ₹93.20 per option being the closing price on a recognised Stock Exchange on which higher trading volume were transacted on the date immediately prior to the date of the Nomination, Remuneration and Compensation Committee meeting having considered the proposal.

RESOLVED FURTHER THAT the Board be and is hereby authorised to determine at its own discretion classification of the number of stock options so approved into fixed and performance linked options and decide the vesting and exercise period for the options granted under each of the category and to do all such acts, deeds, matters and things, as they may consider necessary, expedient or desirable to give effect to this resolution”.

9. Grant of stock options to Mr. Sunil Tirumalai, Head of Research and Strategist in excess of one per cent of issued equity capital under Employee Stock Option Plan-2007 (ESOP-2007)

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

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time (hereinafter referred to as “SEBI SBEB Regulations”) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be accepted by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee, including the Nomination, Remuneration and Compensation Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution), approval and consent of the Shareholders of the Company (“Shareholders”) be and is hereby accorded to create, offer and grant 3,07,738 employee stock options equal to 1.25 per cent of the issued equity share capital of the company to Mr. Sunil Tirumalai, Head of Research and Strategist being eligible permanent employee of the Company, in one or more tranches under the Employees’ Stock Option Plan-2007 (hereinafter referred to as “ESOP-2007” or “the Scheme”), exercisable into not more than 3,07,738 (Three Lac Seven Thousand Seven Hundred Thirty Eight) fully paid-up equity shares in aggregate (including 2,46,000 stock options already granted) of face value of ₹10/- (Rupees Ten) each at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the Scheme, SEBI SBEB Regulations and in due compliance with other applicable laws and regulations.

RESOLVED FURTHER THAT the Company do grant during the FY 2019-20, the remaining 61,738 employee stock options exceeding one per cent of the issued equity capital of the Company to Mr. Sunil Tirumalai, being eligible permanent employee of the Company, in one or more tranches under the Employees’ Stock Option Plan-2007 in addition to the 2,46,000 stock options granted earlier during the FY 2019-20.

RESOLVED FURTHER THAT the exercise price for the remaining 61,738 stock options proposed to be granted to Mr. Sunil Tirumalai be considered at ₹ 74.65 per option being the closing price on a recognised Stock Exchange on which higher trading volume were transacted on the date immediately prior to the date of the Nomination, Remuneration and Compensation Committee meeting having considered the proposal.

RESOLVED FURTHER THAT the Board be and is hereby authorised to determine at its own discretion classification of the number of stock options so approved into fixed and performance linked options and decide the vesting and exercise period for the options granted under each of the category and to do all such acts, deeds, matters and things, as they may consider necessary, expedient or desirable to give effect to this resolution”.

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

Place : Mumbai
Date : 10th July, 2019

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

B. M. Raul
Company Secretary & Compliance Officer

Notes for Members' Attention:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) OF THE COMPANY MAY APPOINT A PROXY TO ATTEND AND VOTE, IN CASE OF POLL ONLY, INSTEAD OF HIMSELF/ HERSELF.

A Proxy need not be a member of the Company. The instrument appointing the proxy should be deposited at the Registered Office of the Company not less than forty-eight hours before commencement of the AGM. Proxies submitted on behalf of companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable. Pursuant to the provisions of Section 105 of the Companies Act, 2013, ("the Act") a person shall not act as a proxy for more than 50 (fifty) members and holding in aggregate not more than 10% (ten percent) of the total share capital of the Company. However, a single person may act as a proxy for a member holding more than 10% (ten percent) of the total share capital of the Company provided that such person shall not act as a proxy for any other person.

2. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting are requested to send a duly certified copy of the Board Resolution authorising their representatives to attend and vote at the forthcoming 25th Annual General Meeting. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting Hall where the AGM is proposed to be held. Members who hold shares in electronic form are requested to bring their Client ID and DP ID numbers for identification.
3. Members/Proxies/Representatives should bring the enclosed Attendance Slip, duly filled in, for attending the Meeting. Copies of the Annual Report or Attendance Slips will not be distributed at the Meeting.
4. The Statement setting out the material facts pursuant to Section 102 of the Act, concerning the Special Business in the Notice is annexed hereto and forms part of this Notice.
5. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away in terms of amendment made to Section 139 notified vide Notification dated 7th May, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on 11th August, 2017.
6. The Register of Directors and Key Managerial Personnel and their Shareholdings maintained under Section 170 and Register of Contract or Arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 will be open for inspection by the members during the Annual General Meeting.
7. Relevant documents referred to in the accompanying Notice and the statement pursuant to Section 102(1) of the Act, are available for inspection at the Registered Office of the Company during business hours on all days except Saturdays, Sundays and Public Holidays upto the date of the AGM.
8. Profile of the Directors seeking re-appointment, as required in terms of Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard -2 issued by the Institute of Company Secretaries of India is annexed to this notice.
9. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 6th August, 2019 to Monday, 12th August, 2019 (both days inclusive).
10. The final dividend, as recommended by the Board, if approved at the AGM, in respect of equity shares held in electronic form will be payable to the beneficial owners of the shares as on 5th August, 2019 as per the downloads furnished to the Company by Depositories for this purpose. In case of shares held in physical form, dividend will be paid to the shareholders, whose names shall appear on the Register of Members as on 5th August, 2019.
11. Members holding shares in physical form are requested to notify immediately any change in their address or bank mandates to the Company / Registrar & Share Transfer Agents quoting their Folio Number and Bank Account details along with self-attested documentary proofs. Members holding shares in the electronic form may update such details with their respective Depository Participants.
12. In case of joint holders attending the meeting, the joint holder with highest, in order of names will be entitled to vote.
13. Members desirous of getting any information about the accounts and operations of the Company are requested to address their queries to the Company Secretary & Compliance Officer at the Registered Office of the Company at least seven days in advance of the meeting so that the information required may be made readily available at the meeting.



14. Pursuant to the provisions of Section 124 and 125 of the Act, the Company has transferred on due dates, the unpaid or unclaimed dividends for the financial year upto 2010-2011 to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded on its website the details of unpaid and unclaimed amounts lying with the Company. Members who have not yet encashed dividend for the financial year 2011-2012 and all subsequent years must claim the same as early as possible failing which it would be transferred to IEPF as per the dates mentioned herein below. In terms of Section 125 of the Companies Act, 2013, no claim shall lie against the Company after the said transfer. It is in the shareholders' interest to claim any unclaimed dividends and for future, opt for Electronic Clearing Services, so that dividends paid by the Company are credited to the investor's bank account on time. The balance amount lying in Unpaid Dividend Account for the financial year 2011-2012 is due for transfer to the IEPF, during the month of September/October, 2019.

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

Financial Year	Seven Years expiring on	Transfer to IEPF Account on or before
2011-2012	10.09.2019	09.10.2019
2015-2016 (Interim Dividend)	14.04.2023	13.05.2023
2016-2017	14.09.2024	13.10.2024
2017-2018	18.09.2025	17.10.2025

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

Pursuant to the provisions of section 124(6) of the Act, read with The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, all the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more as provided under subsection (5) of Section 124 are required to be transferred to the special Demat Account opened by IEPF Authority

All the shareholders who have not claimed their unpaid dividend are requested to claim their unclaimed dividends, otherwise the unclaimed dividend and such shares will be transferred to IEPF account by the respective due dates.

Members are requested to contact M/s. Link Intime India Private Limited, the Registrar & Share Transfer Agent of the Company, for claiming the dividend for the aforesaid years. The details of the unclaimed dividends of the aforesaid years are available on the Company's website at www.emkayglobal.com and also on Website of Ministry of Corporate affairs at www.mca.gov.in.

15. The Securities Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are requested to submit PAN to their Depository Participant(s) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agent.
16. The Ministry of Corporate Affairs has taken a 'Green Initiative in Corporate Governance' by issuing circulars allowing paperless compliances by Companies through electronic mode. The Shareholders can now receive various notices and documents through electronic mode by registering their e-mail addresses with the Company. Shareholders who have not registered their e-mail address with the Company can now register the same by post with M/s. Link Intime India Private Limited or to the Company. Members holding shares in electronic form are requested to register their email addresses with their Depository Participants only. Even after registering for E-communication, the shareholders of the Company are entitled to receive such communication in physical form, upon request.
17. Electronic copy of the Notice of the 25th Annual General Meeting of the Company inter alia indicating the process and manner of remote e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company / Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 25th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode. Members, who have not registered their email address so far, are requested to register their email IDs for receiving all communications including Annual Report, Notices, etc., from the Company electronically.

Notice of the 25th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode. Members, who have not registered their email address so far, are requested to register their email IDs for receiving all communications including Annual Report, Notices, etc., from the Company electronically.

18. Members may also note that the Notice of the 25th Annual General Meeting and the Annual Report for the financial year 2018-2019 will also be available on the Company’s website www.emkayglobal.com
19. The Route map showing directions to reach the venue of the 25th Annual General Meeting is annexed.
20. Voting through electronic means:

The Company has provided ‘remote e-voting’ (e-voting from a place other than venue of the AGM) facility through Central Depository Services (India) Limited (CDSL) as an alternative, for all members of the Company to enable them to cast their votes electronically, on the resolutions mentioned in the notice of the 25th Annual General Meeting of the Company (the AGM Notice).

The facility for voting, either through electronic voting system or through ballot / polling paper shall also be made available at the venue of the 25th AGM. The members attending the meeting, who have not cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

The Company has appointed Mr. P.N. Parikh (Membership No. 327) and failing him Mr. Mitesh Dhabliwala (Membership no. 8331), of M/s Parikh & Associates, Practicing Company Secretaries Mumbai as the Scrutiniser for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner. E-voting is optional. In terms of requirements of the Companies Act, 2013 and the relevant Rules, the Company has fixed 5th August, 2019 as the ‘Cut-off Date’. The remote e-voting / voting rights of the shareholders/ beneficial owners shall be reckoned on the equity shares held by them as on the Cut-off Date i.e.5th August, 2019 only.

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

- (i) The voting period begins on 9th August, 2019 at 9.00 a.m. and ends on 11th August, 2019 at 5.00 p.m During this period shareholders’ of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of 5th August, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders / Members
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.
OR Date of Birth (DOB)	<ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- viii. After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for Emkay Global Financial Services Limited on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting.
Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com
21. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 5th August, 2019.
22. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 5th August, 2019, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com.

23. A member may participate in the AGM even after exercising his/her right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
24. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
25. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutiner, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
26. The Scrutiniser shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutiner's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
27. The results declared along with the report of the Scrutiniser shall be placed on the website of the Company and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorised by him in writing. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited.

EXPLANATORY STATEMENT

Statement pursuant to Section 102 of the Companies Act, 2013

Item No. 3

Securities and Exchange Board of India (SEBI) has vide its Notification No. SEBI/LAD-NRO/ GN/2018/10 dated May 09, 2018 issued the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 ("the Amendment Regulations") amended various Regulations in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI (LODR) Regulations"). As per Regulation 17(1A) of the SEBI (LODR) Regulations, with effect from 1st April, 2019, no listed Company shall appoint or continue the Directorship of any person as a Non-Executive Director who has attained the age of 75 years, unless a special resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the Notice for such appointment/continuation.

In view of the above amendment to Regulation 17, a Special Resolution was passed through the process of Postal Ballot on 26th December, 2018 for continuation of appointment of Mr. S. K. Saboo, who had completed age of 75 years as Non-Executive Director with effect from 1st April, 2019 to hold office for his remaining term of office. As such Mr. S. K. Saboo will be retiring by rotation at the ensuing Annual General Meeting.

Mr. S. K. Saboo (DIN-00373201), aged 76 years (Date of Birth: 5th November, 1942) has been associated with the Company as Non –Executive Director since 1995. Mr. S. K. Saboo has more than 51 years of management experience and presently he is the Group Advisor (Chairman's Office) for Aditya Birla Group, one of the premier business groups of India. He has contributed actively in the progress of the Company.

Brief profile of Mr. S. K. Saboo, Non-Executive Director is provided at the end of this Notice.

Mr. S. K. Saboo is interested in the resolution set out at Item No. 3 of the Notice. Mr. Krishna Kumar Karwa, Managing Director being related to Mr. S. K. Saboo may be deemed to be interested in the said resolution. Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, may deemed to be concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

The Board of Directors recommends the Special Resolution as set out at Item No. 3 of the Notice for approval of the Members.

Item No. 4 & 5

Mr. G. C. Vasudeo and Mr. R. K. Krishnamurthi were appointed as Non-Executive Independent Directors of the Company pursuant to the provisions of Section 149 of the Act, read with Companies (Appointment and Qualification of Directors) Rules, 2014 in the 20th Annual General Meeting held on 13th August, 2014 for a term of five years effective 13th August, 2014 upto 12th August, 2019. ("first term" as per the explanation to Section 149(10) and 149(11) of the Act.).

Pursuant to provisions of section 149 of the Act, and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended by Amendment Regulations, 2018, an Independent Director shall hold office for a term up to 5 (five) consecutive years on the Board of a company, but shall be eligible for re-appointment on passing a Special Resolution by the Company and disclosure of such appointment in the Board's Report.

The Nomination, Remuneration & Compensation Committee at its Meeting held on 28th May, 2019 after taking into account the performance evaluation of these Independent Directors, during their first term of five years and considering the knowledge, acumen, expertise and experience in their respective fields and the substantial contribution made by these Directors during their tenure as an Independent Director since their appointment, has recommended to the Board that continued association of these Directors as Independent Directors would be in the interest of the Company. Based on the above, the Board of Directors at its Board meeting held on 28th May, 2019 has re-appointed Mr. G.C. Vasudeo and Mr. R. K. Krishnamurthi as Independent Directors subject to approval of the shareholders at the ensuing Annual General Meeting, for the second term of five years with effect from 13th August, 2019 upto 12th August, 2024.

Mr. G. C. Vasudeo and Mr. R. K. Krishnamurthi have submitted a declaration that they meet the criteria for independence as provided under Section 149(6) of the Act and they are eligible for appointment as Independent Directors of the Company.

The Nomination, Remuneration & Compensation Committee and the Board has recommended the re-appointment of these Two Directors as Independent Directors on the Board of the Company, to hold office for the second term of five consecutive years commencing from 13th August, 2019 upto 12th August, 2024 and not liable to retire by rotation.

The Company has received a notice in writing pursuant to Section 160 of the Act, from a member proposing the candidature of Mr. G.C. Vasudeo and Mr. R. K. Krishnamurthi for their re-appointment to the office of Independent Directors.

Brief profile of the above Independent Directors is as under:

(i) Mr. G. C. Vasudeo :

Mr. G. C. Vasudeo joined the Board of Directors of the Company in January, 2006. At present Mr. G. C. Vasudeo is the Chairman of the Audit Committee, Nomination, Remuneration & Compensation Committee and the CSR Committee of the Board of Directors of the Company.

Mr. G. C. Vasudeo is a fellow member of the Institute of Chartered Accountants of India, The Institute of Company Secretaries of India, an Associate member of The Institute of Cost and Works Accountants of India and a Law Graduate from the University of Mumbai. He has a wide and rich industrial experience of over 40 years. He had been the Executive Director of SI Group-India Private Limited and had been instrumental in the restructuring of the Group and also in Mergers and Acquisitions within that Group.

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

In the opinion of the Board, Mr. G. C. Vasudeo fulfils the conditions specified in the Act, and rules made there under for his re-appointment as an Independent Director of the Company and is independent of the management.

Mr. G. C. Vasudeo fulfils the conditions specified in the Act, and rules made there under and SEBI (LODR) Regulations, 2015 as amended, for his appointment as an Independent Director of the Company and is independent of the management. A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of appointment of Independent Director is available for inspection at the Registered Office/ Administrative Office of the Company during business hours on any working day and is also available on the website of the Company i.e. www.emkayglobal.com.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. G. C. Vasudeo as an Independent Director. Accordingly, the Board recommends the special resolution in relation to re-appointment of Mr. G. C. Vasudeo as an Independent Director for second term of five years for approval of the Members. Brief profile of Mr. G. C. Vasudeo in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, is provided at the end of this Notice and in the Corporate Governance Report.

Except Mr. G. C. Vasudeo being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives are in any way, may be deemed to be concerned or interested, financially or otherwise in the resolution set out at item No.4 of the notice.

(ii) Mr. R. K. Krishnamurthi :

Mr. R. K. Krishnamurthi joined the Board of Directors of the Company in November, 2005. At present Mr. Krishnamurthi is Chairman of Stakeholders Relationship Committee, Member of Nomination, Remuneration & Compensation Committee and Audit Committee of the Board of Directors of the Company.

Mr. R. K. Krishnamurthi, a Solicitor in the Mumbai High Court and the Supreme Court of England, has a rich and wide experience of over 46 years in the field of Law. He is a retired Partner of Mulla & Mulla Craigie Blunt & Caroe, a reputed firm of Advocates, Solicitors and Notaries.

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

In the opinion of the Board, Mr. R. K. Krishnamurthi fulfils the conditions specified in the Act, and rules made there under for his appointment as an Independent Director of the Company and is independent of the management.

Mr. R. K. Krishnamurthi fulfils the conditions specified in the Act, and rules made there under and SEBI (LODR) Regulations, 2015 as amended for his appointment as an Independent Director of the Company and is independent of the management. A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of appointment of Independent Director is available for inspection at the Registered Office/ Administrative Office of the Company during business hours on any working day and is also available on the website of the Company i.e. www.emkayglobal.com.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. R. K. Krishnamurthi as an Independent Director. Accordingly, the Board recommends the special resolution in relation to re-appointment of Mr. R. K. Krishnamurthi as an Independent Director for a second term of five years for approval of the Members. Brief profile of Mr. R. K. Krishnamurthi in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, is provided at the end of this Notice and in the Corporate Governance Report.

Except Mr. R. K. Krishnamurthi, being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives are, in any way, may be deemed to be concerned or interested, financially or otherwise, in the resolution set out at item No. 5 of the Notice..

Item No.: 6 & 7

Mr. Krishna Kumar Karwa and Mr. Prakash Kacholia were re-appointed as Managing Directors of the Company with effect from 1st October, 2016 for a period of three years and their re-appointment and payment of remuneration to each of them was approved by the Members at the 22nd Annual General Meeting held on 10th August, 2016. The present term of Mr. Krishna Kumar Karwa and Mr. Prakash Kacholia as the Managing Directors of the Company expires on 30th September, 2019.

With their rich experience and management skills, they have steered the Company successfully through troubled waters in the past. In appreciation of the dedicated efforts which contributed to the growth of the Company and having regard to the increased responsibilities for further improving the performance of the Company in this competitive market, the Board of Directors of the Company at its meeting held on 28th May, 2019 has, subject to the approval of Members re-appointed Mr. Krishna Kumar Karwa and Mr. Prakash Kacholia as Managing Directors of the Company for a further period of three years from the expiry of their respective term, on the remuneration determined by the Nomination, Remuneration and Compensation Committee of the Board at its meeting held on 28th May, 2019.

As required under Section II of Part II of Schedule V to the Act, the relevant details to be sent along with the Notice are as under:

I. General Information:

(1) Nature of Industry:	Financial Services
(2) Date or expected date of commencement of commercial production:	Not Applicable
(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:	Not Applicable

(4) Financial performance based on given indicators (₹ in lac):

(Figures in lac except EPS)

STANDALONE	FY 2018-19	FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15
Income	12,964	13,298	9,662	9,506	10,380
PAT	637	1,794	462	981	(1,594)
Networth	13,474	13,400	11,833	11,371	10,662
EPS	2.59	7.32	1.89	4.01	(6.52)
CONSOLIDATED					
Income	14,920	15,656	10,884	10,533	11,687
PAT	1,449	2,861	1,219	1,203	(1,573)
Networth	17,029	16,142	13,508	12,289	11,379
EPS	5.89	11.68	4.99	4.92	(6.44)

(5) Foreign investments or collaboration, if any : NIL

II. Information about the Appointee:**(A) Mr. Krishna Kumar Karwa:****1. Background details:**

Mr. Krishna Kumar Karwa aged 53 years is a rank holder member of the Institute of Chartered Accountants of India. He is the Promoter, Managing Director of the Company. Mr. Krishna Kumar Karwa has rich and varied experience of 31 years in all aspects of the Capital Markets i.e. Research, Investment Banking, Retail/Institutional Broking, Wealth Management Services, Mutual Fund Distribution etc. He is an independent Director on the Board of West Coast Paper Mills Limited. He is also Director in Subsidiary/Group Companies of the Company viz. Emkay Commotrade Limited, Emkay Wealth Advisory Limited (Formerly Emkay Insurance Brokers Limited), Emkay Corporate Services Private Limited., Emkayglobal Financial Services IFSC Private Limited, Emkay Charitable Foundation and Whole-time Director of Emkay Fincap Limited.

2. Past remuneration:

Mr. Krishna Kumar Karwa was paid total remuneration during the last 3 years as under:

Year Ended Remuneration paid* (₹)

31st March, 2017 ₹ 79,50,000

31st March, 2018 ₹ 84,00,000

31st March, 2019 ₹ 84,00,000

* Note: Excluding Company's contribution to Provident Fund.

3. Recognition or awards:

As elaborated in Item no. 1 above.

4. Job profile and his suitability:

Mr. Krishna Kumar Karwa, being Managing Director oversees the overall operations of the Company and its subsidiaries with focus on Institutional Broking, Research, Wealth Management Services, Investment Banking and Commodities Broking.

5. Remuneration proposed:

As mentioned in the Special Resolution at Item no. 6 of this Notice.

6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:

Taking into consideration the size of the Company, the qualification and experience of Mr. Krishna Kumar Karwa, the responsibilities shouldered by him and keeping in view the remuneration packages prevalent in the financial services sector, the aforesaid remuneration package is commensurate with the remuneration levels in the industry.

7. Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel, if any:

Besides the remuneration, Mr. Krishna Kumar Karwa does not have any other pecuniary relationship with the Company and its senior Managerial Personnel except Mr. S. K. Saboo - Director of the Company.

(B) Mr. Prakash Kacholia:

1. Background details:

Mr. Prakash Kacholia, aged 53 years, is a member of the Institute of Chartered Accountants of India. He is the Promoter and Managing Director of the Company. He is currently Director in the Subsidiary/Group Companies of the Company viz. Emkay Fincap Limited, Emkay Wealth Advisory Limited (Formerly Emkay Insurance Brokers Limited), Emkay Corporate Services P. Limited., Emkayglobal Financial Services IFSC Private Limited, Emkay Charitable Foundation and Whole-time Director of Emkay Commotrade Limited. Mr. Kacholia has a rich experience of 30 years in the capital markets with a focus on the Retail/Institutional broking and Derivatives segment.

2. Past remuneration:

Mr. Prakash Kacholia, was paid total remuneration during last 3 years as under:

Year Ended Remuneration paid* (In ₹)

31st March, 2017	₹ 79,50,000
31st March, 2018	₹ 84,00,000
31st March, 2019	₹ 84,00,000

* Note: Excluding Company's contribution to Provident Fund.

3. Recognition or awards:

Mr. Prakash Kacholia was on the Board of BOI Shareholding Limited, BSE Limited and Central Depository Services (India) Limited. He had, in the past, been a "Member of Advisory Committee – Derivatives Segment with the SEBI, Member of Governing Council - Derivatives Segment with BSE Limited, Member of Advisory Committee for Business Development with BSE Limited and Member of Index Committee and Audit Committee of BSE Limited.

4. Job profile and his suitability:

Mr. Prakash Kacholia, being Managing Director, oversees the overall operations of the Company and its subsidiaries with a focus on Retail Expansion, Derivatives Segment, E-broking, Direct Insurance Broking and Investment Banking – Debt Segment.

5. Remuneration proposed:

As mentioned in the Special Resolution in Item no. 7 of this Notice.

6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:

Taking into consideration the size of the Company, the qualification and experience of Mr. Prakash Kacholia, the responsibilities shouldered by him and keeping in view the remuneration packages prevalent in the financial services sector, the aforesaid remuneration package is commensurate with the remuneration levels in the industry.

7. Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel, if any:

Besides the remuneration, Mr. Prakash Kacholia, does not have any other pecuniary relationship with the Company and its Managerial Personnel except Mrs. Preeti Kacholia-Director of the Company.

III. Other Information:

(1) Reasons for loss or inadequate profits: During the financial year 2018-19 there was decline in profitability owing to a flat topline in a challenging year with fixed cost and employee costs remaining escalated.

(2) Steps taken or proposed to be taken for improvements:

The Company has undertaken the following key steps to improve profitability:

- a. Cost reduction measures
- b. Tightening the Risk Management System to control the receivables.
- c. Aggressive focus on new revenue verticals like Investment Banking, Portfolio Management Services , Wealth Management etc.
- d. Sustained focus on improving Company's market share in Retail Broking.

(3) Expected increase in productivity and profits in measurable terms:

The Company has embarked on a series of strategic and operational measures that are expected to result in improvement in the present position. The Company shall focus on Investment Banking, Portfolio Management Services, Wealth Management & Retail Broking in order to improve Company's revenues. Further, benefits of employee cost rationalisation and enhanced Risk Management System are expected to reduce cost and improve the bottom-line.

IV. Disclosures:

- (1) Remuneration package of the managerial personnels is being disclosed in the Annual Report and in this Notice.
- (2) The following disclosures as applicable have been mentioned in the Board of Director's report under the heading "Corporate Governance" attached to the annual report:-
 - (i) All elements of remuneration package such as salary, benefits, bonus, stock options, pension, etc. of all the directors.
 - (ii) Details of fixed component and performance linked incentives along with the performance criteria.
 - (iii) Service contracts, notice period, severance fees.
 - (iv) Stock Options details, if any

So long as Mr. Krishna Kumar Karwa and Mr. Prakash Kacholia functions as Managing Directors of the Company, they shall not be subject to retirement by rotation and shall not be paid any sitting fees for attending the meetings of the Board or any Committee thereof including all the Subsidiary Companies of the Company.

Mr. Krishna Kumar Karwa and Mr. Prakash Kacholia are interested in the resolutions set out respectively at Item No. 6 and 7 of the Notice, which pertain to their respective re-appointments and remuneration payable to each one of them.

Mr. S. K. Saboo may be deemed to be interested in the Resolution pertaining to the re-appointment of and remuneration payable to Mr. Krishna Kumar Karwa, as they are related to each other. Mrs. Preeti Kacholia may be deemed to be interested in the Resolution pertaining to the re-appointment of and remuneration payable to Mr. Prakash Kacholia, as they are related to each other. Save and except the above, none of the other Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested financially or otherwise in the Resolutions set out at item No. 6 and 7 of the Notice.

The Board recommends the Special Resolutions set out at Item Nos. 6 and 7 of the Notice relating to re-appointment of Mr. Krishna Kumar Karwa and Mr. Prakash Kacholia as Managing Directors of the Company for your approval.

Item No. 8

The Company has introduced Employees Stock Option Scheme-2018 ("ESOP-2018") for the benefit of eligible permanent employees of the Company, its Directors and employees/directors of the present and future Indian/foreign subsidiary companies, and such other persons as may be permitted from time to time, under prevailing laws, rules and regulations and/or amendments thereto from time to time.

As per Regulation 6(3) (d) of SEBI (Share Based Employees Benefits) Regulations, 2014, approval of the shareholders by way of separate special resolution is required to be obtained for grant of stock options to the identified employees during any one year, equal to or exceeding one per cent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of options. Further, as per proviso to clause 7.2 of the ESOP-2018 Scheme, approval of the shareholders is required to be obtained by way of separate resolution for grant of options to one eligible employee exceeding two per cent of the issued equity share capital in aggregate and also for grant of options exceeding One per cent of the issued equity share capital in a financial year.

Accordingly, pursuant to clause 7.2 of the ESOP-2018 scheme and Regulation 6(3)(d) of the SEBI (Share Based Employee Benefits) Regulations, 2014, the Company can issue stock options under the said scheme exceeding one per cent of the issued capital of the Company (excluding outstanding warrants and conversions, if any) to any one eligible employee in a financial year provided the Company has taken approval of the shareholders by way of separate special resolution.

The Company intends to grant to Mr. Yatin Kumar Singh an eligible permanent employee of the Company, 3,07,738 stock options (including 2,46,000 stock options already granted during the financial year) (partly fixed and partly performance linked) as an encouragement to contribute his best to the performance and profitability of the Company and to meet the revenue targets over the next 3 years as per business plan. The resolution under item no. 8 is being proposed seeking approval of shareholders by special resolution accordingly, to grant options to Mr. Yatin Kumar Singh, Head of Investment Banking in excess of one per cent of the issued capital of the Company and to the extent of 1.25% of the issued equity share capital of the Company as stated against his name in the attached resolutions at item No 8 in any one financial year in one or more tranches as may be decided by the Board.

None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, may be deemed to be concerned or interested, financially or otherwise, in the resolution set out at item No. 8 of the Notice.

The Board of Directors recommends the Special Resolution as set out at Item No. 8 of the Notice for approval of the Members.

Item No. 9

The Company is already having Employees Stock Option Scheme-2007 ("ESOP-2007") for the benefit of eligible permanent employees of the Company, its Directors and employees/directors of the present and future Indian/foreign subsidiary companies, and such other persons as may be permitted from time to time, under prevailing laws, rules and regulations and/or amendments thereto from time to time.

As per Regulation 6(3) (d) of SEBI (Share Based Employees Benefits) Regulations, 2014, approval of the shareholders by way of separate special resolution is required to be obtained for grant of stock options to the identified employees during any one year, equal to or exceeding one per cent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of options.

Accordingly, pursuant to Regulation 6(3)(d) of the SEBI (Share Based Employee Benefits) Regulations, 2014, the Company can issue stock options under the said scheme exceeding one per cent of the issued capital of the Company (excluding outstanding warrants and conversions, if any) to any one eligible employee in a financial year provided the Company has taken approval of the shareholders by way of separate special resolution.

The Company intends to grant to Mr. Sunil Tirumalai an eligible permanent employee of the Company, 3,07,738 stock options (including 2,46,000 stock options already granted during the financial year) (partly fixed and partly performance linked) as an encouragement to contribute his best to the performance and profitability of the Company and to meet the revenue targets over the next 5 years as per business plan. The resolution under item no. 8 is being proposed seeking approval of shareholders by special resolution accordingly, to grant options to Mr. Sunil Tirumalai, Head of Research and Strategist in excess of one per cent of the issued capital of the Company and to the extent of 1.25% of the issued equity share capital of the Company as stated against his name in the attached resolution at item No 9 in any one financial year in one or more tranches as may be decided by the Board.

None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, may be deemed to be concerned or interested, financially or otherwise, in the resolution set out at item No. 9 of the Notice.

The Board of Directors recommends the Special Resolutions as set out at Item No. 9 of the Notice for approval of the Members.

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

Place : Mumbai
Date : 10th July, 2019

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

**B. M. Raul
Company Secretary & Compliance Officer**

PROFILE OF THE DIRECTORS BEING RE-APPOINTED / APPOINTED AT THE 25TH ANNUAL GENERAL MEETING IN PURSUANCE OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

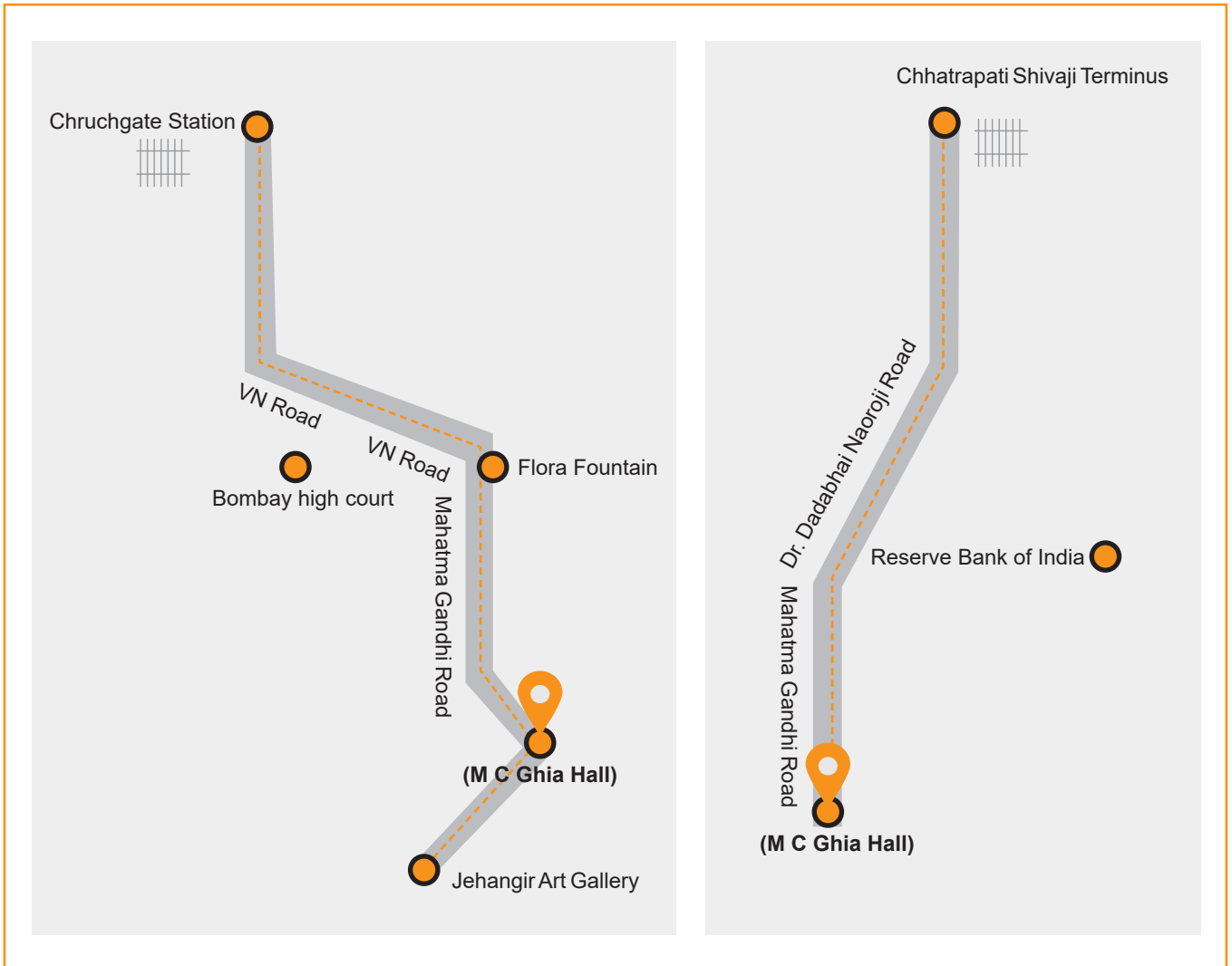
ITEM NO. 3, 4 AND 5

1	Name Of The Director	Mr. Sushil Kumar Saboo	Mr. G. C. Vasudeo	Mr. R. K. Krishnamurthi
2	DIN	00373201	00021772	00464622
3	Date of Birth	05.11.1942	23.12.1954	17.01.1946
4	Age	76 years	54 years	73 years
5	Date of Appointment	15.10.1995	20.01.2006	10.11.2005
6	Experience in Specified Functional Area	More than 51 years of Management experience	Wide and rich industrial experience of over 40 years	Rich and wide experience of over 46 years in the field of Law
7	Percentage of shares held in the Company	Nil	Nil	Nil
8	Qualification	B. Com	B. Com, L.L.B., FCA, FCS, AICWA	B.A., L.L.B.
9	List of other Companies in which associated as Director	1. Indophil Textile Mills Inc; Philippiness 2. Satnam Apartments Limited 3. Industry House Limited	1. Emkay Fincap Limited 2. Emkay Investment Managers Limited	1. Madhav Marbles & Granites Limited 2. Emkay Commotrade Limited 3. Emkay Wealth Advisory Limited (Formerly known as Emkay Insurance Brokers Limited) 4. Emkay Fincap Limited
10	Chairman / Memberships of the Committee of the Board of other Companies in which associated as a Director	Nil	1. Emkay Fincap Limited a. Audit Committee – Member b. Nomination and Remuneration Committee - Member	1. Emkay Commotrade Limited a. Audit Committee – Member 2. Emkay Fincap Limited a. Audit Committee - Chairman

ITEM NO.: 6 & 7

1	Name of the Director	Mr. Krishna Kumar Karwa	Mr. Prakash Kacholia
2	DIN	00181055	00002626
3	Date of Birth	14.07.1965	27.09.1965
4	Age	53 years	53 years
5	Date of Appointment	24.01.1995	24.01.1995
6	Experience in Specified Functional Area	Rich and varied experience of 31 years in all aspects of the Equity Capital Markets	Rich experience of 30 years in the Capital Markets with a focus on the derivative segment.
7	Percentage of shares held in the Company	19.99%	19.29%
8	Qualification	B. Com, ACA	B. Com, ACA
9	List of other Companies in which associated as Director	1. Emkay Fincap Limited 2. Emkay Commotrade Limited 3. Emkay Wealth Advisory Limited (Formerly known as Emkay Insurance Brokers Limited) 4. Emkay Corporate Services Private limited 5. Emkay Charitable Foundation (Section 8 Company) 6. Emkayglobal Financial Services IFSC Private Limited 7. The West Coast Paper Mills Ltd.	1. Emkay Fincap Limited 2. Emkay Commotrade Limited 3. Emkay Wealth Advisory Limited (Formerly known as Emkay Insurance Brokers Limited) 4. Emkay Corporate Services Private limited 5. Emkay Charitable Foundation (Section 8 Company) 6. Emkayglobal Financial Services IFSC Private Limited
10	Chairman / Memberships of the Committee of the Board of other Companies in which associated as a Director	1. Emkay Fincap Limited a. Audit Committee – Member 2. Emkay Commotrade Limited a. Audit Committee - Member	1. Emkay Fincap Limited a. Audit Committee – Member b. Nomination & Remuneration Committee - Member

Road Map showing directions to reach the venue - (M C Ghia Hall)



Emkay®

Your success is our success

**Leveraging the core,
DRIVING MOMENTUM.**

**Annual Report
2018-19**



ACROSS THE PAGES

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Investor information

▶ Market Capitalisation as at 31st March, 2019	: ₹ 258.50 crore
▶ CIN	: L67120MH1995PLC084899
▶ BSE Code	: 532737
▶ NSE Symbol	: EMKAY
▶ Bloomberg Code	: EMKAY:Natl India
▶ Dividend Recommended	: ₹ 1.00 per share
▶ AGM Date	: 12th August, 2019
▶ AGM Venue	: M. C. Ghia Hall, Fort, Mumbai 400001

Disclaimer

This document contains statements about expected future events and financials of Emkay Global Financial Services Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis of this Annual Report.

Please find our PDF version at

<https://www.emkayglobal.com/ir-annual-reports>

Or simply scan to download:



Highlights 2018-19

₹ 149.2 crore

Revenues

₹ 28.70 crore

EBITDA*

*EBITDA - after exceptional items

As we accelerate into the digital future, we can rely on one compass to show us the way and drive our momentum: **OUR CORE INBUILT STRENGTHS.**

That's the hallmark of our growth at Emkay Global Financial Services Limited (also referred to as 'Emkay' or 'the Company' from here on). The Company has developed strong capabilities and a sound strategic direction, with promising competencies and compelling solutions. These include strong and insightful research, invaluable human assets, products and most importantly, real-time digital solutions.

Our motto 'Your success is our success' that lies at the core of our existence, around which revolves our entire being, reinforces in us each day, the significance and the true substance of our relationship with our clients. With an impressive track record of the past and a robust business model in the present, Emkay is all set to leverage its core, to drive the future momentum and build sustainable outcomes for its customers and value for its stakeholders.

₹ 14.49 crore
PAT

₹ 531.56 crore,
Total Assets
Under Management
(PMS and AIF)

Note:

- EBITDA: Earnings before Interest Taxes Depreciation and Ammortisation
- PAT: Profit after Taxes
- PMS: Portfolio Management Services
- AIF: Alternative Investment Fund

OUR SELFIE

Emkay Global Financial Services Limited was founded in 1995. Within a span of two decades, the Company has emerged as one of the leading players in India's promising financial service landscape.

Our offerings

Emkay offers a host of transactional and advisory services across equity, debt and commodities. It has a vast client base including foreign institutional investors, domestic mutual funds, banks, insurance companies, private equity firms, corporate houses, small and medium-sized enterprises and high net worth individuals. The diversity of our services, backed by a team of research experts, robust infrastructure and well-managed processes, has contributed to the growth of the Emkay today.

Strong domain knowledge

The decision-making team has an exposure of 30 years in the markets, which results in building resilience and devising future strategies across verticals, keeping in mind the present situation and future sustainability.

Professionalism

Business heads with a robust experience in large corporates have been onboarded to head Institutional Clients group and Wealth Management business, thereby adding to the pool of expertise, insight and proficiency, already existing within the top leadership at Emkay. Our leadership team demonstrates a strong culture of ownership and responsibilities towards fulfilling their target-linked performance expectations.

20
Branches

172
Franchisees

455
Dedicated team of employees



OUR VALUABLE RECOGNITIONS

Financial Services Awards

- ▶ Recognised as the most admired service provider in financial sector by CMO Asia
- ▶ Ranked amongst the 25 fastest growing financial consultant companies in India by the CEO Magazine
- ▶ Awarded as India's most trusted financial brand for the year 2016-17 by World Consulting & Research Corporation

Institutional Investor Awards

- ▶ The Sales team ranked 5th in India by Institutional Investor Survey, 2017
- ▶ The Research team ranked 10th in India by Institutional Investor Survey, 2016

Asiamoney Brokers Poll

- ▶ Best Analyst Energy –Ranked 3rd by Asiamoney Brokers Poll, 2018
- ▶ Best Analyst Small Caps –Ranked 2nd by Asiamoney Brokers Poll, 2018
- ▶ Emkay Sales Team – Ranked 7th in India by Asiamoney Brokers Poll, 2017

MCX

- ▶ Awarded by MCX for being the highest volume contributor in the Options segment, 2019

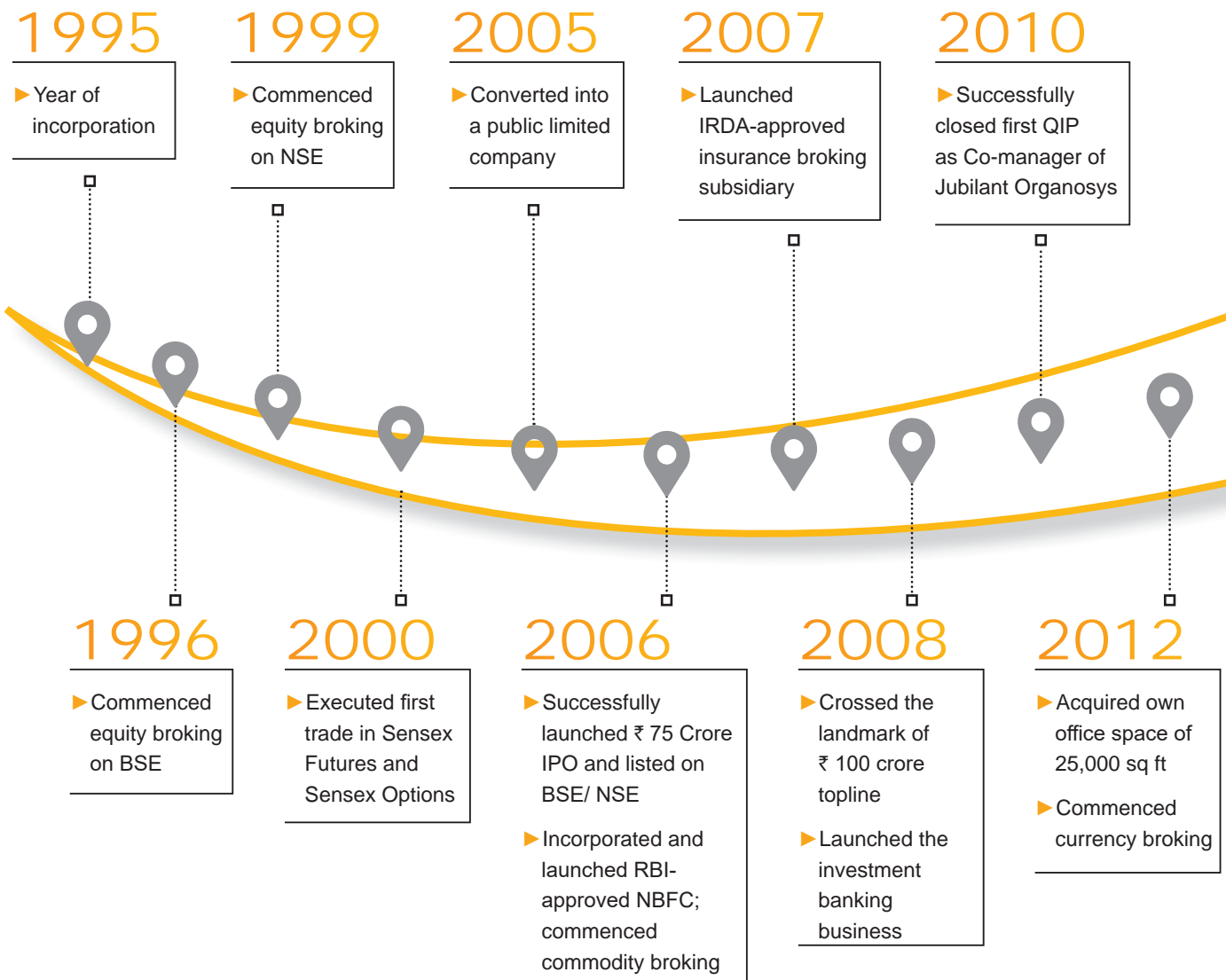


Institutional Investor

ASIAMONEY



MOMENTUM OVER THE YEARS



2018

- ▶ Successful launch & closure of EMKAY Emerging Stars Fund – Series I, II & III
- ▶ Incorporated EGFS IFSC for offering international financial services as a capital market intermediary

2016

- ▶ Acted as Sole manager to the preferential issue of ₹ 150 crore of Time Technoplast

2014

- ▶ First PIPE deal of Somany Ceramics
- ▶ First QIP as BRLM of Dynamic Technologies

2019

- ▶ Emkay Insurance Brokers Limited rechristened Emkay Wealth Advisory, to offer estate and succession planning services

2017

- ▶ Tie-up with DBS Vickers securities for co-branding & distribution of Emkay Research
- ▶ EMKAY Emerging Stars Fund -Series I closed successfully with commitments of ₹ 200+ crore

2015

- ▶ Acted as sole book running Lead manager for QIP of MPS Limited

MANAGEMENT MESSAGE



Emkay is well poised with the team, experience and products to grow exponentially across various verticals of institutional and non-institutional broking, investment banking, asset management and wealth management.



Dear Shareholders,

Thank you for taking the time to read Emkay's 2018-19 Annual Report. We believe in staying relevant in the fast-changing world. And, at the heart of this belief is a consistent strategy that focuses on leveraging the core strengths to drive the momentum. By continually focusing on these strengths throughout our operations, today Emkay is on course to deliver sustainable returns for its stakeholders.

Economic environment

India emerged to be the 'fastest growing economy' for second year in a row with GDP growth touching 7 per cent levels. The year 2018-19 started on a positive note. However, it was in the second half of the year that the consumption and investment activities came under stress against the backdrop of global trade wars, volatile oil prices, depreciating rupee and liquidity crisis in the financial sector. The year also witnessed inflationary concerns changing policy stance by the RBI from tightening to accommodative. Besides, this was a pre-election year which further played a psychological impact on the overall growth sentiment with curiosity over the next ruling Government.

However, the markets saluted the opinion polls by clocking in over 17 per cent Y-O-Y (Sensex) returns, which was further supported by firm

global cues. This momentum was fuelled by strong FII flows of ~USD 7 bn in Feb-Mar'19 and strong flows in domestic mutual funds in H1 FY19.

Business environment

The business environment was challenging amidst the economic externalities. The traded volumes witnessed marginal growth. Smallcaps and midcaps witnessed deep correction from March 2018 onwards impacting the investors' sentiments. This further led to the slowdown in IPO and other fund raising activities. The breadth of the market remained narrow with only 8-10 large index heavy weights performing and taking the Nifty to new highs. Other indices were 10-15 per cent down from their life time highs, reflecting the absence of euphoria among the masses. The IL&FS crisis resulted in level 2 impact of unavailability of liquidity and took further toll on the valuations of almost all NBFCs and Home Finance Companies.

In the Mutual Fund (MF) industry, there were regulatory changes in the form of clear segmentation of MFs which gave limited flexibility for fund managers to invest outside their scheme mandates. It had its own impact on broader market risk appetite and hence investment in small and midcaps. It was a period of adjustment for all including the

AMCs as well as the distributors, impacting the overall profitability of the business. On the positive front, SIP flows into equity MFs have been steady despite portfolio returns being marginal to negative. It augurs well for the future, reflecting the growing financialisation of savings and the maturity of domestic retail investors.

FII inflows, which were negative in CY18, have turned positive in CY19, reflecting improving global liquidity in emerging markets, including India getting its due share.

Leveraging the core

At Emkay, we strengthened our positioning by leveraging our core strengths. Our 30 years of expertise brought its own resilience and foresight which comes into play in all our decision making. We take into picture the long-term growth potential of various verticals and steadily invest in each of them to achieve sustainable results. We onboarded business heads with strong domain knowledge and robust experience to head Institutional Clients group and Wealth Management Business. A strong culture of ownership was reinforced with target linked ESOPs being allotted to such business heads. Our strategy remains to stay focused to achieve the near-term objectives and execute the plans accordingly.



During the year, we inched closer to our motto ‘Your success is our success’ through the unique initiative of Emkay Alpha Portfolios, which helped us align our goals with that of our clients in a more objective and transparent fashion.

Business highlights

Given below are some of the notable highlights of the previous year:

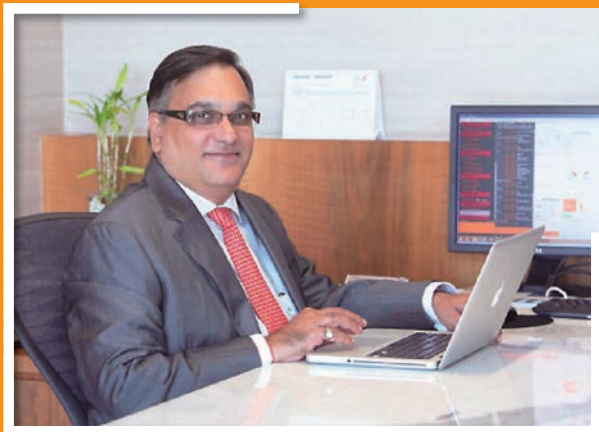
- ▶ Increased research coverage stocks across 19 sectors, from 346 in FY18 to 352 in FY19; Released 1,293 research reports
- ▶ Strengthened employee count across India to 455 in FY19
- ▶ Registered significant growth in the currency and commodity business; currency business grew by 112 per cent in volume terms, whereas revenue growth was 76 per cent; commodity business also grew by ~45 per cent in both, volume and revenue terms
- ▶ Raised institutional funds for 5 corporates through different routes – QIP, buyback, preferential issue and private placement
- ▶ Launched the third series of Emkay Emerging Stars Fund, our category III AIF, taking the total assets under management to over ₹ 300 crore, for the three series combined.*
- ▶ Launched an additional scheme under the PMS umbrella: Emkay LEAD PMS

*Committed capital amount

During the year, we inched closer to our motto ‘Your success is our success’ through the unique initiative of Emkay Alpha Portfolios, which helped us align our goals with that of our clients in a more objective and transparent fashion. We also strengthened our technological infrastructure by way of substantial performance enhancements in our trading systems through a mix of hardware and software optimisations. We on boarded an additional trading platform ‘Greeksort’ for our Institutional Trading Desk while continuing to improve the existing Omnesys platform. We have further strengthened our offering for Direct Market Access platforms using FIX protocol and extension of CTCL terminals.

Strategies to drive the near-term momentum

We have embarked upon the journey to build out a robust Electronic Execution Services offering in the near future. A new platform has been launched for the Wealth Management business that offers an unified view of wealth customer portfolios. We have initiated a major network revamp project to relocate the internet



At Emkay, we strengthened our positioning by leveraging our core strengths. Our 30 years of expertise brought its own resilience and foresight which comes into play in all our decision making.

facing services to a third-party data centre for better stability, multi-vendor connectivity and better user experience. This project is expected to be completed by December 2019.

We are also strengthening our cyber security preparedness to protect our critical information and infrastructure from the growing cyber threats. This is being achieved through a number of measures including user training & awareness and evaluation and implementation of technology processes to further secure our technology platforms.

The team that works!

Our people form our foundation, from which we derive our strengths. We have always believed that Emkay has a world-class team that possesses the hunger for growth and desire to excel. I would like to thank all of our 455 employees for staying positive in the challenging times and owning up their responsibilities.

Outlook

The historic mandate of the elections is a reaffirmation of the inclusive policies followed by the Government in the previous 5 years. This resounding mandate will embolden

the Government to continue in the same vein to complete the unfinished agenda. The NDA government will further fine tune the earlier policies for better results. Global investors will be highly enthused with the strong political stability and we can expect massive FDI and FPI inflows in the coming years. Domestic investors have kept their faith in the equity markets despite the narrow market and deep cuts in the broad markets and have been regularly investing via SIPs. With a strong Government at the centre – this rising trend of financialisation of domestic savings should continue resulting in a buoyant capital market.

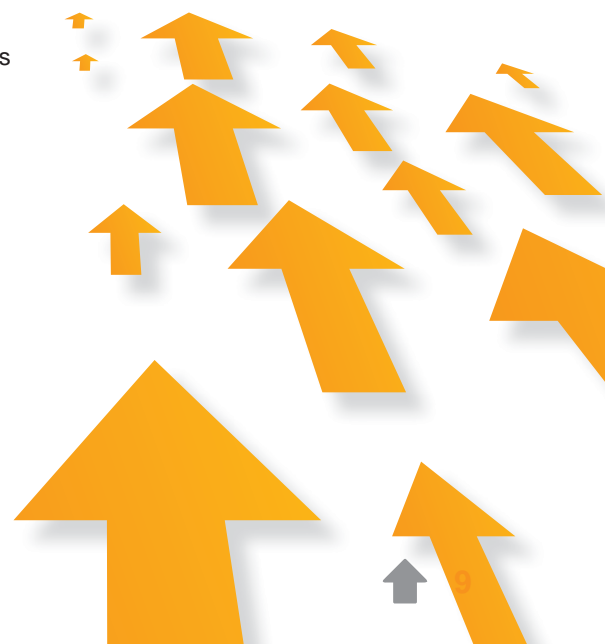
Emkay is well-poised with the team, experience and products to grow exponentially across various verticals of institutional and non-institutional broking, investment banking, asset management and wealth management. All these verticals are led by seasoned professionals and manned by motivated personnel who shall, by offering differentiated solutions to their clients – help the clients achieve their objectives and also simultaneously grow the revenues and bottom line of Emkay manifold. Besides, we will keep

adding capabilities to keep ourselves abreast and ahead of the curve.

We would like to acknowledge the support of our Board Members for their continuous mentoring. We also thank our investors and various stakeholder groups for their trust and faith in our capabilities. We look forward to the continued support of the Board Members as Emkay embarks on its next phase of growth across verticals.

Best wishes

Krishna Kumar Karwa
Prakash Kacholia
Managing Directors



Our Business Model

ROUTE MAP OF OUR MOMENTUM

INPUTS

Service Capital

Service Capital greatly assists us in facilitating value creating activities. It is the primary step towards ensuring the quality of our service.

- ▶ Research ▶ Institutional Equities ▶ Non-Institutional Equities
- ▶ Equity Asset Management ▶ Wealth Management
- ▶ Investment Banking ▶ Currency & Commodity Advisory

Ref pg 10-13 for more details

Technology Capital

Technology Capital refers to the intangible value of a business. It includes experience, industry insight and improved business processes.

It also includes robust technological infrastructure, ranging from trading platforms to service optimisation and automation to streamlined risk management systems and processes.

Ref pg 14 for more details

Financial Capital

Our Financial Capital consists of internal generations from operations and equity and debt

Total capital employed: ₹ 192.04 crore

- ▶ Equity capital: ₹ 170.29 crore
- ▶ Debt capital: ₹ 21.75 crore

Ref pg 16-17 for more details

Human Capital

Human Capital refers to our people, their talent, skills and personal characteristics that play a vital role in creating value for all our stakeholders.

The Company further enhances their skills through training and development programmes, major e-learning projects as well as performance-linked ESOP schemes.

Ref pg 15 for more details

Relationship Capital

Includes our relationship with the various stakeholder groups like investors, customers, vendors and regulatory authorities.

Social Capital

Represents our engagement with the communities towards social welfare and development.

Ref pg 20 for more details

VALUE

OUR MISSION

To provide our clients with secure, customized & comprehensive financial solutions to achieve sustained growth.

OUR VISION

- ▶ Be amongst the top 5 securities players in India
- ▶ Deliver top tier financial performance creating superior value for all stakeholders
- ▶ Ensure client comes first, all else follows
- ▶ Deploy cutting-edge digital solutions to positively impact the industry
 - ▶ Be an employer of choice – "a job here, is never just a job"
- ▶ Be admired by all stakeholders

ENABLERS

HOW ARE WE DRIVING THE VALUE?

By leveraging our core research, digital infrastructure and invaluable human power driving client satisfaction through our customer specific tailored products and services.

VALUE CREATED (OUTPUT AND OUTCOME)

Service Capital

- ▶ Significant increase in client-base under each vertical over the past three years
- ▶ Efficient customer service leading to excellent satisfaction

Technology capital

- ▶ Seamless flow of business information across organisation
- ▶ Strengthened data security
- ▶ Robust risk management framework and IT security to prevent any cyber threats
- ▶ Quicker turnaround time

Financial capital

- ▶ Revenues: ₹ 149.2 crore
- ▶ EBITDA: ₹ 28.70 crore
- ▶ PAT: ₹ 14.49 crore
- ▶ Basic Earnings per share (EPS): ₹ 5.89
- ▶ Dividend per share (DPS): ₹ 1

Human capital

- ▶ Dedicated client servicing
- ▶ Insightful and profound research coverage
- ▶ Continuous enhancement of employee skills through developmental programs
- ▶ Open working culture for ease of communication across organisational hierarchy
- ▶ Motivated and enthused employees

Relationship capital

- ▶ Customer satisfaction
- ▶ Consistent value creation for shareholders
- ▶ Healthy relationship with vendors
- ▶ Adherence to regulatory mandates and timely contribution to exchequers by way of direct and indirect taxes

Social capital

- ▶ Installation of mobile toilets
- ▶ Distribution of footwear, towels and books etc.
- ▶ Care for the local tribal communities of Aarey colony in Mumbai by providing them the basic amenities

Service Capital

LEVERAGING THE CORE: RESEARCH

We achieve operational excellence through our innovative, customised, risk minimising and return generating products and services. The service capital is the driving factor for growth and sustainability.

The success in investments depends upon having the breadth of perspectives, differentiated insights and thoughtful processes. At Emkay we serve this with pride through our award-winning research team.

Years of consistent effort has built our reputation in providing insightful, extensive, exhaustive research and driving growth for our clients.

Our market leading analysts and strategists have been awarded for generating unparalleled research and differentiated ideas. Our strength of research lies in its detailed, in-depth, real-time forward-looking insights. Based on this research, we provide timely information to our clients, to enable them to make well informed decisions. Over the years, our research team has been well acquainted with usage of high-end qualitative and quantitative analytical tools and methods to find multi-baggers that have generated wealth for all investors.



Our research can be broadly divided into 4 segments

1 Perspective Research

Real-time analysis of any new developments in the economy, industry or companies that would impact the investments.

2 Corporate Research

Deep dive into the sectors and companies to bring on the table the right stock at the right time and building upon the investment avenues.

3 Alternative Research

Diverse quantitative research studies on varied topics like cost of carry, put-call ratio analysis, volume and open interest analysis, implied volatility analysis, among others.

4 Wealth Research

Comprehensive coverage of domestic and global economy, markets and products by way of regular reports and updates.

A leap forward

Emkay Alpha Portfolios

Emkay has gone one step ahead of the industry and taken a new initiative called Emkay Alpha Portfolios (EAP). Through this initiative, Emkay adopts the investors' goals as its own and ensures that there is alignment of goals.

The research team members step into the shoes of a fund manager in constructing sector-specific portfolios with the objective of outperforming their sector benchmarks. They create a 'Buy Side within Sell Side' operating environment, in which each analyst thinks and acts like a sector portfolio manager and tries to generate Alpha against a neutral-weighted portfolio. The intent is to measure the market, and try to monetize, 'Alpha' generated by each analyst.

An India portfolio is created, putting together the highest conviction ideas along with 15 highest-weight constituents of the Nifty50 index. This reflects the dimension of accountability of our advice to the investors and contribute towards the Alpha-generation process.

USPs OF OUR RESEARCH TEAM

- ▶ Market-leading analysts
- ▶ Unparalleled research and strategies
- ▶ Real-time forward-looking insights
- ▶ In-depth and detailed analysis
- ▶ High-end qualitative and quantitative analytical tools

Bridging the gap between the client and corporate

37

Member research team

19

Sectors covered

162

Senior rated*analysts
rated in IE and Asia Money Polls

1,293

Reports released
in 2018-19

352

Companies covered
Including soft coverage

145

Roadshows

Mega Conference

~100

Corporates

2,416

Meetings

500+

Clients served



Driving momentum through our services

1 Institutional Equities

Overview

- ▶ Caters to both institutional and non-institutional clientele including Family Offices, PIPE Funds, among others
- ▶ Offers services to investors seeking investment opportunities in the Indian capital market
- ▶ Identifies under-valued stocks or sectors with strong growth potential through in-depth analysis and strategic thinking

Outcomes

- ▶ Long-term client relationships
- ▶ Speedy execution



2 Non-Institutional Equities

Overview

- ▶ Assists in creating wealth for the equity portfolios of clients
- ▶ Identifies under-valued stocks through in-depth qualitative and quantitative analysis
- ▶ Ensures highest service standards through 100 branches and franchisees across India serving a large clientele

Outcomes



3 Equity Asset Management

Overview

- ▶ Offers highly customised advisory services backed by superior research and effective risk management
- ▶ Successful track record of providing investment strategies that have consistently outperformed the index over the years, creating substantial wealth for our clients
- ▶ Clientele ranges from large corporate investors to high net worth individuals

Outcomes

▶ Emkay Emerging Stars Fund*

2018-19 was a year of consolidation for the Alternate Asset Management Business. After the launch of Emkay Emerging Stars Fund series I and II last year, the Company successfully closed Emkay Emerging Stars Fund series III during the year. Emkay Emerging Stars Fund is a category III AIF, with an investment horizon of 5 years, placing strong emphasis on small and midcap stocks.



*Committed capital amount

▶ Emkay L.E.A.D PMS

During the year, Emkay also launched a new PMS scheme – Emkay L.E.A.D, that focuses on risk adjusted returns, steady performance and lower portfolio volatility with high liquidity.

Returns from Emkay LEAD PMS

As at 31st March, 2019	1 month (%)	3 months (%)	Inception till date
EMKAY LEAD PMS	8.0	5.6	16.1
Nifty 200	7.7	5.6	10.5

► Emkay Capital Builder

The Emkay Capital Builder portfolio strategy focuses on absolute returns and creating sustainable wealth through research-backed investments in growing businesses. All the portfolios are focused portfolios, maintaining a discipline of avoiding company and sector allocation concentration and at the same time avoiding over-diversification. Emkay Capital Builder portfolio has outperformed both NIFTY 50 and NIFTY 500 in the long term.

Fund Performance over the long-term

Portfolio	FY14 - FY19 (Total Return - 6 years)	FY14 - FY19 (CAGR - 6 years)
Emkay Capital Builder Portfolio	154.2%	16.7%
Nifty 50	104.5%	12.6%
Nifty 500	117.7%	13.8%

Outlook

The equity asset management vertical is expected to witness a substantial growth in AUMs on the back of positive sentiments in the capital market. The growth optimism is further driven by the fact that FIIs have pumped in over ₹ 75,000 crore in the first five months of 2019. With the new Government coming in, several aggressive steps are expected to be taken to arrest the temporary slowdown in the economy. Besides, an equal attention would be given in the areas of job creation and farm distress, among other economic prerogatives. This will give a major fillip to the economy and markets. We will continue to explore opportunities of launching new products that suitably add to our overall product portfolio.

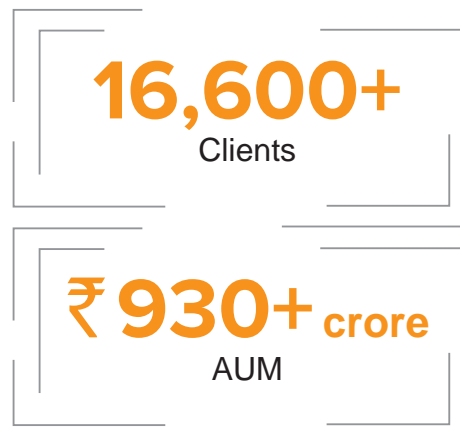
4 Wealth Management

Overview

- Offers solutions to address client's unique needs by way of a strategic investment approach
- Follows philosophy of exploring low risk opportunities in the ever-changing markets
- Also offers services of personal investment advisory, mutual fund distribution, equity and debt, bonds and fixed deposits, Portfolio Management Services, estate and succession planning and alternative investments

- Undertakes regular monitoring and progress of the portfolio, making systematic adjustments to protect from adverse market movements
- A dedicated website, outlining the lines of service and benefits to the wealth customers was launched during the year, along with a new back-office platform that offers customers, a unified view of their portfolios

Outcomes



Outlook

The wealth management business is anticipated to witness a robust growth in the coming years. Factors like rising disposable income, shifts in savings from real estates and gold to financial assets and widespread digitalisation of investments would largely be driving this growth. According to the Knight Frank's Wealth Report, India's Ultra HNWIs (High Networth Individuals) are anticipated to grow by 39% over the next five years compared to 24% growth over 2014-2018. The Indian Ultra HNWIs are likely to reduce their cash exposure and increase their allocation to PE investments by 9 per cent, taking the total investments in private equity and equities to 46 per cent compared to 37 per cent reported in 2018. The increasing preference towards equities and private equities reflects the optimism of the Indian UHNWIs towards India's growth story and wealth creation.

Emkay Wealth Management, apart from optimising its internal strengths, will focus on three themes: build a people-centric organisation, hire the best within the industry, provide customer centric offerings & leverage on technology. We will continue to enhance our footprint in new territories, with customised advisory as a crucial differentiator.

5 Equity Capital Markets (ECM) & Merchant Banking Services

Overview

- ▶ Merchant Banking services are delivered by an accomplished group of experts with deep connections across the regulatory and investor space
- ▶ Customer base varies from marquee private equity funds, mutual funds, foreign institutional investors, hedge funds, high net worth individuals to bankers

Outcome

During the year, despite lacklustre markets for raising funds, we successfully concluded assignments for the following corporates:

- ▶ Magma Fincorp Limited: Qualified Institutional Placement (QIP) of ₹ 500 crore
- ▶ Dhanuka Agritech Limited: Share buyback of ₹ 82.50 crore
- ▶ Monte Carlo Fashions Limited: Share buyback of ₹ 55 crore
- ▶ Som Distilleries & Breweries: Preferential issue of ₹ 100 crore
- ▶ Village Financial Services Limited: Private placement of ₹ 15 crore

Outlook

The future outlook is exciting as we are ramping up our team with industry stalwarts. We have a robust pipeline of products like IPOs, QIPs and Merchant Banking assignments. We further intend to develop expertise in the emerging fintech and internet-related businesses.

6 Currency & Commodity Advisory

Overview

- ▶ Offers tailored hedging and risk management strategies in derivatives trading
- ▶ Also offers currency and commodity trading (gold, silver, copper, crude oil etc.)

Outcome

With SEBI approvals in place last year, the Company registered a notable surge in the currency and commodity business in FY 2018-19.

112%

Volume growth in currency during 2018-19

76%

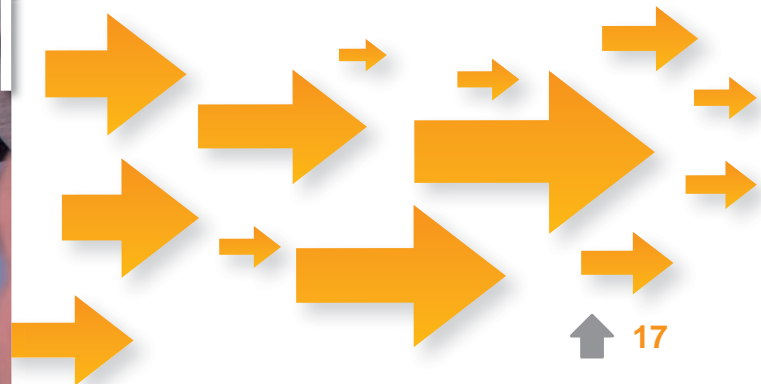
Revenue growth in currency during 2018-19

45%

Volume and revenue growth in commodity business in 2018-19

Outlook

Going ahead, the country is expected to register similar growth trajectory in the currency business. With important events like the US-China trade war and the Fed's interest rate positioning, several corporates will look forward to hedge their exposures.



Technology Capital

LEVERAGING THE CORE: TECHNOLOGY

With rapid evolution of technology, IT infrastructure, analytics and automation, Emkay has proactively invested in the digital assets. Its strong IT systems, processes and intangible properties aid in automating, improving and ensuring smoother execution of transactions and services. The Company also offers services through apps and third party software.

Outcome

This year, the Company has achieved a substantial performance improvement in its trading systems through a perfect blend of hardware and software optimisations.

► **Automations:** Onboarded an additional trading platform 'Greekssoft' for our Institutional Trading Desk. Existing trading platform, equipped with 300+ 'Omnesys' terminals, was continuously upgraded for fast, powerful and versatile operations.

► **Digital access:** We further strengthened our offering for Direct Market Access platforms using FIX protocol and extension of CTCL terminals

► **New platform:** Launched a new platform for the Wealth Management business with a unified view of wealth customer portfolios.

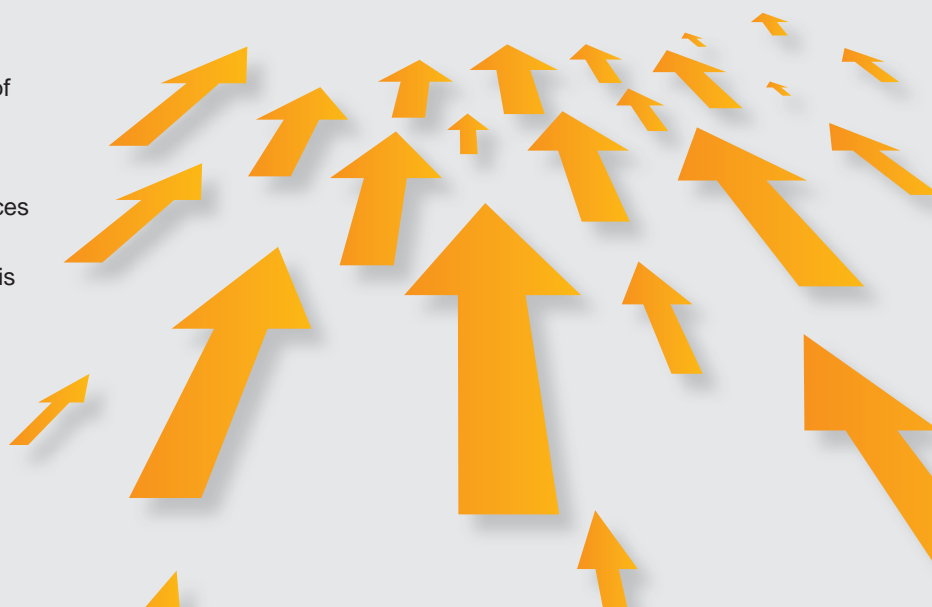
► **Network revamp:** Initiated a major network revamp project to relocate the internet facing services to a third-party data centre for better stability, multi-vendor connectivity and better user experience. This project is expected to be completed by December 2019.



► **Cyber security:** Initiated round-the-year measures to strengthen cyber security preparedness to protect our critical information and infrastructure from the cyber threats. These measures included training and awareness, evaluation and implementation of technology platforms to further secure our technology platforms.

Outlook

Going ahead, the Company will continue to strengthen its IT management systems to build robust electronic execution services offering for the near future.



Human Capital

LEVERAGING THE CORE: THE REAL ASSETS

Our talent pool is vital to our growth. At Emkay we have built a culture of trust and transparency, where every individual feels valued and can pursue independent growth opportunities. Our policy initiatives help promote meritocracy to drive a positive environment where our resources feel motivated to deliver their best performance. At every step, Emkay nurtures the engagement and well-being of the future leadership that will take its legacy forward with pride.

We are committed to be a responsible employer and attract a pool of talent from diverse backgrounds, promoting collaborative working and holistic well-being at work. We are on a constant endeavour to empower our people. Our inclusive and interactive work culture allows the employees to communicate with each other explicitly.

Outcome

► **Attracting Talent:** We recently on boarded industry stalwarts from leading organisations with deep knowledge, sound understanding and broad experience. They would lead the team to the next orbit of growth.

We restructured the employee referral plan and introduced EMBRACE, a program that systematizes the internal job posting process. Through EMBRACE, our people can apply for various positions within the organisation that are compatible with their knowledge, skills and abilities. The policy has already started showing great results.

► **Continuous Learning:** We conducted various training sessions and workshops throughout the year to improve skill sets and enhance efficiency levels. Some of the important training programs conducted during the year include Data Analysis, HR Analytics, Business Etiquette and Communication, among others. A program on group coaching was also organised for Private Wealth Management.

► **Performance Driven Environment:** There was an overwhelming participation from employees in the Performance Appraisal process during the year. The feedback exchanged

and the thoughts shared, played a tremendous role in scaling up the performance levels and sharpening of focus.

► **Health is Wealth:** We strongly believe that healthy employees are happy employees. Several workshops, sessions and initiatives were taken keeping in mind the physical, mental and emotional well-being of all our resources. Further, the Group Medclaim Cover (GMC) was extended to the parents of employees and GMC helpdesks were set up regularly to help resolve queries. We also tied up with a leading diagnostic chain for preventive health checks of employees

► **Compensation:** We consider our employees as one of the key stakeholders and partners in our growth. In the same vein, we granted ESOPs worth more than 13 per cent of the issued equity share capital as of FY19.

► **Blend of equality, energy, and experience:** We have always promoted gender equality by giving equal importance to women in enhancing their skill sets to be successful leaders of tomorrow. We are glad to share that the female:male ratio has substantially improved with 17per cent of the workforce comprising of females this year. Success is a product of energy and experience. Hence at Emkay we hire young pool of talent brimming with fresh ideas and new perspectives. At the same time, our leadership team, with over 10 years of experience, bring unparalleled knowledge and insight. A blend of fresh ideas and experience has resulted in building a stronger and sustainable organisation.

► Other Demographics

Gender Ratio

The gender ratio has shown considerable improvement over last year.

Gender	Count	Percentage
Female	78	17.14%
Male	377	82.86%
Total	455	100%

Vintage

Vintage	Count	Percentage
Less than 3 Yrs	216	47.5%
3 to 5 yrs	59	13%
5 to 10 yrs	95	20.9%
More than 10 yrs	85	18.7%
Total	455	100%

Financial Capital

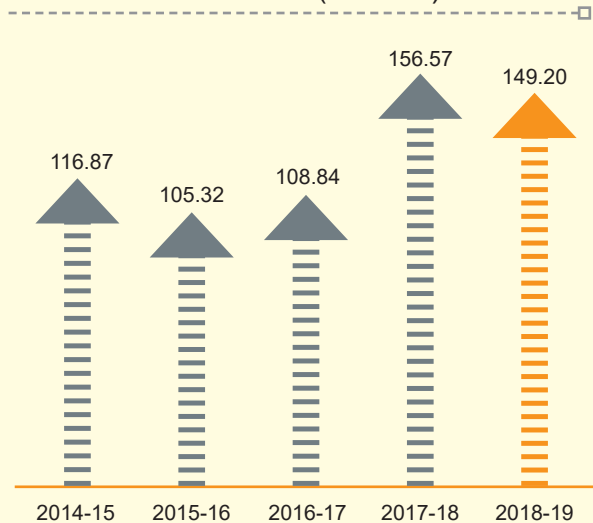
FUNDING THE FOUNDATION TO DRIVE FUTURE GROWTH

At Emkay, we responsibly allocate our capital to sustain our existing operations, invest in our digital infrastructure and strengthen our business segments.

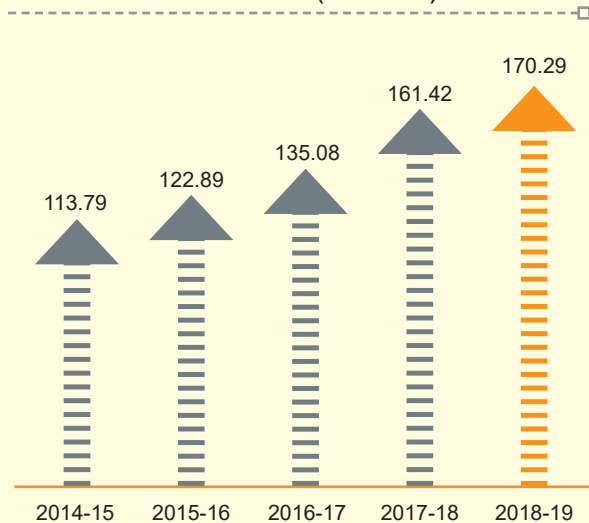
Outcome

Financial metrics

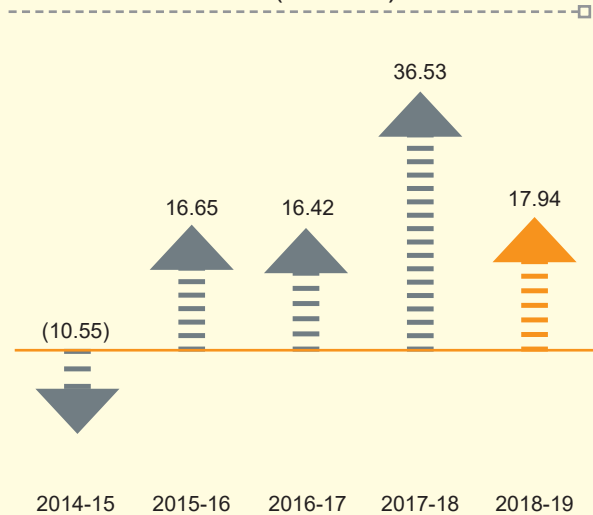
Revenues (₹ Crore)



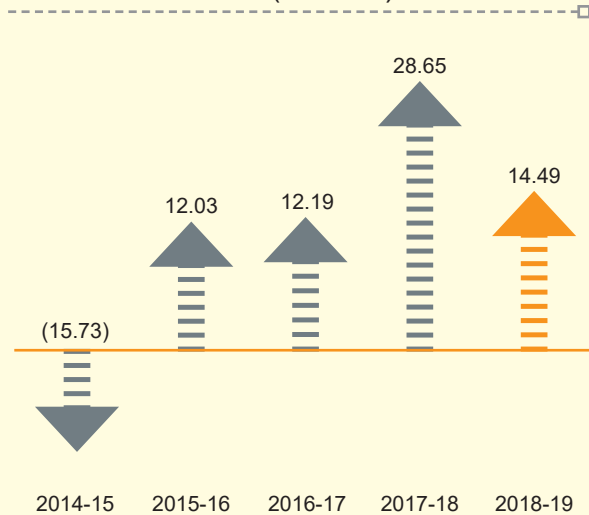
Net worth (₹ Crore)



PBT (₹ Crore)

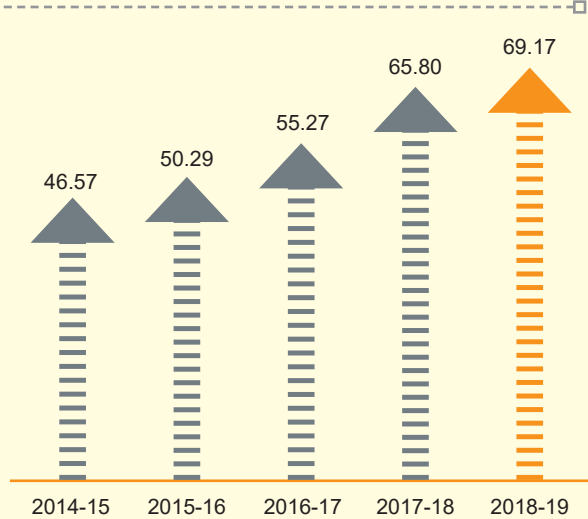


PAT (₹ Crore)

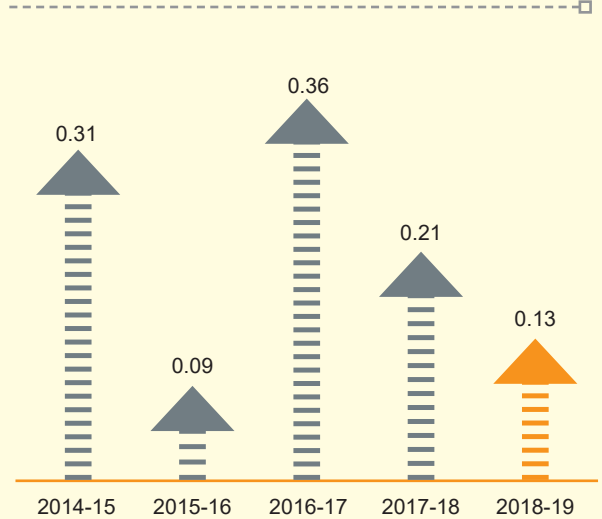




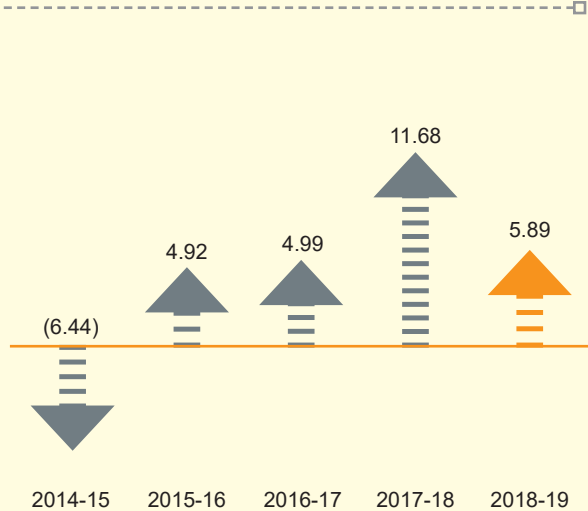
Book value per share (₹)



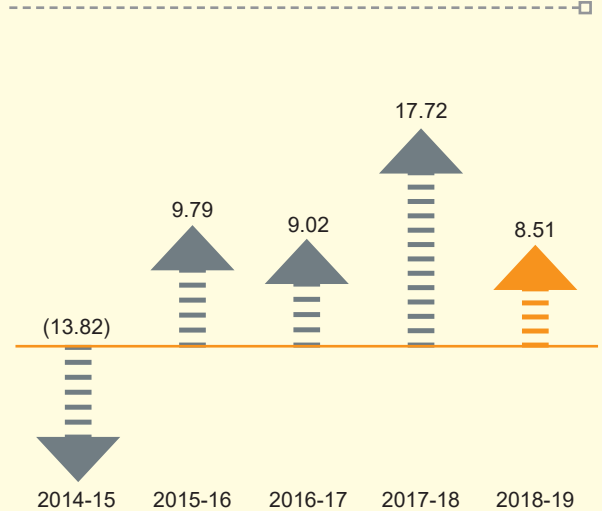
Debt: Equity ratio



Basic earnings per share (₹)



ROE (%)



MANAGEMENT TEAM



Suveer Chainani
CEO – Institutional Clients Group

► **Education:**
PGDBM from S. P. Jain Institute of Management & Research, Mumbai and Bachelor of Engineering (Distinction) from Pune University

► **Roles and responsibilities at Emkay:**
Suveer spearheads our Institutional Equities and Investment Banking divisions. He is highly client-centric and focusses on Research led Alpha generation for our institutional investor clients on one side, and coming up with win-win Investment Banking solutions for our corporate clients on the other side.



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, Rahul spearheads the entire retail division with his sharp business acumen, sound understanding of the segment, leadership and people management skills.



Bhavesh Sanghvi
CEO – Emkay Wealth Management

► **Education:**
PG from Columbia Business School and NMIMS

► **Roles and responsibilities at Emkay:**
With nearly three decades of experience behind him, Bhavesh has been known for building, leading and motivating teams to excel in highly demanding and dynamic business environments. At Emkay he puts to good use his entrepreneurial drive combined with business-management skills to drive gains in revenue, market share and profit performance.



Rajesh Sharma
Chief Operating Officer

► **Education:**
Chartered Accountant

► **Roles and responsibilities at Emkay:**
With decades of experience across systems and operations, Rajesh leads strategic planning, implementation and execution of systems, procedures and internal controls at Emkay. He ensures establishment of risk mitigation controls, process re-engineering and automation to ensure scalability of operations.



Shishir Dhulla
Chief Technology Officer

► **Education:**
CISA; Microsoft Certified Professional

► **Roles and responsibilities at Emkay:**
With over two decades of diverse experience, Shishir 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.



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, Saket brings with him immense knowledge and expertise across accounting, finance, taxation and audit functions, with which he deftly handles all the Emkay Group companies.



Yatin Singh

Head – Investment Banking

► **Education:**

B.Tech - IIT Roorkee, MBA – IIM Ahmedabad

► **Roles and responsibilities at Emkay:**

Yatin comes with over a decade of experience in Investment banking. He has a strong track record of deal closures and has led origination and execution across M&A, Private Equity and ECM transactions. At Emkay, Yatin's prime focus is to ramp up the existing business by leveraging his experience and relationships.



Sachin Shah

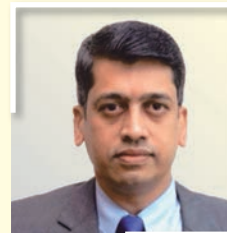
Fund Manager

► **Education:**

CFA (ICFAI), B. Com

► **Roles and responsibilities at Emkay:**

With over two decades of experience in the portfolio management space, Sachin brings expertise in market strategy and sector and company research. He has played a pivotal role in the establishment of a well-documented investment process and philosophy for Emkay PMS.



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, Sharan brings a wealth of knowledge and understanding at managing the critical and complex function of Human Resources.



Bhalchandra M. Raul

Company Secretary

► **Education:**

B. Com (Hon), LLB, FCS, CAIIB

► **Roles and responsibilities at Emkay:**

As the Company Secretary of Emkay, Bhalchandra is instrumental in ensuring timely compliance with the Companies Act, the listing requirements as well as the SEBI guidelines.



Sindhu Sameer

Head of Sales – Institutional Equities

► **Education:**

MBA [Finance] from RA Podar Institute of Management, Jaipur

► **Roles and responsibilities at Emkay:**

With over two decades of experience in the capital markets, both on the buy-side and the sell-side, Sindhu brings to the table a wealth of knowledge as Head of Institutional Equity Sales at Emkay. He fervently drives the Company's Institutional accounts with his creative thinking and strategic planning.



S Hariharan

Head - Sales Trading

► **Education:**

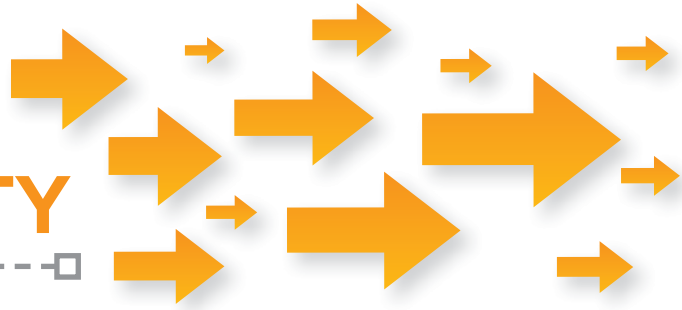
CFA, PGDM (IIM-Bangalore), B.Tech– Civil engineering (IIT - BHU, Varanasi)

► **Roles and responsibilities at Emkay:**

Leading the trading and dealing desk for Emkay's institutional equities division is Hariharan. He has been instrumental in improving process flows, enabling technology upgradation and wider client reach.

Social Capital

FOR THE BENEFIT OF THE COMMUNITY



At Emkay, community engagement is one of the key pillars of corporate social responsibility (CSR), alongside the concern of a happy workplace and stakeholder relationships.

As a part of our CSR mandate, we undertook ambitious projects during the year.

Providing basic amenities to Khambachapada village

Khambachapada is a small tribal village close to Mumbai, hidden in the green covers of the Aarey Colony in Goregaon. Despite its proximity to the city, it lacked basic amenities like water, electricity and proper transportation. To counter this problem, Emkay CSR Trust along with WWH.org (We Will Help) NGO got engaged in providing some basic facilities to the villagers. A gathering drive was held at Emkay's office to donate toys, towels, footwear, books and other necessary things to these tribals. Our employees generously donated for the well-being of this village.



Mobile toilets

Absence of toilets in Aarey Colony resulted in open defecation, sometimes in darkness, routinely putting villagers and their young children at a risk of leopard attacks. Emkay took a significant initiative of installing six mobile toilets in the region, to overcome this problem of the villagers.



CORPORATE INFORMATION

BOARD OF DIRECTORS

S. K. Saboo - Chairman (w.e.f. 30-01-2019)
G. P. Gupta - Chairman (Resigned on 02-11-2018)
R. K. Krishnamurthi - Director
G. C. Vasudeo - Director
Dr. Satish Ugrankar- Director
Dr. Bharat Kumar Singh - 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 N A
HDFC Bank Limited
ICICI Bank Limited
Indian Overseas Bank
IndusInd Bank Limited
Kotak Mahindra Bank Limited
State Bank of India
Union Bank of India

REGISTERED & CORPORATE OFFICE

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

ADMINISTRATIVE OFFICE

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

REGISTRAR & TRANSFER AGENTS

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

REPORT OF THE BOARD OF DIRECTORS

DEAR MEMBERS,

Your Directors presents the Twenty Fifth Annual Report of your Company and the Audited Financial Statements for the year ended 31st March, 2019.

1. FINANCIAL RESULTS:

An overview of the financial performance of your Company along with its Subsidiaries for the year 2018-19 is as under:

(Amount in Lac)

Particulars	Standalone Year ended		Consolidated Year ended	
	31st March, 2019 (₹)	31st March, 2018 (₹)	31st March, 2019 (₹)	31st March, 2018 (₹)
Total Income	12,964.82	13,298.37	14,920.34	15,656.71
EBITDA	1,786.23	2,975.04	2,698.77	4,551.57
Less : Depreciation and Amortisation	449.51	452.62	460.23	4,68.12
Less : Finance Costs	301.33	238.73	614.91	430.08
Profit Before Exceptional Item & Tax	1,035.39	2,283.69	1,623.63	3,653.37
Exceptional Item	(187.00)	-	171.00	-
Profit Before Tax	848.39	2,283.69	1,794.63	3,653.37
Less : Tax Expense	211.75	489.46	381.08	787.57
Profit after Tax	636.64	1,794.23	1,413.55	2,865.80
Add : Share of Profit/(Loss) of Associate	-	-	35.46	(4.39)
Profit/(Loss) attributable to Shareholders of the Company	636.64	1,794.23	1,449.00	2,861.41
Opening balance in Statement of Profit and Loss	2,213.08	713.85	3,801.09	1,418.46
Amount available for Appropriation	2,849.72	2,508.07	5,250.09	4,279.87
Appropriations				
Dividend Paid on Equity Shares	492.38	245.10	492.38	245.10
Dividend Distribution Tax- on Dividend	101.23	49.90	101.23	49.90
Transfer to Special Reserve u/s 45-IC of RBI Act	-	-	47.37	183.78
Closing balance in Statement of Profit and Loss	2,256.10	2,213.08	4,609.11	3,801.09

2. DIVIDEND:

The Board of Directors is pleased to recommend a final dividend at the rate of Re.1/- (10 per cent) per equity share of the face value of ₹ 10 each for the year ended 31st March, 2019 (Previous year ₹ 1.50 (15 per cent) per equity share and one time special dividend of Re.0.50 (5 per cent) per equity share totaling to ₹ 2 (20 per cent) per equity share). This would involve a payout of ₹ 296.81 Lac including dividend distribution tax (previous year ₹ 591.54 lac) based on the number of shares as on 31st March, 2019. 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 25th Annual General Meeting.

Report of The Board of Directors (Contd.)

3. REVIEW OF OPERATIONS:

During the year, the Company successfully launched the third series of Emkay Emerging Star Fund, its category III Alternative Investment Fund (AIF) with the primary objective of generating long-term capital appreciation in the Indian equity markets. The three series put together crossed commitment of ₹ 300 crore.

Further, during the year, steps were taken to strengthen Wealth Management Business.

Standalone

During the year under review, your Company recorded a total income of ₹ 12,964.82 Lac as compared to ₹ 13,298.37 lac in the previous financial year, lower by 2.60 %. The Profit for the same period stands at ₹ 636.64 lac as compared to the Profit of ₹ 1,794.23 Lac in the previous financial year.

Consolidated

During the year under review, your Company recorded a total income of ₹ 14,920.34 Lac as compared to ₹ 15,656.71 Lac in the previous financial year, lower by 4.70%. The Profit for the same period stands at ₹ 1,449 Lac as compared to the Profit of ₹ 2,861.40 Lac in the previous financial year.

There has been a decline in profitability owing to a flat topline in a challenging year with fixed costs and employee costs remaining escalated. Your company is sanguine about its various business verticals and continues to invest for growth and superior outcomes over the medium term” .

4. COPY OF ANNUAL RETURN:

As per the amended Section 92 (3) of the Companies Act, 2013, copy of the Annual Return for the year ended 31.03.2019 is placed on the website of the Company i.e. [www.emkayglobal.com/ Investor Relations](http://www.emkayglobal.com/Investor%20Relations) in the prescribed form MGT-9, which forms part of this Board Report.

5. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

During the Financial Year 2018-19, 4 meetings were held on 28th May, 2018, 14th August, 2018, 30th October, 2018 and 30th January, 2019.

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

Name of the Director	Category	Board Meetings during Financial Year 2018-19	
		Held	Attended
Mr. G. P. Gupta (Resigned w.e.f. 2.11.2018)	NED (I)	4	1
Mr. S. K. Saboo	NED	4	4
Mr. R. K. Krishnamurthi	NED (I)	4	4
Mr. G. C. Vasudeo	NED (I)	4	3
Mr. Krishna Kumar Karwa	ED	4	4
Mr. Prakash Kacholia	ED	4	4
Mrs. Preeti Kacholia	NED	4	4
Dr. Satish Ugrankar	NED (I)	4	4
Dr. Bharat Kumar Singh	NED (I)	4	4

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

6. 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;

Report of The Board of Directors (Contd.)

- b) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The directors have prepared the annual accounts on a going concern basis;
- e) The directors 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
- f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

7. AUDIT COMMITTEE:

Mr. G. P. Gupta ceased to be a member of the committee on resignation from the Board and its various committees w.e.f. 2nd November, 2018. Subsequently, the committee was reconstituted comprising of Mr. G. C. Vasudeo as the Chairman and Mr. R. K. Krishnamurthi, Dr. Satish Ugrankar, Dr. Bharat Kumar Singh and Mr. Prakash Kacholia as the members of the committee. More details pertaining to the Audit Committee are included in the Corporate Governance Report, which forms part of this report.

All the recommendation made by the Audit Committee during the year were accepted by the Board of Directors of the Company.

8. NOMINATION, REMUNERATION AND COMPENSATION COMMITTEE:

On resignation of Mr. G. P. Gupta from the Committee, the Nomination, Remuneration and Compensation Committee was reconstituted 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 comprising Mr. G. C. Vasudeo, an Independent Director as the Chairman and Mr. R. K. Krishnamurthi, 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 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 composition, terms of reference of the Nomination, Remuneration and Compensation Committee, numbers and dates of meeting held, attendance of the Directors and remuneration paid to them are given separately in the attached Corporate Governance Report forming part of the Directors' Report.

9. PERFORMANCE EVALUATION:

In terms of provisions of the Companies Act, 2013 read with Rules issued there under and Regulation 25 of SEBI (LODR) Regulations, 2015 and further circular no. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated 05/01/2017 issued by SEBI on "Guidance note on Board Evaluation", evaluation process was carried out internally for the performance of the Board, its Committees and Individual Directors.

The Independent Directors met on 19/03/2019 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, 2019. The Board of Directors carried out performance evaluation of the Board, each Director and the Committees for the financial year ended 31st March, 2019 in their meeting held on 28th May, 2019 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.

10. AUDITORS AND THEIR REPORT:

Pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 read with Rule 3(7) of the Companies

Report of The Board of Directors (Contd.)

(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 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 the members at every subsequent Annual General Meeting. In accordance with the amendment to section 139 of the Act, the requirement of ratification of appointment by members every year is no longer required.

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 the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force, for their continuation as statutory auditors.

In terms of the Listing Regulations, the Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI.

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.

11. SECRETARIAL AUDIT REPORT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. Parikh & Associates, Company Secretaries, Mumbai to carry out Secretarial Audit of the Company for the financial year 2018-2019. The Secretarial Audit Report received from them is appended as **Annexure A** and forms part of this report.

The comments made by the Secretarial Auditors in their report are self-explanatory.

12. INTERNAL AUDIT:

As per the requirements of Section 138 of the Companies Act, 2013 and rules made there under, M/s. Lovi Mehrotra & Associates, Chartered Accountants, Mumbai were appointed as Internal Auditors of the Company for the financial year 2018-2019.

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.

13. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD MEETINGS AND GENERAL MEETINGS :

The Company has complied with all the applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

14. 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.

15. 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 as amended.

Report of The Board of Directors (Contd.)**16. 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.

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

The details of the related party transactions, as per requirement of Accounting Standards-18 are disclosed in notes to the financial statements of the Company for the financial year 2018-19. 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 B**.

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

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

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

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

20. LEVERAGING DIGITAL TECHNOLOGY:

Innovative ideas and technology is introduced continuously to provide great user experience to our customers, business associates and employees.

In association with the IT Team, the Company with active support from management has been investing time and effort in information technology solutions to demonstrate technological leadership.

21. 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 as amended, the Company has adhered to the principles of sound risk management and already has a Risk Management Policy in place. An ongoing exercise is being carried out to identify, evaluate, manage and for monitoring of both business and non-business risk. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework. The details of the same are set out in the Corporate Governance Report forming part of the Boards' Report.

22. 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 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.

Report of The Board of Directors (Contd.)

The Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as **Annexure - D** and forms an integral part of this report.

23. 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 victimisation 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 2018-19.

24. DIRECTORS & KEY MANAGERIAL PERSONNEL: Cessation

Mr. G. P. Gupta resigned from the position of Chairman and Independent Director of the Company with effect from 2nd November, 2018. Mr. G. P. Gupta was associated with the Company as Directors of the Company since November, 2005 and subsequently as Chairman of the Company. The Board placed on record its sincere appreciation for the active involvement of Mr. G. P. Gupta and valuable guidance provided by him to the Board during his tenure as Director of the Company and further in the capacity as Chairman and Independent Director of the Company.

Consequent to the resignation of Mr. G. P. Gupta, Mr. S. K. Saboo, a Non-Executive, Non Independent Director of the Company was appointed as Chairman of the Board / Company w.e.f. 30th January, 2019.

Appointments

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, Mr. S. K. Saboo (DIN:00373201), aged 76 years, a Non-Executive Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. Since Mr. Saboo has attained the age of 75 Years, pursuant to Regulation 17(1A) of the SEBI (LODR) (Amendment) Regulations, 2018, your Board recommends his re-appointment to the

Shareholders by passing a Special resolution.

A brief profile of Mr. S. K. Saboo (DIN:00373201), Director of the Company as required under Regulation 36 (3) of the SEBI (LODR) Regulations, 2015 and justification for his re-appointment are given in the explanatory statement to Notice of the 25th Annual General Meeting.

Mr. G. C. Vasudeo and Mr. R. K. Krishnamurthi were appointed as Independent Directors of the Company pursuant to Section 149 of the Companies Act, 2013 for first term of 5 years and will be holding office upto 12th August 2019. Considering their knowledge, expertise and vast experience in their respective fields and the contribution made by them during their respective tenure as Independent Directors, the Nomination, Remuneration and Compensation Committee and the Board have approved their respective reappointment as Independent Director with effect from 13th August, 2019 for second term of five years and recommended to the Shareholders their re-appointment as Independent Directors on the Board of the Company to hold office for the second term of five consecutive years commencing from 13th August, 2019 upto 12th August, 2024 and not liable to retire by rotation by passing a Special resolution. The Company has received declaration under section 149(6) of the Companies Act, 2013 from both of these Directors that they continue to fulfil the criteria of Independence as prescribed under the provisions of the Companies Act, 2013 read with the schedules and Rules made thereunder as well as Regulation 16 of the SEBI (LODR) Regulations, 2015 as amended.

In terms of the provisions of Section 160(1) of the Companies Act, 2013, the Company has received a Notice from a Member signifying its intention to propose the candidature for re-appointment of Mr. G. C. Vasudeo and Mr. R. K. Krishnamurthi for the office of Independent Directors not liable to retire by rotation.

The period of appointment of Mr. Krishna Kumar Karwa and Mr. Prakash Kacholia, Managing Directors of the Company will be expiring on 30th September, 2019. On recommendation of the Nomination, Remuneration and Compensation Committee in its meeting held on 28th May, 2019, the Board of Directors of the Company at its meeting held on 28th May, 2019 has approved and recommended re-appointment of Mr. Krishna

Report of The Board of Directors (Contd.)

Kumar Karwa and Mr. Prakash Kacholia, Managing Directors of the Company for a further term of three years on a revised remuneration with effect from 1st October, 2019 subject to approval of the Members at the ensuing Annual General Meeting and subject to approval of the Central Government, if required.

The above appointment/re-appointment forms part of the Notice of the forthcoming 25th Annual General Meeting and the respective resolutions are recommended for your approval.

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 there under and Regulation 16 of SEBI (LODR) Regulations, 2015, as amended.

The profile of the Independent Directors forms part of the Corporate Governance Report.

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
- Mr. B. M. Raul - Company Secretary

25. PARTICULARS OF REMUNERATION:

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

26. 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 organisation 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.

27. SUBSIDIARY COMPANIES:

The Company has 5 subsidiaries as on 31st March, 2019.

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 per cent 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 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 ₹ 523.22 lac as on 31st March, 2019. Since the business has become stagnant with insignificant growth and return on Capital Employed remaining below expectations during last so many years, the company has discontinued its business from February, 2019.

Emkay Fincap Limited (EFL) – a 100 per cent subsidiary:

Emkay Fincap Limited is a RBI registered Non-Deposit taking NBFC. EFL has a net worth of ₹ 5,171.54 lac as on 31st March, 2019.

Report of The Board of Directors (Contd.)

Emkay Insurance Brokers Limited (EIBL) (Now known as Emkay Wealth Advisory Limited) (EWAL) – a 100 per cent subsidiary:

During the year Emkay Insurance Brokers Limited finalized the deal for sale of Insurance Broking Business to Ideal Insurance Broking Private Limited (IDEAL) and received total consideration of ₹ 1.71 crore (Rupees One crore seventy-one lac only) from IDEAL towards business transfer fee of ₹ 1.00 crore (Rupees One crore only) and non-compete fee of ₹ 71 lac (Rupees Seventy one lac only). On application, Insurance Regulatory and Development Authority (IRDA) had granted its In-Principle approval for transfer of insurance broking business to IDEAL subject to fulfilment of certain conditions. As per one of the pre-conditions stipulated in the in-principle approval of IRDA, EIBL has surrendered the original insurance broking license to IRDA to comply with requirement of Regulation 57(4) of the IRDAI (Insurance Brokers) Regulations, 2018. EIBL has already executed Business Transfer Agreement for sale of Insurance Broking Business with IDEAL.

In terms of the IRDA Regulations, the Insurance Company was required to delete the main objects relating to Insurance broking business or de-register the Company with the Registrar of Companies (ROC) for voluntary surrender of certificate of registration. Accordingly, EIBL, the Insurance Company applied to ROC for change of name of the Insurance Company to Emkay Wealth Advisory Limited (EWAL) and also for change of main Object Clause to allow EWAL to provide wealth and investment advisory services and other ancillary services. EWAL is awaiting necessary approval from SEBI for commencement of its activities.

Emkay Investment Managers Limited (EIML) - a 100 per cent subsidiary:

EIML is registered with Securities and Exchange Board of India (SEBI) for conducting the business of Portfolio Management Services and has commenced the business of Portfolio Management Services with effect from 1st January, 2011. As on date Company's Paid up Capital ₹ 9,00,00,000/- divided into 90,00,000 equity shares of ₹ 10/- each. EIML has a net worth of ₹ 1,454.37 lac as on 31st March, 2019.

EmkayGlobal Financial Services IFSC Private Limited (EGIFSC) – a 100% subsidiary :

EGIFSC is formed to provide financial services as capital market intermediary in International Financial Services Centre (IFSC) set up in the Gujarat International Finance Tech City (GIFT City) at Gandhinagar in the State of Gujarat. BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) have set up international exchanges in the GIFT City.

The Company has received conditional approval from Development Commissioner of Kandla Special Zone subject to necessary approvals / permissions from Approval from SEBI as required under the IFSC guidelines and regulations. Approval from SEBI is awaited to commence activities of the Company.

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

28. EMPLOYEE STOCK OPTION SCHEMES

With a view to remain a preferred employer, the Company had granted Stock Options under two Schemes viz. Employees Stock Option Plan - 2007 [ESOP 2007] and Employee Stock Option Plan – 2010 [ESOP 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

Report of The Board of Directors (Contd.)

<https://www.emkayglobal.com/key-announcements>. During the year, the Company has issued stock options in excess of 1 per cent of the issued share capital to Mr. Bhavesh Sanghavi – CEO Wealth Management and Mr. Suveer Chainani-CEO- Institutional Clients Group under ESOP- 2018 Scheme after passing special resolution through Postal Ballot process in February 2019.

(a) ESOP 2007

The Nomination, Remuneration and Compensation Committee of the Company had granted stock options under ESOP-2007 scheme to the eligible employees (each option carrying entitlement for one share of the face value of ₹ 10/- each. The summary of the same as on 31.03.2019 is as under:

Summary of ESOP 2007 as on 31st March, 2019:

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/-
13,95,000	28.05.2018	₹ 145.45
Exercise Period		2-3 years
Re- Issued Options		17,73,425
Total no. of stock options granted under the scheme		42,00,000
Stock Options lapsed		25,63,470
Stock Options vested but not exercised		0
Stock Options exercised		2,41,530
Outstanding Stock Options		13,95,000

During the Financial Year 2018-19, the Nomination, Remuneration and Compensation Committee had allotted 85,000 Equity Shares to the employees on exercise of options under the ESOP 2007. These

shares are listed on the BSE Limited and the National Stock Exchange of India Limited. After allotment of the said 85,000 equity shares of ₹ 10/- each, Company's paid-up Share Capital has increased to ₹ 24,61,90,300/-.

(b) EMPLOYEE STOCK OPTION PLAN - 2010 [ESOP-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 31.03.2019 is as under.

Summary of ESOP 2010 (through trust route) as on 31st March, 2019:

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/-
27,000	02.05.2011	₹ 63/-
15,000	22.10.2011	₹ 48/-
50,000	21.01.2012	₹ 37/-
Exercise Period		3 years
Total no. of stock options granted under the scheme		6,47,000
Stock Options lapsed		6,06,500
Stock Options vested but not exercised		0
Stock Options exercised		40,500
Outstanding Stock Options		0

During the Financial Year 2018-19, the Nomination, Remuneration and Compensation Committee, through ESOP Trust, has not transferred any Equity Shares to the employee/s under the ESOP 2010 (Through Trust Route)

(c) ESOP 2018

The Nomination, Remuneration and Compensation Committee of the Company had granted options under ESOP-2018 scheme to the eligible new employees (each option carrying entitlement for one share of the face value of ₹ 10/- each) as per criteria determined by the Committee

Report of The Board of Directors (Contd.)

Summary of ESOP 2018 as on 31st March, 2019:

Total no. of stock options granted under the Scheme		24,53,403
No. of Options	Date of Grant	Exercise Price Per Option
4,17,760	14/08/2018	₹ 133.25
3,32,167	30/10/2018	₹ 101.80
4,12,861	08/01/2019	₹ 108.20
9,23,380*	01/03/2019	₹ 108.20*
1,00,000	01/03/2019	₹ 72.55
Exercise Period		2 years
Re- Issued Options		0
Total no. of stock options granted under the scheme		21,86,168
Stock Options lapsed		0
Stock Options vested but not exercised		0
Stock Options exercised		0
Outstanding Stock Options		21,86,168

*Note: Granted as per shareholders' approval obtained by passing special resolution through Postal Ballot process.

During the Financial Year 2018-19, the Nomination, Remuneration and Compensation Committee has not allotted any Equity Shares to the employee/s under the ESOP 2018 scheme.

The disclosures required to be made in the Directors' Report in respect of the aforesaid ESOP Schemes, in terms of the SEBI (Share Based Employee Benefits) Regulations, 2014 are contained in **Annexure F** forming part of the Directors' Report.

29. 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 upto the financial year 2010-2011 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. 28th February, 2017, 2,745 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 at www.emkayglobal.com and also on website of Ministry of Corporate affairs at www.mca.gov.in.

30. PARTICULARS OF EMPLOYEES:

The particulars of employees required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended are enclosed hereto in **Annexure G**.

31. CORPORATE GOVERNANCE REPORT:

The Company adheres to the principles of Corporate Governance mandated by the Securities and Exchange Board of India and has implemented all the prescribed stipulations thereof. As stipulated in Regulation 34(3) 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 -H** and forms part of this Report.

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

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

Report of The Board Of Directors (Contd.)**33. LISTING WITH STOCK EXCHANGES:**

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

34. ACKNOWLEDGEMENT:

Your Directors would like to take this opportunity to express sincere gratitude to the customers, bankers and other business associates for the continued cooperation and patronage. Your Directors gratefully acknowledge the ongoing co-operation and support

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

For and on behalf of the Board of Directors

Krishna Kumar Karwa
Managing Director

Prakash Kacholia
Managing Director

Place : Mumbai
Date : May 28, 2019

ANNEXURE “A”

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019

(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 authorised 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, 2019 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, 2019 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 and amendments from time to time;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; (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; The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (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

Secretarial Audit Report (Contd.)

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 except penalties levied by the concerned authorities to it. The Company has spent an amount of ₹ 7,76,440/- against the amount of ₹ 31,11,343/- during the year towards Corporate Social Responsibility.

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 no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

**For Parikh & Associates
Company Secretaries**

Signature:

Mitesh Dhabliwala

Partner

FCS No: 8331 CP No: 9511

Place : Mumbai

Date : May 28, 2019

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”

Forming Part of The Board of Directors’ Report

To,

The Members

Emkay Global Financial Services Limited

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

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

**For Parikh & Associates
Company Secretaries**

Signature:

Mitesh Dhaliwala
Partner

FCS No: 8331 CP No: 9511

Place : Mumbai
Date : May 28, 2019

ANNEXURE “B”

Forming Part of The Board of Directors’ Report

Form No. AOC-2

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

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms’ length transactions under 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 Wealth Advisory Limited(formerly known as 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, 2018 to 31st March, 2019			
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	29.01.2018	29.01.2018	29.01.2018	29.01.2018
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.

Annexure “B” (Contd.)**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, as amended. The Audit Committee and the Board of Directors of the Company have formulated the Policy on dealing with RPTs and a Policy on materiality of RPTs which is uploaded on the website of the Company and can be accessed through the following link: www.emkayglobal.com/investorrelations.

3. 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, 2019, 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 : May 28, 2019

ANNEXURE “C”

Forming Part of The Board of 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 organisation, 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 ₹ 301.28 Lac
 - ii) The foreign exchange outflows were ₹ 202.79 Lac

On behalf of the Board of Directors

Krishna Kumar Karwa
Managing Director

Prakash Kacholia
Managing Director

Place : Mumbai
Date : May 28, 2019

ANNEXURE “D”

Forming Part of The Board of Directors’ Report

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 CSR Policy of the Company is available at the Weblink of the at Company at <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 - ₹ 1555.67 lacs.

4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above) - ₹ 31.11 lacs.

5. Details of CSR spent during the financial year:

- a) Total amount to be spent for the financial year - ₹ 31.11 lacs
- b) Amount unspent, if any; - ₹ 23.35 lacs
- c) Manner in which the amount spent during the financial year is detailed below

(₹ In lac)

S. 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.	6 Eco toilets were constructed at Kambachapada situated at Aarey Colony, Goregaon (East), Mumbai.	Healthcare & Sanitation	Goregaon, Maharashtra	4.00	3.88	3.88	Through Emkay Charitable Foundation (Section 8 Company)
2.	6 Eco toilets were constructed at Jivachapada situated at Aarey Colony, Goregaon (East), Mumbai.	Healthcare & Sanitation	Goregaon, Maharashtra	4.00	3.88	7.76	Through Emkay Charitable Foundation (Section 8 Company)

*Give details of implementing agency:

ANNEXURE D ”
Forming Part of The Board of Directors’ Report (Contd.)

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. 2019-20.

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

Date: 28th May, 2019

ANNEXURE “E”

Forming Part of The Board of Directors’ Report

A) RATIO/MEDIAN

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

(₹ In lakhs)

S. 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	13.70
		Prakash Kacholia	Managing Director	13.70
		G. P .Gupta (Resigned wef 2-11-18)	Chairman (up to 2/11/2018)	0.07
		S. K. Saboo	Chairman (From 30/1/2019)	0.15
		R. K. Krishnamurthi	Independent Director	0.51
		G. C. Vasudeo	Independent Director	0.68
		Dr. Satish Ugrankar	Independent Director	0.51
		Preeti Kacholia	Woman Director	0
		Dr. Bharat Kumar Singh	Independent Director	0.35
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 17-18 to FY 18-19
		Krishna Kumar Karwa	Managing Director	0.00%
		Prakash Kacholia	Managing Director	0.00%
		Bhalchandra Raul	Company Secretary	13.28%
		Saket Agrawal	CFO	33.09%
3.	Percentage increase in the median remuneration of employees in the financial year	23.34%		
4.	Number of permanent employees including directors on the rolls of Company at the end of the year	422		
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 2017-18 as well as in 2018-19, the average increase in their remuneration was 13.66% whereas average increase in remuneration of Key Managerial Personnel was 3.23% 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		

On behalf of the Board of Directors

Krishna Kumar Karwa
Managing Director

Prakash Kacholia
Managing Director

Place: Mumbai

Date: 28th May, 2019

ANNEXURE “F”**Forming Part of The Board of 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.

(₹ In lakhs)				
Sr. No	Particulars	ESOP Scheme-2007	ESOP Scheme-2010 (Through Trust Route)	ESOP Scheme 2018
1	Total Number of Options under the plan	24,26,575	24,41,995	24,53,403
2	Options Granted during the year	13,95,000	---	21,86,168
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.	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	0
5	Options exercised (during the year)	50,000	0	0
6	The total number of shares arising as a result of exercise of options during the year.	50,000	0	0
7	Options lapsed (during the year)	37,000	15,500	1,00,000
8	Variation in terms of options	---	---	-
9	Money realized by exercise of options (during the year)	₹ 18,50,000	0	0
10	Total number of options in force at the end of the year.	13,95,000	0	20,86,168
11	Employee wise details of options granted to	-	-	-
	i. Key Management Personnel during the year	-	-	-
	(a) Mr.Saket Agrawal,Chief Financial Officers	25,000	-	-
	(b) Mr. B.M. Raul, Company secretary	10,000	-	-
	ii. Employees holding 5% or more of the total number of options granted during the year.	Nil	Nil	Nil
	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	Nil	Nil	1. Mr.Bhavesh Sanghavi- CEO-Wealth Management 4,92,380 stock options 2. Mr. Suveer Chainani CEO- Institutional Clients Group 9,23,000 stock options
12	Diluted Earnings per share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with (“Accounting Standard (AS) 20”Earning per share)	2.59	----	2.59

ANNEXURE F ” Forming Part of The Board of Directors’ Report (Contd.)

(₹ In lakhs)

Sr. No	Particulars	ESOP Scheme-2007	ESOP Scheme-2010 (Through Trust Route)	ESOP Scheme 2018
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 ₹ 2,24,08,834 with consequent lower profits. On account of the same, the basic and diluted Earnings per share would have been lower by ₹ 0.9109 per share and ₹ 0.9105 per share respectively.	Compensation Cost using the intrinsic value of the stock options is Nil. 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.”	Compensation Cost using the intrinsic value of the stock options is Nil. However, had the Company followed the fair value method for accounting the stock options, compensation cost would have been ₹ 83,53,722 with consequent lower profits. On account of the same, the basic and diluted Earnings per share would have been lower by ₹ 0.3396 per share and ₹ 0.3394 per share respectively.
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	₹ 145.45 ₹ 95.86	-	₹ 110.38 ₹ 62.95
15	A description of the method and significant assumptions used during the year to estimate the fair values of options including the following weighted average information: <ol style="list-style-type: none"> 1. Risk free interest rate 2. Expected life 3. Expected volatility 4. Expected dividend yield 5. The price of the underlying shares in market at the time of option grant 	<ul style="list-style-type: none"> • Stock Price-Closing price on recognised stock exchanges where Company’s shares are listed on date immediately prior to date of Grant • Volatility • Risk free rate of return • Exercise price • Time of Maturity • Expected dividend yield 	-	<ul style="list-style-type: none"> • Stock Price-Closing price on recognised stock exchanges where Company’s shares are listed on date immediately prior to date of Grant • Volatility • Risk free rate of return • Exercise price • Time of Maturity • Expected dividend yield

On behalf of the Board of Directors

Krishna Kumar Karwa
Managing Director

Prakash Kacholia
Managing Director

Place: Mumbai
Date: 28th May, 2019

ANNEXURE “G”**Forming Part of The Board of Directors’ Report****A) PARTICULARS OF EMPLOYEES FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019.**

STATEMENT CONTAINING THE PARTICULARS OF EMPLOYEES THROUGHOUT THE FINANCIAL YEAR AND PART OF THE FINANCIAL YEARS AND AS PER THE Rule 5 (2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) Rules, 2016 AND FORMING PART OF DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2019

List of Employees of the Company employed throughout the financial year and part of the financial year and were paid remuneration not less than ₹ 102 lac per annum.

(₹ In lakhs)									
S. 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	Pritesh Chheda	Vice President	21,879,089	Permanent	MBA	16	16/04/2007	39	Sharekhan Ltd
2	Suveer Chainani	CEO - Institutional Clients Group	17,551,625	Permanent	MBA	20	07/01/2019	46	CITI Bank
3	Kenin Jain	Head- Institutional Equity Sales	16,709,304	Permanent	CA & MBA	14	12/03/2012	38	Voyager Investment
4	Dhananjay Sinha	Head Of Research And Strategist	16,682,138	Permanent	PG in Economics	24	24/10/2011	51	Centrum Broking Ltd.
5	S Hariharan	Head Sales Trading	14,450,839	Permanent	PG in Management	14	08/12/2014	39	Antique Stock Broking
6	Rahul Rege	Business Head - Retail	13,060,000	Permanent	B.Com	24	15/07/2009	50	Centrum Wealth Management Ltd
7	Sumit Syal	Head - Equity Derivative Sales Asia Pacific	12,956,008	Permanent	PGDBM	19	01/08/2017	41	Religare Capital Markets
8	Sindhu Sameer	Head Of Sales - Institutional Equities	11,509,875	Permanent	MBA	28	12/08/2016	50	Nomura Securities
9	Manjiri Muzumdar	Equity Derivative Sales	9,464,458	Permanent	MBA (Finance)	14	17/05/2005	38	NA
10	Krishna Kumar Karwa	Managing Director	9,408,000	Contractual	B.Com, ACA	31	01/01/1995	53	N.A.
11	Prakash Kacholia	Managing Director	9,408,000	Contractual	B.Com., ACA	30	01/01/1995	53	N.A.

Note:

- Gross Remuneration includes Salary, House Rent Allowance, Other Allowances, contribution to Provident Fund and Value of Perquisites computed as per Income Tax Rules, 1962.
- The nature of employment in case of Managing Directors are contractual. Other terms and conditions are as per the Company's Rules.
- In compiling the above details, Contribution made as per actuarial valuation to Gratuity Fund has not been taken in to account as separate figures are not available for individual employee.
- Mr. Krishna Kumar Karwa, Managing Director 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.

MANAGEMENT DISCUSSION AND ANALYSIS

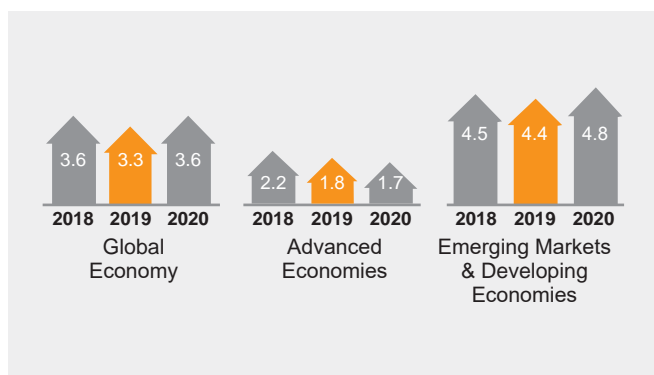
ECONOMIC REVIEW

Global

Global economic growth accelerated in 2017 and continued to do so until the first half of 2018, with almost all countries picking up the growth trend. The growth rates of most of the developed countries rose close to their potential with unemployment falling to historical lows. In 2018, the global economy registered 3.6 per cent growth as against 3.8 per cent in 2017.

Going ahead, global growth is projected to decline to 3.3 per cent in 2019 due to the waning effect of the US fiscal stimulus, uncertainty around Brexit and the unpredictability of the US-China trade war. On the positive side, the second half of 2019 is expected to see a stabilisation in growth with the hope that the central banks across the world might opt out of their tightening stance. Even China is continuously ramping up its fiscal and monetary stimulus to counter the negative effect of trade tariffs. The overall impact will positively stimulate growth factors across the world, leading to a gradual recovery in growth to 3.6 per cent for the global GDP, in 2020.

Global growth projection



(Source: IMF)

India

India is one of the 'fastest-growing economy' in the world. Now, along with that, the stable Government for a second time, is likely to be the perfect recipe for stronger reforms. The focus of the Government in FY20 will be to expedite reforms with a view to accelerate growth. As per the World Bank Report, India's ranking in terms of 'Ease of Doing Business' has reached the 77th spot, improving by 23 positions, as compared to the previous year. The country

grew at 6.8 per cent in FY19, a deceleration from 7.2 per cent in the previous year, due to challenges from the NBFC liquidity crisis, rupee depreciation, commodity price volatility, rural stress, and weak private investment activity. High-frequency indicators point towards a continued slowdown in private consumption activity in Q1FY20 along with low Government spending on account of election overhang. The Government is likely to smoothen already implemented reforms such as GST, and the Insolvency and Bankruptcy Code (IBC) to largely contribute towards easing the tightness in liquidity. In addition, controlled inflation has further provided room for monetary easing. Growth prospects look brighter from the H2FY20 owing to higher Government spending on infrastructure, tepid recovery expected in consumption activity once the NBFC crisis is resolved and on a favourable base.

Indian equity market performance in 2018-19

The year 2018-19 was comparatively one of the most difficult and challenging years, on account of global and domestic headwinds. Despite this, the Indian capital markets emerged as one of the best-performing markets in the world. The Nifty and Sensex rose 14.9 per cent and 17.3 per cent, respectively, during the year. The performance surpassed that of developed economies such as the US and the UK, as well as of developing economies such as China and Brazil. This positive performance by Indian indices helped the market capitalisation expand to ₹ 151 lac crore, rising by over 6 per cent annually.

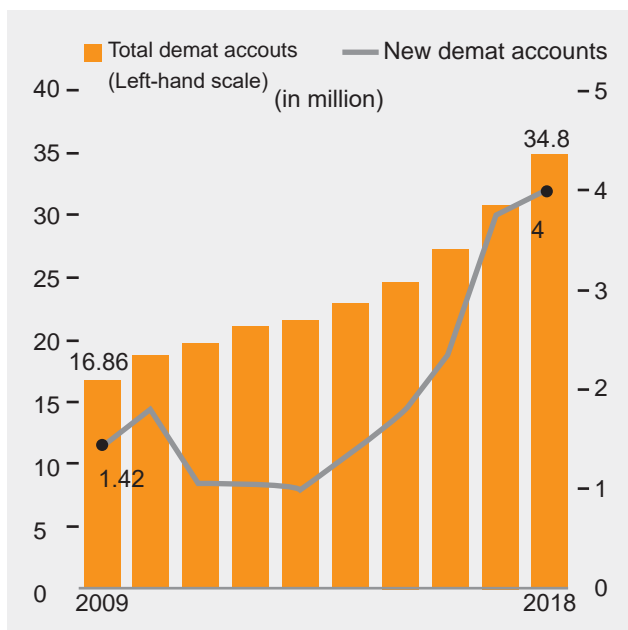
(Source: Economic times)

Key highlights during the year:

- Funds raised through equity and debt increased 5.3 per cent to ₹ 9 lac crore (Source: Business Today)
- Equity-oriented mutual funds received positive net inflows throughout the year, reaching ₹ 1.58 lac crore, while debt-oriented mutual funds saw net outflow owing to the NBFC crisis (Source: Business Today)
- Domestic institutional investors (DIIs), including mutual funds and insurance firms, were net buyers of ₹ 72,109 crore of shares, while FIIs contributed USD 162.29 million to the Indian equity market (Source: Livemint)
- In 2018, the number of IPOs issued dropped to 24, garnering ₹ 30,959.07 crore, while in 2017, 36 IPOs were issued raising ₹ 67,147.44 crore (Source: Livemint)

Management Discussion and Analysis

DEMAT ACCOUNT GROWTH OVER THE YEARS



(Source: SEBI bulletin)

Business overview

Emkay Global Financial Services Limited is a leading player in the financial services sector, actively creating wealth for its clients for over 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-networth individuals (HNIs).

Equity

Emkay is a ₹ 170 crore net worth group that 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 the financial year, the institutional segment contributed 64 per cent of the total equity broking business, while the non-institutional segment accounted for the remaining. The total number of institutional clients increased from 324 in FY2018 to 374 in FY2019, while the number of non-institutional clients increased to 1,40,965.

Research

Emkay's research capabilities are well-demonstrated and appreciated across the industry. The many awards that have been conferred upon our research and analysts over the years substantiate our clients' views. We have a competent team of 37 analysts and associates which is assisted by production support and database analyst teams. All the analysts are experienced and professionally qualified, with many of them coming with strong domain knowledge in their respective industries. The breadth of research coverage was ramped up to 352 stocks during the year. Several outreach events were also conducted during the year: 145 Roadshows, 20 Reverse Roadshows, 25 Corporate/Expert-Client Meetings and 138 Conference Calls. Emkay's annual investor conference 'Emkay Confluence' saw the participation of about 100 companies and more than 400 institutional investors, which resulted in more than 2,400 corporate-investor meetings.

Equity Asset Management

Emkay Investment Managers Limited. (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 comprises professional fund managers, research and wealth advisors and associates with a combined experience of over 50 years, and 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 a greater emphasis on the bottom-up approach, especially in 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 bluechip large-cap funds and well-performing midcap funds to emerging smallcaps. All of EIML's PMS strategies have consistently outperformed the index over the years, thereby building substantial wealth for its clients. During the year, Emkay successfully launched the third series of Emkay Emerging Stars Fund, its Category III Alternative Investment Fund (AIF) with the primary objective of generating long-term capital appreciation in the Indian equity markets. The three series put together crossed commitments of ₹ 300 crore. The fund continues to seek capital appreciation and positive returns in an efficient and risk-adjusted manner by employing sound (conventional) and smart fundamental investment strategies.

Management Discussion and Analysis

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, focusing 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 2019, the investment banking team completed transactions worth ₹ 7,525 million, which included the execution of a Qualified Institutional Placement for Magma Fincorp Limited, Buybacks for Dhanuka Agritech Limited and Monte Carlo Fashions Limited, and Preferential Issues for Som Distilleries & Breweries Limited and Village Financial Services Limited.

Emkay registered significant growth in its currency and commodity business in FY18-19. The currency business grew 112 per cent in volume terms, while revenue growth was 76 per cent. The commodity business also grew 45 per cent. The significant growth in commodity volumes was due to high volume growth in commodity options. Our efforts were rewarded by the MCX when it recognized Emkay as the highest volume contributor in the Options segment. In the current financial year, we expect to register similar growth in the currency business with the resultant volatility from the National Elections, US-China Trade war and the Fed's interest rate positioning, prodding more corporates to hedge their exposures.

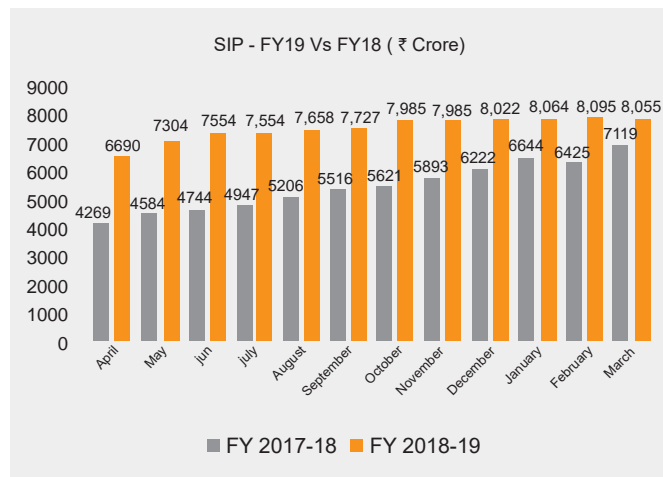
In March 2019, there was a change in the name and object clause of Emkay Insurance Brokers Limited to Emkay Wealth Advisory Limited for carrying out Estate and Succession Planning business, in place of the insurance broking business.

Emkay Fincap Limited, a 100 per cent subsidiary, carries out non-banking financial activities such as financing against shares and margin funding. The amount deployed in margin funding increased to ₹ 4,369 lac in FY19 from ₹ 3,980 lac in FY18.

Opportunities

Changing investment behaviour: There has been a change in the investment behaviour pattern of many new investors. They are preferring to begin their equity journey through systematic investment plans in equity-oriented mutual funds. This augurs well for the companies involved in mutual fund distribution and advisory.

SIP – FY19 VS. FY18 (₹ CRORE)



(Source: AMFI)

Digital transformation: Fintech is the new buzzword in the financial services industry. It is an amalgamation and application of technology in the financial services industry. Global investments in fintech companies have been picking up in the recent past. With big developments, ranging from the rise of open banking, increasing regulatory clarity and maturation of Artificial Intelligence (AI) and blockchain, 2019 promises to be another big year for Fintech. India has witnessed a dramatic surge in its technological growth and the adoption in recent years. The traditional financial services industry is inherently offline, time-consuming, manual, inaccessible and cost-heavy. This is primarily because of the dependency on human capital for every process in the funnel. However, the integration of technology at each step of the process has brought in the change from manual to machine-driven decision making. Seeing this as an opportunity, we are making serious efforts to improve technological infrastructure and offer our product and services through cutting-edge digital solutions.

Threats

Liquidity deficit and rise in interest rates can cause uncertainty in the market, leading to outflow of funds from FIIs and DIIs. Besides, factors such as global uncertainties, geo-political tensions, and uneven economic growth may tend to weaken market sentiment, leading to a slowdown in the investment appetite.

Management Discussion and Analysis

Customers today have a wide range of choices to select their investment advisory partner. They evaluate them on their expertise, fund utilisation strategies, digital support and fee structure. With the emergence of discount brokerage, customers are experiencing the next level of artificial automation with 'do it yourself' functionalities which are easy to use and low on cost. However, the High-Networth Individual (HNI) segment is immune to such price wars, as they focus on finding a partner who commands trust and can customize offerings to their individual requirement. Emkay is well-placed and positioned in this space.

Future outlook

NDA winning the 'historic mandate' for another five years is a reaffirmation of the inclusive growth policies followed by the Government in the previous five years. This victory will embolden the Government to continue in the same vein to complete the unfinished agenda and also to fine-tune the earlier policies for better results. Resilient landmark reforms are expected in Modi 2.0, specifically aimed at infrastructure development, financial inclusion, doubling farmers' income, job creation, smoothening out the glitches in earlier reforms, and evading & benefitting from the US-China trade war.

The outcome of the 2014 General Elections had led to a market rally of nearly 25 per cent (Sensex, Mar'14-Mar'15 comparison). This buoyancy was strongly supported by the highest-ever FII flows of USD 27.3bn (in equity). Amid global trade tensions, global investors will be over-enthused with India's prospects on a stable Government with a strong historical track record. In addition, with increasing financial inclusion stemming from schemes such as Jan Dhan Yojna and reforms such as Demonetisation, we might witness a stronger and durable rally once the ongoing NBFC liquidity crisis has been addressed as a result of well-entrenched domestic institutions. With a strong Government at the Centre, the rising trend of fictionalisation of domestic savings should continue to result in a buoyant capital market. We believe that FY20 will largely be driven by Government spending with more concentration towards infrastructure and moderate focus on consumption, leading to overall

growth of sub-7 per cent. Based on the earlier track record, we believe that the spending mix will tilt towards creating basic infrastructure for poor/rural areas, rather than just increasing cash transfers. Inflation should remain benign, making the RBI comfortable to reduce the rates further. Jitters from the US President Donald Trump's tweets might send the global markets into a frenzy. But isolating this, we might see Governments, the world over, taking significant efforts to revive domestic growth.

In India, in FY19, bank deposits grew by 10.03 per cent to ₹ 125.72 lac crore, while credit rose 13.24 per cent to ₹ 97.67 lac crore. In addition, there was an increase in the flow of funds towards debt instruments (Source: RBI). SIP investments in mutual funds grew 38 per cent over the last year, with an aggregate collection of ₹ 92,693 crore.

With a large portion of Indian household savings being redirected towards equity/SIP, the environment augurs well for our industry as well as for our business.

Emkay is well-positioned with its team, experience and products, to grow exponentially across various verticals of institutional and non-institutional broking, investment banking, asset management and wealth management. All these verticals are led by seasoned professionals and manned by motivated personnel, who will, by offering differentiated solutions to their clients, help the clients achieve their objectives and also simultaneously grow the revenues and bottom line of Emkay manifold.

Risks and concerns

Our risk management strategy defines our ability to manage unforeseen events and the ability to tackle them. We determine the risk strategy by defining limits and triggers for a number of risk criteria that are based on the capital and liquidity available, and on our earnings targets. It is reflected in our business planning and integrated into the management of our operations. Our implementation of risk management at the operational level embraces the identification, analysis and assessment of all possible risks as provided below:

Management Discussion and Analysis

Risk	Concern	Response
Economic and political risk	Arising from changes in the macro-economic conditions like political instability, foreign exchange fluctuations and crude oil prices.	The Company has a dynamic business set up that allows itself to re-strategise and respond to the uncertainties.
Financial and market risk	Uncertainty in capital markets and negative investor sentiments may slow down the investments.	Diversified business offerings, strong research and experienced team ensure promptness and stable operations.
Competition risk	Loss of market share to existing players or new entrants.	Competition gets the best out of the Company. It makes all the efforts to offer undivided attention to its customers. Besides, strong digital infrastructure and risk management team further ensure steady flow of operations.
Regulatory and compliance risk	Regulatory risk arises due to dynamic changes in regulations that may significantly affect the business. Compliance risk arises due to the negligence in complying statutes, internal policies and best practices related to the business.	The Company has ensured transparent disclosures in meeting the regulatory norms. The experienced team is further capable of handling and fulfilling all regulatory norms.
Human resources risk	This risk arises due to low motivation, dissatisfaction or attrition of employees.	Using the human capital risk approach, the Company efficiently manages the working culture, declaring performance-based incentives, conducting induction and training programmes at regular intervals.

HUMAN RESOURCES

At Emkay, people are the key driving force behind the Company's success. They make us outperform. Respecting them, keeping them motivated and developing their skills and careers are essential if we are to be successful. We recognize and embrace the value that an engaged and motivated workforce can bring to an organisation. The Company stays committed to its principle of "Your Success is our Success". The work environment is not just supportive of high levels of performance, but also the one in which people can share and celebrate their success. During 2018-19, the following important initiatives were undertaken to strengthen employee engagement, morale and productivity:

Strengthening the Pool: We added strength to our Human Resource pool by hiring for some critical positions in the Institutional Clients group and the Wealth Management vertical. These strategic profiles, who have joined us from some of the leading and significantly larger organisations, will help us further strengthen our critical business lines. Additionally, not only did we revamp the employee referral plan, but also introduced EMBRACE, a program that systematises the internal job posting process. Through EMBRACE, our people can apply for various positions within the organization that are compatible with their knowledge, skills and abilities. The policy has already started showing great results.

Continuous Learning: Several training programs were conducted during the year to upgrade employee skills. This included Data Analytics, HR Analytics, Business Etiquette and Communication, among others. A program on group coaching was also organised for the Private Wealth Management vertical.

Performance-driven Environment: This year, our people overwhelmingly participated in the Performance Appraisal process. The feedback exchanged, played a tremendous role in scaling up the performance levels and sharpening the focus.

Health is Wealth: We strongly believe that 'Healthy employees are Happy employees'. This year, we had a wide range of initiatives aimed at improving the wellness of our workforce – physical, mental and emotional. Apart from the various workshops and sessions, the Group Medclaim Cover (GMC) was extended to the parents of employees, too. GMC help desks

Management Discussion and Analysis

were set up regularly to clarify doubts. We also tied up with a leading diagnostic chain for preventive health checks of employees.

ESOPs: The organisation firmly believes in making employees long-term partners in its growth. In this spirit, it has already granted ESOPs worth more than 13 per cent of the issued equity share capital as of FY19.

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 an 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 the 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 Reports (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.

FINANCIAL OVERVIEW

Consolidated:

Income: The Company recorded a total income of ₹ 14,920 lac in FY19 as against ₹ 15,657 lac in FY18, a decrease of 5 per cent. **EBIDTA:** The Company's EBIDTA after exceptional item stood at ₹ 2,869.76 lac compared to ₹ 4,551.82 lac in FY18, a decrease of 37 per cent. The Company's EBIDTA before exceptional item stood at ₹ 2,698.76 lac compared to ₹ 4,551.82 lac in FY18, a decrease of 41 per cent.

The Profit/(Loss) after Tax stood at ₹ 1,449 lac against ₹ 2,861 lac in FY18, a decrease of 49 per cent.

Standalone:

Income: The Company recorded a total income of ₹ 12,964.82 lac as against ₹ 13,298.36 lac in FY18, a decrease of 2.50 per cent. **EBIDTA:** The Company's EBIDTA after exceptional item stood at ₹ 1,599 lac compared to ₹ 2,975 lac, a decrease of 46 per cent. The Company's EBIDTA before exceptional item stood at ₹ 1,786 lac compared to ₹ 2,975 lac, a decrease of 40 per cent.

PAT: The Profit/(Loss) after Tax stood at ₹ 636.64 lac against ₹ 1,794.23 lac in FY18, a decrease of 65 per cent.

There has been a decline in EBIDTA and PAT owing to a flat top line in a challenging year with fixed costs and employee costs remaining elevated as the Company continues to invest in its various businesses .

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

ANNEXURE-H

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company has set for itself the objective of achieving excellence in its business. As a part of its growth strategy, the Company believes in adopting the 'best practices' that are followed in the area of Corporate Governance. The Company emphasises 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 realises its responsibility towards its stakeholders and environment. The Board considers itself as a Trustee of its Shareholders and acknowledges its responsibilities towards them for creation and safeguarding of their wealth. The Company not only adheres to the prescribed corporate governance practices as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended [hereinafter referred as SEBI (LODR) Regulations, 2015] but is also committed to sound corporate governance principles 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 on its Board and comprises of Eight Directors, each having expertise in their field of operation including one Woman Director. The total number of Non-Executive Directors is more than 50% of the total number of Directors which is in conformity with the requirement of Regulation 17 (1) (a) of SEBI (LODR) Regulations, 2015. The Chairman of the Board is a Non-Executive Non-Independent Director, and there is optimum combination of half of the Board of Directors as independent directors as per Regulation 17 (1) (b) of the SEBI (LODR) Regulations, 2015. As on 31st March 2019 the Company's Board consist of eight Directors.

2.2 The brief profile of each Director is given below:

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

Mr. Sushil Kumar Saboo has more than 51 years of corporate management experience. Presently he is the Group Advisor (Chairman's Office) for Aditya Birla Group, one of the premier business groups of India.

(ii) **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 46 years in the field of Law. He is a retired Partner of Mulla & Mulla Craigie Blunt & Caroe, a reputed firm of Advocates, Solicitors and Notaries. He is on the Board of Madhav Marbles & Granites Limited.

(iii) **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 40 years. He retired as a Whole Time Director & Country Manager of SI Group – India Private Limited. He was in charge of Corporate Finance, Accounts and Information Technology and he had been instrumental in the restructuring of the Group and also in Mergers and Acquisitions within the Group.

(iv) **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). He was on the Board of FDC Limited.

(v) **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

Corporate Governance Report (Contd.)

Company. Mr. Krishna Kumar Karwa has a rich and varied experience of 31 years in all aspects of the Equity Capital Markets. He was a Director of Titagarh Agrico Private Limited. He is an Independent Director in West Coast Paper Mills Limited

(vi) 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 30 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, BSE Limited and BOI Shareholding Limited.

(vii) Mrs. Preeti Kacholia (Non-executive, Woman Director)

Mrs. Preeti Kacholia is a woman Director on the Board of Directors of the Company. She holds rich

knowledge in the field of Business management. Mrs. Preeti Kacholia is wife of Mr. Prakash Kacholia-Managing Director of the Company.

(viii) Dr. Bharat Kumar Singh (Non Executive, Independent Director)

Dr. Bharat Kumar Singh was appointed as an Independent Director of the Company in the 24th Annual General Meeting of the company held on 14th August 2018, not liable to retire by rotation for a term of five consecutive years commencing from 14th August 2018. 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 experience of 46 years out of which 14 years were spent 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 knowledge of business space, Restructuring, Reorganising and building relationships with the 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, 2019 and number of Meetings held and attended during the year are as follows:

Name of the Director	Category	No. of Board Meetings held during his/her tenure and attended in 2018-19		Whether attended last AGM held on 14.08.2018	Number of Directorships in other public companies*	Number of Committee # positions held in other public companies *		List of Directorship held in other listed companies and category of Directorship
		Held	Attended			Chairman	Member	
Mr. G. P. Gupta (Resigned on 02/11/2018)	NED (I)	4	1	N	-	-	-	-
Mr. S. K. Saboo (Appointed as Chairman w.e.f 30.01.2019)	NED	4	4	Y	2	-	-	-
Mr. R. K. Krishnamurthi	NED (I)	4	4	Y	4	1	1	Madhav Marbles and Granites Limited NED (I)
Mr. G. C. Vasudeo	NED (I)	4	3	Y	2	0	1	-
Dr. Satish Ugrankar	NED (I)	4	4	Y	Resigned from FDC Ltd w.e.f. 01.04.19	-	-	-

Corporate Governance Report (Contd.)

Name of the Director	Category	No. of Board Meetings held during his/her tenure and attended in 2018-19		Whether attended last AGM held on 14.08.2018	Number of Directorships in other public companies*	Number of Committee # positions held in other public companies *		List of Directorship held in other listed companies and category of Directorship
		Held	Attended			Chairman	Member	
Mr. Krishna Kumar Karwa	ED	4	4	Y	4	-	2	West Coast Paper Mills Limited NED (I)
Mr. Prakash Kacholia	ED	4	4	Y	3	-	1	-
Mrs. Priti Kacholia	NED	4	4	Y	-	-	-	-
Dr. Bharat Kumar Singh (Appointed as an Independent Director w.e.f. 14.08.2018)	NED (I)	4	4	Y	1	-	-	-

Note:

- Category: NED – Non-Executive Director, NED (I) – Non-Executive Director and Independent, ED – Executive Director & Promoter
- Mr. G. P. Gupta resigned on 02/11/2018 after attaining the age of 75 years, for reasons of poor health, he had to Commute on wheel Chair and was finding difficult to communicate while chairing the meetings. There are no other material reasons other than this.
- None of the above Directors are related inter-se to any other Director on the Board, except Mr. Krishna Kumar Karwa and Mr. S. K. Saboo who are related to each other and Mr. Prakash Kacholia and Mrs. Preeti Kacholia who are related to each other.
- None of the Non-Executive Directors hold any shares or convertible instruments in the Company.
- None of the Directors hold the office of a 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.

The Board has identified the following skills/expertise with the individual Board Members with reference to the Company's Business and Industry.

Name of Director	Area of Expertise
Mr. S. K. Saboo	Corporate Management Experience
Mr. R. K. Krishnamurthi	Solicitor, Law including International Law
Mr. G. C. Vasudeo	Global Business, Banking, Corporate Finance, Accounts, Information Technology, Merger and Acquisitions
Dr. Satish Ugrankar	Board Service and Governance
Dr. Bharat Kumar Singh	Corporate Strategy & Business Development, Restructuring and Reorganization, Global Business
Mrs. Priti Kacholia	Business Management
Mr. Krishna Kumar Karwa	Equity Capital Market, Finance, Banking and Accounting, Global Business and Wealth Management
Mr. Prakash Kacholia	Equity Capital Market with focus on derivatives segment, Finance, Banking and Accountancy and Wealth Management

Corporate Governance Report (Contd.)

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 the law. The Non-Executive Directors, including Independent Directors on the Board, possess the requisite experience and specialization in diverse fields such as legal, finance, banking, administration etc.

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

A sample of the letter of appointment is available on the website of the Company and can be accessed through the link: www.emkayglobal.com/investorrelations/disclosures

Based on the disclosures received from all the Independent Directors and also in the opinion of the Board, the Independent Directors fulfill the conditions specified in the Companies Act, 2013 and Listing Regulations and are Independent of the management.

Familiarization Programme

Your Company has put in place a structured induction and familiarization programme for all its Directors including the Independent Directors. The Company through such programmes familiarises not only the

Independent Directors but also 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 Effectiveness

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

Accordingly, the Board of Directors, on recommendation of the Nomination, Remuneration and Compensation Committee, has evaluated the effectiveness of the Board. Further, the performance evaluation of the Board, each Director and the Committees was carried out for the financial year ended 31st March, 2019. 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

Corporate Governance Report (Contd.)

the Company was held on 19th March, 2019, 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 2018-2019, 4 Board Meetings were held on 28th May, 2018, 14th August, 2018, 30th October, 2018 and 30th January, 2019. The gap between any two Meetings did not exceed one hundred and 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 Annual Financial Results of the Company on Standalone & Consolidated basis.
- Annual Financial Statements 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

Qualified and Independent Committee.

The present composition of the Audit Committee is as follows:

Mr. G. C. Vasudeo	Chairman
Mr. R. K. Krishnamurthi	Member
Dr. Satish Ugrankar	Member
Mr. Prakash Kacholia	Member
Dr. Bharat Kumar Singh	Member

Corporate Governance Report (Contd.)

Note :

During the year, Mr. G. P. Gupta who was the member of the Audit Committee, has resigned from the directorship of the company with effect from 2nd November 2018.

Subsequently, the Board of Directors at its meeting held on 30th January, 2019 reconstituted the Audit Committee by appointment of Dr. Bharat Kumar Singh as member of the Audit Committee.

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 and Company Secretary acts as the Secretary to the Audit Committee of the Board of Directors.

Meetings

During the Financial Year 2018-19, four Meetings of the Committee were held on 28th May, 2018, 14th August, 2018, 30th October 2018 and 30th January, 2019. The time gap between any two Meetings was less than one hundred and twenty days. The attendance of each Committee member was as under:

Name	No. of Meetings attended
Mr. G. P. Gupta (Resigned w.e.f. 02/11/2018)	1
Mr. G. C. Vasudeo	3
Mr. R. K. Krishnamurthi	4
Dr. Satish Ugrankar	4
Mr. Prakash Kacholia	4
Dr. Bharat Kumar Singh*	-

* Dr. Bharat Kumar Singh was inducted as a member of the Audit Committee at the meeting of the Board of Directors held on 30th January, 2019.

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.

Corporate Governance Report (Contd.)

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.

During the year, Mr. G. P. Gupta who was the member of the Committee, resigned from the directorship of the Company with effect from 2nd November, 2018.

Subsequently, the Board of Directors in its meeting held on 30th January, 2019 reconstituted the Committee with existing members.

After reconstitution, 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
Dr. Satish Ugrankar	Member

The Committee comprises of only Non-Executive Directors as its members. All the members of the Committee are Independent except Mr. S. K. Saboo. 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 2018-19, Seven Meeting were held on 4th May, 2018, 28th May, 2018, 1st August, 2018, 14th August, 2018, 30th October, 2018, 8th January, 2019 and 1st March, 2019. The attendance of each Committee member was as under:

Name	No. of Meetings attended
Mr. G. P. Gupta (Resigned w.e.f. 02/11/2018)	3
Mr. G. C. Vasudeo	7
Mr. R. K. Krishnamurthi	7
Mr. S. K. Saboo	6
Dr. Satish Ugrankar	7

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;

Corporate Governance Report (Contd.)

- e) The procedure for making a fair and reasonable adjustment to the number of Employee Stock Options and to the Exercise Price in case of a corporate action such as rights issues, bonus issues, merger, sale of division and others.
- f) The procedure and terms for the Grant, Vest and Exercise of Employee Stock Option in case of employees who are on long leave;
- g) The procedure for cashless exercise of employee stock options, if required
- h) Approve forms, writings and/or agreements for use in pursuance of the ESOP Schemes.
- i) Frame suitable policies and systems to ensure that there is no violation by an employee of (a) Securities and Exchange Board of India (Insider Trading) Regulations, 2015 and (b) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003
- j) Frame any other bye-laws, 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 Board of Directors are authorized to decide the remuneration of Executive Directors subject to the approval of the Members and Central Government, if required. Payment of remuneration to the Managing Directors is governed by the letter of appointment issued to them by the Company, containing the terms and conditions of appointment approved by the Board of Directors and Nomination, Remuneration and Compensation Committee and the Shareholders. The remuneration structure comprises of salary, perquisites, retirement benefits and performance linked bonus. No stock options are granted to the Executive Directors of the Company.

Remuneration to Non-Executive Independent Director:

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

The remuneration / commission is fixed as per the slabs and conditions mentioned in the Companies Act, 2013. Commission to Non-Executive Independent Directors may be paid within the monetary limit approved by shareholders, subject to the limit of 1 per cent 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 the Board or the 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 2018-19

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, and amended schedule V the yearly limit without obtaining the Central Government approval for slab of effective capital of ₹ 5 crore and above but less than ₹ 100 crore was increased from earlier ₹ 42 lac per annum to ₹ 84 lac per annum and further the remuneration in excess of above limits may be paid, 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.

Corporate Governance Report (Contd.)

5. REMUNERATION OF DIRECTORS

The following table gives details of remuneration paid to Directors. During the financial year 2018-19, 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
S. K. Saboo	Related to Krishna Kumar Karwa	1,00,000	0	0	0	1,00,000	None
R. K. Krishnamurthi	None	1,50,000	0	0	2,00,000	3,50,000	None
G. C. Vasudeo	None	1,30,000	0	0	350,000	4,80,000	None
Dr. Satish Ugrankar	None	1,50,000	0	0	2,00,000	3,50,000	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	None	40,000	0	0	2,00,000	2,40,000	None
Mr.G.P.Gupta (Resigned w.e.f 02/11/2018)	None	50,000	0	0	0	50,000	None

Notes :

- Sitting fees are 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 31st March, 2019.

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 shall be held fortnightly else the Committee meets once in every quarter.

During the financial year 2018-19, the Committee had held 4 meetings. These meeting were held on 28th May, 2018, 14th August, 2018, 30th October, 2018 and 30th January, 2019.

Corporate Governance Report (Contd.)

The attendance of each Committee member was as under:

Name	No. of Meetings attended
Mr. R. K. Krishnamurthi	4
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) Regulations.
- (c) Details of Shareholders/Investors Complaints for the financial year 2018-19 :

Number of shareholders' complaints received during the year	Nil
Number of complaints 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 - Chairman
- Mr. Krishna Kumar Karwa - Member
- Mr. Prakash Kacholia - Member

Meetings

During the Financial Year 2018-19, 2 Meeting were held on 28th May, 2018 and 14th August, 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.
- » Recommending 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 modification, 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
2017-2018	24th	M. C. Ghia Hall, Fort, Mumbai.	14th August, 2018	4.00 p.m.
2016-2017	23rd		11th August, 2017	4.00 p.m.
2015-2016	22nd		10th August, 2016	4.00 p.m.

Corporate Governance Report (Contd.)

Special Resolutions passed at the last three AGM:

1. At the 24th AGM held on 14th August, 2018
 - Increase in Authorized Share Capital of the Company and consequent alteration to the capital clause of the Memorandum of Association.
2. 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
3. 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.

Postal Ballot:

During the year, following special resolutions were passed by the Company through postal ballot.

1. Special Resolution passed on 19/02/2019

Voting Pattern

Particulars	Total No. of Valid Votes	Votes Assenting the Resolution	% of Votes Cast	Votes Dissenting the Resolution	% of Votes cast
Grant of Stock Options to Mr. Bhavesh Sanghavi, CEO-Wealth Management in excess of 1% of Issued Equity Capital under Employees Stock Option Plan-2018	1,78,27,820	1,78,27,377	100 (Rounded off)	444	0.00
Grant of Stock Options to Mr. Suveer Chainani, CEO-Institutional Clients Group in excess of 1% of Issued Equity Capital under Employees Stock Option Plan-2018	1,78,27,820	1,78,27,376	100 (Rounded off)	444	0.00

- a. Person who conducted the Postal Ballot Exercise: Mr. P. N. Parikh (Membership No. FCS 327) of M/s. Parikh & Associates, Company Secretary in whole time practice was appointed as Scrutinizer for conducting Postal Ballot and E-voting.
- b. Procedure for Postal Ballot:
 - i. The Board of Directors, by circular resolution dated 9th January 2019 had appointed Mr. P. N. Parikh failing him Mr. Mitesh Dhaliwala of M/s Parikh & Associates, Practicing Company Secretary.
 - ii. The dispatch of the Postal Ballot Notice dated 9th January, 2019 together with Explanatory Statement was completed on 19th January, 2019 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 11th January, 2019.
 - iii. The voting under the Postal Ballot was kept open from 20th January, 2019 to 18th February, 2019 (either physically or through electronic mode).
 - iv. 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.
 - v. 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.
 - vi. All Postal Ballot forms received by the Scrutinizer upto 5 p.m. on 18th February, 2019 had been considered for his scrutiny. Postal Ballot forms received after that date had not been considered.
 - vii. On 19th February 2019, The Chairman announced the results of the Postal Ballot as per the Scrutinizer's Report.

Corporate Governance Report (Contd.)

2. Special Resolution passed on 27/12/2018

Voting Pattern:

Particulars	Total No. of Valid Votes	Votes Assenting the Resolution	% of Votes Cast	Votes Dissenting the Resolution	% of Votes cast
Approval for continuation of Mr. S.K.Saboo (D.O.B 05.11.1942) who had attained the age of 75 years, as a Non-Executive Directors, on the Board of the Company.	1,77,91,829	1,77,91,416	100.00 (Rounded off)	413	0.00

- a. Person who conducted the Postal Ballot Exercise: Mr. P. N. Parikh (Membership No. FCS 327) of M/s. Parikh & Associates, Company Secretary in whole time practice was appointed as Scrutiniser for conducting Postal Ballot and E-voting.
- b. Procedure for Postal Ballot:
- The Board of Directors, by resolution dated 30th October, 2018 had appointed Mr. P. N. Parikh failing him Mr. Mitesh Dhablwala of M/s Parikh & Associates, Practicing Company Secretary.
 - The dispatch of the Postal Ballot Notice dated 5th November, 2018 together with Explanatory Statement was completed on 26th November, 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 16th November, 2018.
 - The voting under the Postal Ballot was kept open from 27th November, 2018 to 26th December, 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 Scrutiniser in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.
 - All Postal Ballot forms received by the Scrutiniser up to 5 p.m. on 26th December, 2018 had been considered for his scrutiny. Postal Ballot forms received after that date had not been considered.
 - On 27th December, 2018, The Managing Director announced the results of the Postal Ballot as per the Scrutiniser's Report.
3. Proposal for Postal Ballot:
- At present there is no Special Resolution 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 made to the institutional investors or to the analysts during the year.

Corporate Governance Report (Contd.)

10. GENERAL SHAREHOLDER INFORMATION

Sr. No.	AGM: Date, time and venue	12th August, 2019, at 12.00 Noon at M. C. Ghia Hall, Fort, Mumbai 400001.
(a)	Financial Year	1st April, 2018 to 31st March, 2019
(b)	Date of Book Closure	Tuesday, 6th August, 2019 to Monday, 12th August, 2019 (Both days inclusive)
(c)	Dividend Payment Date	Dividend if declared at the Annual General Meeting shall be paid to all eligible shareholders from 14th August, 2019 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 meeting shall be held fortnightly else 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 31.03.2019, 99.94 % of the Equity Share Capital comprising 2,46,04,516 equity shares out of total 2,46,19,130 were dematerialised.
(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 not exposed to commodity price risk since it is engaged in business of providing financial services. The Company's foreign exchange risk is negligible and hence it has not undertaken any hedging activities.
(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
(o)	List of Credit Rating along with any revision thereto during the relevant financial year for all debt instrument.	Not Applicable. The Company does not have any debt instrument.

Corporate Governance Report (Contd.)

Market Price Data

During the year, the BSE Sensex increased from 33,255.36 to 37,318.53

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, 2018 to 31st March, 2019 is as follows

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2018	185.50	150.00	184.95	148.25
May, 2018	165.00	137.00	162.10	136.00
June, 2018	138.90	103.00	140.50	101.10
July, 2018	133.00	111.95	133.70	112.00
August, 2018	150.80	116.65	151.00	116.00
September, 2018	145.95	97.90	146.90	95.80
October, 2018	107.45	83.10	108.60	82.50
November, 2018	112.05	90.00	111.90	90.70
December, 2018	111.75	87.55	111.95	86.00
January, 2019	109.80	82.45	110.00	81.55
February, 2019	99.75	70.00	99.70	69.00
March, 2019	111.50	74.05	112.40	74.30

Categories of Share Holding as on 31st March, 2019

The Shareholding of different categories of the shareholders as on 31st March, 2019 is given below:

Category	No. of Shareholders	No. of Shares	% of total
(A) Promoters and Promoter Group Shareholding:			
Individual / Hindu Undivided family	6	1,35,02,500	54.85
Bodies Corporate	1	43,90,000	17.83
Total (A)	7	1,78,92,500	72.68
(B) Public Shareholding:			
Other Bodies Corporate	142	6,01,186	2.44
NRI(including Non Repatriable)	313	6,84,042	2.78
Clearing Members	74	56,853	0.23
Indian Public	9099	52,58,682	21.36
Total (B)	9628	66,00,763	26.81
(C) Non Promoter- Non Public Shareholding:			
ESOP Trust	1	1,25,767	0.51
Total (C)	1	1,25,767	0.51
Total (A+B+C)	9636	2,46,19,030	100.00

Distribution of Shareholding as on 31st March, 2019

The Shareholding distribution of the equity shares as on 31st March, 2019 is given below:

Number of Shares held (Face value of ₹ 10 each)	Shareholders		Shares	
	Number	% of total	Number	% of total
1-500	8153	84.6098	8,60,147	3.49
501-1000	509	5.2823	4,13,656	1.68
1001-2000	464	4.8153	7,06,677	2.87
2001-3000	188	1.9510	4,79,716	1.95
3001-4000	99	1.0274	3,53,159	1.43
4001-5000	47	0.4878	2,24,063	0.91
5001-10000	96	0.9963	6,88,358	2.80
10001 & above	80	0.8302	2,08,93,254	84.87
Total	9636	100.0000	2,46,19,030	100.0000

Corporate Governance Report (Contd.)

11. OTHER DISCLOSURES:

A. Related Party Transactions (RPT):

- a) The Audit Committee and the Board of Directors of the Company have formulated the Policy on dealing with RPTs and a Policy on materiality of RPTs which is uploaded on the website of the Company and can be accessed through the following link: [www.emkayglobal.com/investor relations](http://www.emkayglobal.com/investor%20relations).
- b) 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.
- c) During the financial year ended 31st March, 2019, there are no transactions with related parties which qualify as materially significant transaction in terms of the provisions of Regulation 23 of the SEBI (LODR) Regulations, 2015.
- d) There are no materially significant related party transactions of the Company which conflict with the interests of the Company at large.
- e) A statement in summary form of all the transactions with related parties is placed periodically before the audit committee.
- f) Transactions with related parties, as per requirements of Accounting Standard 18, are disclosed in this annual report.

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

C. Whistleblower Policy/Vigil Mechanism;

The Company is committed to provide an open, honest and transparent working environment and seeks to eliminate fraudulent activities in its operations. To maintain high level of legal, ethical and moral standards and to provide a gateway for employees to report unethical 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](http://www.emkayglobal.com/investor%20relations)

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

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

E. Disclosure of commodity price risks and commodity hedging activities:

The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore there is no disclosure to offer in term of SEBI circular No. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018.

F. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):

Not Applicable

G. A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority: The Certificate of Company Secretary in practice is annexed herewith as a part of the report.

H. Where the Board had not accepted any recommendation of any Committee of the Board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof: Not Applicable

I. Total fees for all services paid by the listed entity and its subsidiaries, on a Consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.: Details relating to Fees paid to the Statutory Auditors are given in note 3.23 to the Standalone Financial Statements and note 2.25 to the Consolidated Financial Statements.

Corporate Governance Report (Contd.)

J. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

During the year no complaint was filed under the said act.

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, 2019. 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 had 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. At the meeting held on 28th May, 2019 the Board has reviewed and adopted Code of Conduct revised in line with SEBI (PIT) (Amendment) Regulations 2018.

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 were 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 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 opened by the Authority for the said purpose.

In accordance with provisions of section 124 and 125 of the Companies Act, 2013, during the financial year 2017-18, the Company has transferred 391 no. of shares lying in IPO-Unclaimed Securities Suspense Account to the Demat Account opened by IEPF Authority. As on 31 March, 2019 there are no shares lying in the said Depository Account.

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, 2019, an amount of ₹ 53,470.50 was lying in the said bank account.

Corporate Governance Report (Contd.)

h) 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 Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, 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, during the financial year 2018-19 the Company has transferred 962 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.

Shares which are transferred to the Demat account of IEPF Authority can be claimed back by the shareholders from the IEPF Authority by following the procedure prescribed under the aforesaid rules.

i) Subsidiary Companies

The Company has five wholly owned unlisted subsidiaries as under:

1. Emkay Fincap Limited
2. Emkay Commtrade Limited
3. Emkay Wealth Advisory Limited (Formerly Known as Emkay Insurance Brokers Limited)
4. Emkay Investment Managers Limited
5. Emkayglobal Financial Services IFSC Private Limited (Incorporated on 21st June, 2018 and yet to commence operations)

Out of the above Five subsidiaries, Emkay Fincap Limited is a material non-listed Indian subsidiary as per SEBI (LODR) Regulations, 2015 whose income or net worth (i.e. paid-up capital and free reserves) exceeds 20% (Reduced to 10% w.e.f 1st April 2019 as per Amendment Regulations 2018) of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year ended 31st March, 2018. As required under SEBI (LODR) Regulations, 2015, an Independent Director of the Company has been appointed on the Board of Emkay Fincap Limited.

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

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

j) 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.

k) Commodity price risk or foreign exchange risk and hedging activities:

The Company is not exposed to commodity price risk since it is engaged in business of providing financial services.

The Company's foreign exchange risk is negligible and hence it has not undertaken any hedging activities.

Corporate Governance Report (Contd.)

l) 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.

m) 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 unappropriated 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), 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: 28/05/2019

CERTIFICATE

To,

EMKAY GLOBAL FINANCIAL SERVICES LIMITED

7th Floor, The Ruby,

Senapati Bapat Marg,

Dadar (West) Mumbai - 400028

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Emkay Global Financial Services Limited having CIN L67120MH1995PLC084899 and having registered office at 7th Floor, The Ruby, Senapati Bapat Marg, Dadar (West) Mumbai - 400028 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of Director	DIN	Date of Appointment in Company
1.	Prakash Kacholia	00002626	24/01/1995
2.	Girindrachandra Chandrakant Vasudeo	00021772	20/01/2006
3.	Dr. Satish Shripad Ugrankar	00043783	12/08/2015
4.	Krishna Kumar Karwa	00181055	24/01/1995
5.	Dr. Bharat Kumar Singh	00274435	29/01/2018
6.	Sushil Kumar Madan Lal Saboo	00373201	15/10/1995
7.	Ravikumar Krishnamurthi	00464622	10/11/2005
8.	Priti Prakash Kacholia	03481747	30/03/2015

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates

Practising Company Secretaries

Mitesh Dhaliwala

FCS: 8331 CP: 9511

Place of Signature: Mumbai

Date: May 28, 2019

CERTIFICATE OF CORPORATE GOVERNANCE

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 , as amended.

To the Members of Emkay Global Financial Services Limited

1. The Corporate Governance Report prepared by Emkay Global Financial Services Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ("Applicable criteria") with respect to Corporate Governance for the year ended March 31, 2019. This report is required by the Company.

MANAGEMENT'S RESPONSIBILITY

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

AUDITOR'S RESPONSIBILITY

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
 - i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
 - ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;
 - iii. Obtained and verified that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company;
 - iv. Obtained and read the Directors Register as on March 31, 2019 and verified that atleast one women director was on the Board during the year;

- v. Obtained and read the minutes of the following committee meetings held April 1, 2018 to March 31, 2019:
 - (a) Board of Directors meeting;
 - (b) Audit committee;
 - (c) Annual General meeting;
 - (d) Nomination and remuneration committee;
 - (e) Stakeholders Relationship Committee; and
 - (f) Independent directors meeting;
 - vi. Obtained necessary representations and declarations from directors of the Company including the independent directors; and
 - vii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.
8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2019, referred to in paragraph 4 above.

OTHER MATTERS AND RESTRICTION ON USE

10. This report 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.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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, 2019

CODE OF CONDUCT

Annexure-1

In accordance with Regulation 26 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we, Krishna Kumar Karwa - Managing Director 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, 2019.

For EMKAY GLOBAL FINANCIAL SERVICES LIMITED

Krishna Kumar Karwa
Managing Director

Prakash Kacholia
Managing Director

Place: Mumbai
Date : 28/05/2019

CEO/CFO CERTIFICATE

Annexure-2

We hereby certify that -

- (a) We have reviewed Financial Statements and the Cash Flow Statement for the year ended 31st March, 2019 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 : 28/05/2019

INDEPENDENT AUDITOR'S REPORT

To the Members of Emkay Global Financial Services Limited
Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying standalone financial statements of Emkay Global Financial Services Limited ("the Company"), which comprise the Balance Sheet as at 31 March, 2019, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2019, its profit and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with

the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. 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.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended 31 March 2019. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
<p>Audit in an Information Technology (IT) enabled environment</p> <p>Pursuant to various reporting requirements such as reporting on the internal controls over financial reporting etc., we place significant emphasis on the information systems and the controls and process around such information systems and the usage of information from such systems for the purpose of financial reporting by the Management.</p> <p>Emkay has information technology applications which are used across various class of transactions in its operations through the automated and IT dependent manual controls that are embedded in them.</p> <p>Hence, our audit procedures have focus on IT systems and controls in them due the pervasive nature and complexity of the IT environment, operational volume across numerous locations daily and the reliance on automated and IT dependent manual controls.</p>	<p>In assessing the reliability of electronic data processing, we included specialised IT auditors in our audit team. Our audit procedures focused on the IT infrastructure and applications relevant to financial reporting:</p> <ul style="list-style-type: none"> • Assessing the information systems and the applications that is available in the Company in two phases: (i) IT General Controls and (ii) Application level embedded controls; • The aspects covered in the IT systems General Control audit were (i) User Access Management (ii) Change Management (iii) Other related ITGCs; - to understand the design and the operating effectiveness of such controls in the system; • Understanding of the changes that were made to the IT landscape during the audit period and assessing changes that have impact on financial reporting; • Performed tests of controls (including over compensatory controls wherever applicable) on the IT Application controls and IT dependent manual controls in the system. • Wherever applicable, we assessed through direct sample tests, the information produced from these systems which were relied upon for our audit.

Independent Auditor's Report (Contd.)

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Independent Auditor's Report (Contd.)

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the management, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended 31 March, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Accounting Standards) Amendment Rules, 2016;

- (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company 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;
- (g) In our opinion, the managerial remuneration for the year ended 31st March, 2019 has been paid by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 6 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

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, 2019

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

Re: Emkay Global Financial Services Limited

- (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. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the company's interest.
- (b) The Company has granted loans to a company covered in the register maintained under section 189 of the Companies Act, 2013. The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment is 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 Companies Act, 2013 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 Companies Act 2013 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 Companies Act, 2013, for the 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, 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 31 March, 2019 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
Finance Act, 1994	Service Tax on broking income earned from FII & other foreign clients	₹8,47,80,563 (Net of ₹ 38,43,538 paid)	F.Y 2012-13 & F.Y 2013-14	Commissioner of CGST and Central Excise;

- (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.

Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Report of even date (Contd.)

- (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 managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (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 Companies Act, 2013 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, 2019

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 31 March, 2019 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.

Annexure 2 to the Independent Auditor's Report of even date on the Standalone Financial Statements of Emkay Global Financial Services Limited (Contd.)

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, 2019, 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, 2019

BALANCE SHEET

As at 31 March, 2019

Particulars	Note No.	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	3.1	24,61,90,300	24,53,40,300
Reserves and Surplus	3.2	1,10,12,54,892	1,09,46,57,366
		1,34,74,45,192	1,33,99,97,666
Share Application Money Pending Allotment	3.1	-	12,95,000
NON-CURRENT LIABILITIES			
Deferred Tax Liabilities (Net)	3.3	75,31,000	61,39,000
Other Long-Term Liabilities	3.4	1,68,28,312	1,46,05,909
		2,43,59,312	2,07,44,909
CURRENT LIABILITIES			
Short-Term Borrowings	3.5	10,00,00,000	10,00,00,000
Trade Payables			
- Total outstanding dues of Micro Enterprises and Small Enterprises	3.6	-	-
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	3.6	67,23,67,914	92,38,48,244
Other Current Liabilities	3.7	54,61,44,423	49,07,81,758
Short-Term Provisions	3.8	7,43,85,336	14,19,26,533
		1,39,28,97,673	1,65,65,56,535
TOTAL EQUITY AND LIABILITIES		2,76,47,02,177	3,01,85,94,110
ASSETS			
NON CURRENT ASSETS			
Property, Plant and Equipment			
- Tangible Assets	3.9 (a)	30,55,44,598	31,54,35,386
- Intangible Assets	3.9 (b)	37,27,596	88,39,222
- Capital Work In Progress		2,11,917	4,66,656
Non-Current Investments	3.10	49,17,00,000	40,58,25,000
Long-Term Loans and Advances	3.11	4,85,29,116	6,26,14,366
Other Non Current Assets	3.12	-	2,25,91,322
		84,97,13,227	81,57,71,952
CURRENT ASSETS			
Inventories	3.13	-	25,12,963
Trade Receivables	3.14	57,38,66,018	87,64,09,008
Cash and Cash Equivalents	3.15	1,28,99,54,035	1,27,56,66,064
Short-Term Loans and Advances	3.16	4,32,60,555	4,02,03,564
Other Current Assets	3.17	79,08,342	80,30,559
		1,91,49,88,950	2,20,28,22,158
TOTAL ASSETS		2,76,47,02,177	3,01,85,94,110
SIGNIFICANT ACCOUNTING POLICIES :	2		

The accompanying notes are an integral part of 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, 2019

For and on behalf of the Board of

Emkay Global Financial Services Limited**Krishna Kumar Karwa**
Managing Director**Prakash Kacholia**
Managing Director**Saket Agrawal**
Chief Financial Officer**Bhalchandra Raul**
Company Secretary

Place : Mumbai

Date : May 28, 2019

STATEMENT OF PROFIT AND LOSS

For the year ended 31 March, 2019

Particulars	Note No.	For the year ended 31 March, 2019 (₹)	For the year ended 31 March, 2018 (₹)
INCOME			
Revenue from Operations	3.18	1,28,48,07,470	1,32,21,43,837
Other Income	3.19	1,16,74,580	76,92,897
Total Revenue		1,29,64,82,050	1,32,98,36,734
EXPENSES			
Employee Benefits Expense	3.20	64,81,77,517	59,97,35,681
Finance Costs	3.21	3,01,32,701	2,38,72,808
Depreciation and Amortisation Expense	3.22	4,49,50,579	4,52,61,536
Other Expenses	3.23	46,96,82,188	43,25,98,199
Total Expenses		1,19,29,42,985	1,10,14,68,224
Profit Before Exceptional Item and Tax		10,35,39,065	22,83,68,510
Exceptional Item	18	1,87,00,000	-
Profit Before Tax		8,48,39,065	22,83,68,510
Tax Expense:			
- Current Tax : for the year		2,41,00,000	4,95,00,000
- Less: MAT Credit Entitlement		(24,00,000)	-
		2,17,00,000	4,95,00,000
- Excess Provision for Income Tax for earlier years		(19,16,867)	-
- Deferred Tax (Benefit)/Charge for the year		13,92,000	(5,54,000)
Profit After Tax		6,36,63,932	17,94,22,510
Earnings per Equity Shares of nominal value of Rs.10/- each			
-Basic		2.59	7.32
-Diluted		2.59	7.30
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, 2019

For and on behalf of the Board of

Emkay Global Financial Services Limited

Krishna Kumar Karwa

Managing Director

Saket Agrawal

Cheif Financial Officer

Place : Mumbai

Date : May 28, 2019

Prakash Kacholia

Managing Director

Bhalchandra Raul

Company Secretary

CASH FLOW STATEMENT

For the year ended 31 March, 2019

Particulars	Year ended 31 March, 2019 (₹)		Year ended 31 March, 2018 (₹)	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax, Exceptional / Extraordinary items		10,35,39,065		22,83,68,510
Adjustment for :				
Finance Costs	3,01,32,701		2,38,72,808	
Depreciation and Amortisation Expense	4,49,50,579		4,52,61,536	
Loss on Sale of Property, Plant and Equipment (Net of loss on discard)	1,74,314		4,98,410	
Interest Received	(94,23,557)		(29,89,257)	
Dividend Received	-		(3,22,573)	
Unrealised Foreign Exchange Loss/(Gain) (Net)	2,00,201		(1,73,841)	
Write Back of Provision for Doubtful Debts /Deposits / /Advances (Net off Provision)	(32,63,915)		(9,00,189)	
Gain / Loss on Sale of Current/Non Current Investments	-	6,27,70,323	(1,33,831)	6,51,13,063
Operating profit before working capital changes		16,63,09,388		29,34,81,573
Adjustment for :				
Trade and other receivables	27,26,88,161		(16,15,69,868)	
Deposits with Banks and Other items not considered as cash and cash equivalents (Refer Note 3 below)	(1,20,46,641)		(24,32,01,438)	
Inventories	25,12,963		2,32,10,290	
Trade and other payables	(26,18,78,074)	12,76,409	49,49,50,176	11,33,89,160
Cash Generated from operations		16,75,85,797		40,68,70,733
Direct taxes (Paid)/Refund		49,28,538		(5,17,76,743)
Cash flow before Exceptional / Extraordinary items		17,25,14,335		35,50,93,990
Exceptional / Extraordinary items		(1,87,00,000)		-
Net Cash from/ (used in) Operating Activities		15,38,14,335		35,50,93,990
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment	(2,99,95,404)		(1,67,42,559)	
Proceeds from Sale of Property, Plant and Equipment	1,27,664		1,70,850	
Acquisition/Disposal of Non-Current Investments	(10,45,75,000)		(6,83,25,000)	
Interest received	94,23,557		29,89,257	
Provision for diminution in Non-Current Investment (Net of write back)	1,87,00,000		-	
Loans received back from Emkay Employees Welfare Trust	-		3,74,00,000	
Gain on sale of Current Investments	-		1,33,831	
Dividend received	-	(10,63,19,183)	3,22,573	(4,40,51,048)
Net Cash from/ (used in) Investing Activities		(10,63,19,183)		(4,40,51,048)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Issue of Shares	18,50,000		62,27,760	
Share Application Money pending allotment	-		12,95,000	
Addition/(Repayment) of Short-Term Borrowings	-		(18,81,08,349)	
Repayment of Loan /(Loan Given) to Subsidiary	2,00,00,000		(2,00,00,000)	
Finance Costs paid	(3,01,32,701)		(2,38,72,808)	
Dividends paid (including dividend distribution tax)	(5,93,16,765)	(6,75,99,466)	(2,94,19,798)	(25,38,78,195)
Net Cash from/ (used in) Financing Activities		(6,75,99,466)		(25,38,78,195)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		(2,01,04,314)		5,71,64,747

Cash Flow Statement For the year ended 31 March, 2019 (Contd.)

Particulars	Year ended 31 March, 2019 (₹)	Year ended 31 March, 2018 (₹)
Net increase in cash and cash equivalents (A+B+C)	(2,01,04,314)	5,71,64,747
Cash and cash equivalents at the beginning of the year	29,32,83,942	23,61,19,195
Cash and cash equivalents at the close of the year	27,31,79,628	29,32,83,942
Notes :		
1. Cash and cash equivalents comprise of :		
Balances with Scheduled Banks		
- In Current Accounts	27,22,19,773	29,21,14,180
Cheque on hand	-	-
Cash on hand	3,10,255	4,89,340
Balances in Prepaid Cards	5,60,960	7,46,138
	27,30,90,988	29,33,49,658
Add / (Less) : Exchange difference on translation of foreign currency cash and cash equivalents	88,640	(65,716)
	27,31,79,628	29,32,83,942

- Cash flow statement has been prepared under the Indirect Method as set out in the Accounting Standard - 3 (AS-3) "Cash Flow Statement".
- Cash and cash equivalent excludes deposit with banks towards Margin/Security for Bank Guarantees, Borrowings and Other Commitments and balance in Unclaimed Dividend Accounts.
- Previous year's figures are re-grouped/ recasted/ re-arranged wherever considered necessary.

As per our report of even date

For **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, 2019

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

Krishna Kumar Karwa
Managing Director

Saket Agrawal
Cheif Financial Officer

Place : Mumbai
Date : May 28, 2019

Prakash Kacholia
Managing Director

Bhalchandra Raul
Company Secretary

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March, 2019

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 Wealth Management Services.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation of Financial Statements

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.

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 recognised 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 is recognised 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 wherever applicable.
- c. Income from investment banking activities and other fees is recognised as and when such services are completed / performed and as per terms of agreement with the client.
- d. Income from depository operations is accounted on accrual basis.
- e. Commission on Income in relation to Wealth Management Services is recognised based on mobilisation and intimation received from third parties.

Interest

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

Dividend

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

Sale of Investments and Stock-in-trade

- h. The Profit/(Loss) earned on Sale of Investments and Stock-in-trade are recognised 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

- i. 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

Notes to the Financial Statements For the year ended 31 March, 2019 (Contd.)

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 recognised 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 recognised 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 are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalisation 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. Capital Work in progress is stated at cost. The cost comprises purchase price, borrowing costs if capitalisation 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.
- c. Depreciation on Property, Plant and Equipment 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.

- d. 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 Amortisation

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised 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 amortised over the period of economic benefits.

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

2.6 Investments

Investments, which are readily realisable 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.

Notes to the Financial Statements For the year ended 31 March, 2019 (Contd.)

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 recognised 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 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 recognised 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 recognised 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 recognised 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 realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

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

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 recognised 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 recognises 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."

Notes to the Financial Statements For the year ended 31 March, 2019 (Contd.)

2.10 Impairment of 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 recognised 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 recognised 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 recognised 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 recognised as income or as expenses in the same period in which the gain or loss on disposal is recognised.
- ii. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a Property, Plant and Equipment are capitalised 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 amortised over the remaining life of the concerned monetary item.
- iv. All other exchange differences are recognised as income or as expenses in the period in which they arise.

Notes to the Financial Statements For the year ended 31 March, 2019 (Contd.)

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 organised 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.

Notes to the Financial Statements For the year ended 31 March, 2019 (Contd.)

3.1 : SHARE CAPITAL

Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
Authorised		
5,00,00,000 (PY 4,00,00,000) Equity Shares of ₹10/- each	50,00,00,000	40,00,00,000
Issued, Subscribed and Paid Up		
2,46,19,030 (PY 2,45,34,030) Equity Shares of ₹10/- each fully paid up	24,61,90,300	2,45,34,030
	24,61,90,300	2,45,34,030

Notes:-

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

Particulars	As at 31 March, 2019 (₹)		As at 31 March, 2018 (₹)	
	No of Shares	Amount	No of Shares	Amount
At the beginning of the reporting period	2,45,34,030	24,53,40,300	2,44,38,150	24,43,81,500
Add: Shares issued during the reporting period under ESOP	85,000	8,50,000	95,880	9,58,800
Outstanding at the end of the reporting period	2,46,19,030	24,61,90,300	2,45,34,030	24,53,40,300

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, 2019		As at 31 March, 2018	
	No of Shares	% held	No of Shares	% held
Equity shares of Rs. 10 each fully paid				
Mr.Krishna Kumar Karwa	49,22,500	19.99	49,22,500	20.06
Mr.Prakash Kacholia	47,50,000	19.29	47,50,000	19.36
M/s.Emkay Corporate Services Private Limited	43,90,000	17.83	41,50,000	16.92
Mrs.Preeti Kacholia	18,80,000	07.64	18,80,000	07.66
Mr.Raunak Karwa	17,50,000	07.11	17,50,000	07.13

d: Shares Reserved for issue under options:

The Company has reserved issuance of 46,38,448 (Previous Year 22,45,045) 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 seven years and ten months 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).

Notes to the Financial Statements
For the year ended 31 March, 2019 (Contd.)

3.2 : RESERVES AND SURPLUS

Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
Securities Premium Reserve		
Balance as per last Financial Statements	69,71,98,744	69,13,74,784
Add: Additions on ESOPs exercised and allotted	22,95,000	58,23,960
Closing Balance	69,94,93,744	69,71,98,744
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 Statement	22,13,07,828	7,13,84,665
Add: Profit for the year	6,36,63,932	17,94,22,510
Amount available for appropriation	28,49,71,760	25,08,07,175
Less: Appropriations:		
Dividend paid on Equity Shares	4,92,38,060	2,45,09,750
Dividend Distribution Tax - on Dividend	1,01,23,346	49,89,597
Total of appropriations	5,93,61,406	2,94,99,347
Net Surplus in the Statement of Profit and Loss	22,56,10,354	22,13,07,828
	1,10,12,54,892	1,09,46,57,366

3.3 : DEFERRED TAX LIABILITIES (NET)

Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
Deferred Tax Liabilities		
Difference between book and tax depreciation	78,64,000	74,22,000
	78,64,000	74,22,000
Deferred Tax Assets		
Provisions	3,33,000	12,83,000
	3,33,000	12,83,000
Net Deferred Tax Liabilities	75,31,000	61,39,000

3.4 : OTHER LONG TERM LIABILITIES

Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
Others		
-Security Deposits	1,68,28,312	1,46,05,909
	1,68,28,312	1,46,05,909

3.5 : SHORT-TERM BORROWINGS

Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
Secured		
Loan repayable on demand:		
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
	10,00,00,000	10,00,00,000

* Short Term Loan is secured by way of margin money with bank.

Notes to the Financial Statements For the year ended 31 March, 2019 (Contd.)

3.6 : TRADE PAYABLES

Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
Total outstanding dues of Micro Enterprises and Small Enterprises	-	-
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	-	-
- Others	67,23,67,914	92,38,48,244
	67,23,67,914	92,38,48,244
The details of amount outstanding to Micro, Small and Medium Enterprises defined under "Micro, Small and Medium Enterprises Development Act, 2006" (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	-	-

3.7 : OTHER CURRENT LIABILITIES

Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
Interest Accrued but not due on Borrowings	15,18,115	3,60,534
Income Received in advance	10,89,766	12,54,648
Unclaimed Dividend *	3,41,047	2,96,406
Other Payables		
Advance Received from Clients	27,60,801	27,21,478
Payable for Expenses	3,90,97,642	4,79,13,577
Statutory Liabilities	6,36,33,484	6,25,58,174
Deposit towards Margin and other from Clients	43,49,58,931	37,26,37,319
Other Liabilities	27,44,637	30,39,622
Equity Index Options Premium	-	-
	54,61,44,423	49,07,81,758

* There is no amount due and outstanding to be transferred to the Investor Education and Protection Fund (IEPF) as on March 31, 2019. 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, 2019 (₹)	As at 31 March, 2018 (₹)
Provision for Employee Benefits		
- Gratuity Obligation	84,88,362	1,19,26,533
- Provision for Bonus	6,55,00,000	13,00,00,000
- Provision for Income Tax (Net of Tax Paid)	3,96,974	-
	7,43,85,336	14,19,26,533

Notes to the Financial Statements
For the year ended 31 March, 2019 (Contd.)

3.9 PROPERTY, PLANT AND EQUIPMENT

(a) Tangible Assets

Particulars	Office Premises * (₹)	Furniture & Fixtures (₹)	Vehicles(₹)	Office Equipment (₹)	Computers (₹)	Air Conditioners (₹)	Leasehold Improvement (₹)	Total (₹)
Gross Block (At Cost)								
At 1 April, 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
Additions	-	17,55,938	-	35,09,579	1,27,77,294	6,25,558	78,96,794	2,65,65,163
Deductions	-	1,26,454	-	16,70,175	34,87,851	2,48,794	-	55,33,274
At 31 March, 2019	38,04,75,731	4,20,66,119	1,08,07,040	2,21,80,808	10,18,64,634	73,92,426	3,35,21,067	59,83,07,825
Depreciation/ Amortization								
At 1 April, 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 year	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
Charge for the year	1,32,97,524	21,23,966	9,15,484	20,68,744	1,36,95,390	6,25,059	34,27,806	3,61,53,973
Deductions	-	1,07,162	-	15,53,179	33,50,298	2,20,657	-	52,31,296
At 31 March, 2019	12,01,54,600	3,57,20,282	88,12,491	1,77,31,963	7,92,19,479	44,91,017	2,66,33,395	29,27,63,227
Net Block								
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
At 31 March, 2019	26,03,21,131	63,45,837	19,94,549	44,48,845	2,26,45,155	29,01,409	68,87,672	30,55,44,598

* Equitable Mortgage is created in favour of HDFC Bank Limited for Working Capital Overdraft facility.

(b) Intangible Assets

Particulars	Software (₹)	Total (₹)
Gross Block (At Cost)		
At 1 April, 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
Additions	36,84,980	36,84,980
Deductions	-	-
At 31 March, 2019	6,28,58,403	6,28,58,403
Depreciation/ Amortization		
At 1 April, 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
Charge for the year	87,96,606	87,96,606
Deductions	-	-
At 31 March, 2019	5,91,30,807	5,91,30,807
Net Block		
At 31 March, 2018	88,39,222	88,39,222
At 31 March, 2019	37,27,596	37,27,596

Notes to the Financial Statements For the year ended 31 March, 2019 (Contd.)

3.10 : NON CURRENT INVESTMENTS

Particulars	Face Value Per Share/Unit	No. of Shares/Units		Amount	
		As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
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 Investment Managers Limited	10	90,00,000	50,00,000	9,00,00,000	5,00,00,000
- Emkay Commotrade Limited	10	60,00,000	60,00,000	6,00,00,000	6,00,00,000
- Less: Provision for diminution in value of investment				3,27,00,000	-
				2,73,00,000	6,00,00,000
- Emkay Wealth Advisory Limited	10	41,00,000	41,00,000	4,10,00,000	4,10,00,000
- Less: Provision for diminution in value of investment				1,95,00,000	3,35,00,000
				2,15,00,000	75,00,000
Total Investments in Equity Instruments (I)				35,88,00,000	33,75,00,000
(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	7,00,000	3,50,000	7,00,00,000	3,50,00,000
- Emkay Emerging Stars Fund-II **	100	1,57,500	78,750	1,57,50,000	78,75,000
- Emkay Emerging Stars Fund-III **	100	2,17,000	-	2,17,00,000	-
Total Investments in AIF (III)				10,74,50,000	4,28,75,000
(IV) Investment in LLP					
In Associates :-					
- Aa lea Capital Partners LLP				4,50,000	4,50,000
Total Investments in Associate (IV)				4,50,000	4,50,000
Total Non-Current Investments (I to IV)				49,17,00,000	40,58,25,000
Aggregate amount of Un-Quoted Investments				49,17,00,000	40,58,25,000

* NAV per unit as on 31 March,2019 : ₹ 97.7840 (₹101.8519 as on 31 March,2018)

** NAV per unit as on as on 31 March,2019 : ₹ 96.8059 (₹ 99.9354 as on 31 March,2018)

*** NAV per unit as on as on 31 March,2019 : ₹ 105.9754

Notes to the Financial Statements
For the year ended 31 March, 2019 (Contd.)

3.11 : LONG-TERM LOANS AND ADVANCES

Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
Unsecured, Considered Good		
Capital Advances	54,67,500	13,25,380
Deposits	3,78,04,836	3,09,72,713
Other Loans and Advances		
Unsecured, Considered Good		
Income Tax Paid (Net of Provisions)	-	2,67,14,697
MAT Credit Entitlement	24,00,000	-
Fringe Benefit Tax Refundable	5,28,303	5,28,303
Prepaid Expenses	23,28,477	29,68,273
Loan to Employees	-	1,05,000
	4,85,29,116	6,26,14,366

3.12 : OTHER NON CURRENT ASSETS

Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
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 ₹ Nil (PY ₹ 2,25,00,000) with maturity of more than 12 months towards Margin/Security for Borrowings and Other Commitments

3.13 : INVENTORIES

Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
Stock in Trade (Valued at lower of Cost or Fair Value)		
- Shares and Securities	-	25,12,963
	-	25,12,963

3.14 : TRADE RECEIVABLES

Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
Trade Receivable outstanding for a period exceeding six months from the date they are due for payment:		
Secured, considered good	1,06,603	1,09,266
Unsecured, considered good	88,43,338	1,63,509
Unsecured, considered doubtful	9,38,551	2,81,414
	98,88,492	5,54,189
Less: Provision for Doubtful Debts	9,38,551	2,81,414
	89,49,941	2,72,775
Trade Receivable outstanding for a period less than six months from the date they are due for payment: **		
Secured, considered good	34,64,48,042	4,16,79,628
Unsecured, considered good *	21,84,68,035	83,44,56,605
(includes Unbilled Revenue of ₹ 2,742,989/- (PY ₹ 5,854,696/-)		
Unsecured, considered doubtful	2,03,751	33,67,330

Notes to the Financial Statements For the year ended 31 March, 2019 (Contd.)

Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
	56,51,19,828	87,95,03,563
Less: Provision for Doubtful Debts	2,03,751	33,67,330
	56,49,16,077	87,61,36,233
	57,38,66,018	87,64,09,008
* Above includes due from Managing Director [Refer note no.13(B)]	89	-
** Net of Margin		

3.15 : CASH AND CASH EQUIVALENTS

Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
Cash and Cash Equivalents		
Balance with Banks:		
- In Current Accounts	27,22,19,773	29,21,14,180
Cash on hand	3,10,255	4,89,340
Balance in Prepaid Cards	5,60,960	7,46,138
	27,30,90,988	29,33,49,658
Other Bank Balances		
- In Deposit Accounts towards Margin/Security for Bank Guarantee, Borrowings and Other Commitments	96,65,22,000	93,20,20,000
- In Margin Account towards Security for Borrowings	5,00,00,000	5,00,00,000
- In Earmarked Accounts		
Unclaimed Dividend	3,41,047	2,96,406
	1,28,99,54,035	1,27,56,66,064

Note:- Deposits with banks includes deposits of ₹ 43,65,22,000/- (P.Y. ₹ 41,40,21,000/-) 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, 2019 (₹)	As at 31 March, 2018 (₹)
Unsecured, Considered Good unless otherwise stated		
Deposits		
- Considered Good	2,68,55,938	21,56,472
- Considered Doubtful	-	6,32,858
	2,68,55,938	27,89,330
Less: Provision for Doubtful Deposits	-	6,32,858
	2,68,55,938	21,56,472
Loans and Advances to related parties		
- Loans [Refer note no.13(B)]	-	2,00,00,000
- Recoverable towards expenses [Refer note no.13(B)]	3,00,064	7,70,237
Advances recoverable in cash or kind or for value to be received		
- Considered Good	12,43,630	9,42,419
- Considered Doubtful	-	1,04,260
	12,43,630	10,46,679
Less: Provision for Doubtful Advances	-	1,04,260
	12,43,630	9,42,419
Other Loans and Advances		

Notes to the Financial Statements
For the year ended 31 March, 2019 (Contd.)

Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
Prepaid Expenses	1,31,62,577	1,17,45,553
Loan to Employees		
- Considered Good	20,587	17,90,014
- Considered Doubtful	-	20,356
	20,587	18,10,370
Less: Provision for Doubtful Loans	-	20,356
	20,587	17,90,014
Goods and Service Tax Input Credit Available / Receivable	14,83,509	7,63,746
Equity Index/Stock Options Premium	1,94,250	20,35,123
	1,48,60,923	1,63,34,436
	4,32,60,555	4,02,03,564

3.17 : OTHER CURRENT ASSETS

Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
Interest Accrued on Deposits with Banks	79,08,342	80,30,559
	79,08,342	80,30,559

3.18 : REVENUE FROM OPERATIONS

Particulars	For the year ended 31 March, 2019 (₹)	For the year ended 31 March, 2018 (₹)
Sale of Services		
Brokerage	1,09,73,52,884	1,11,56,16,064
Investment Banking Activities	4,19,14,790	4,33,13,166
Depository Operations	66,00,838	90,28,255
Placement Fees	70,00,000	1,30,64,449
Research Fees	2,00,55,436	2,25,26,708
Other Fees	2,91,000	-
	1,17,32,14,948	1,20,35,48,642
Other Operating Revenue		
Interest on Deposit* with		
- Banks	6,39,86,391	5,31,05,777
- Others	4,58,543	4,83,783
Delayed Payments Charges	2,37,49,314	3,23,07,353
Income from Trades in Securities/Derivatives Instruments (Net)	49,61,640	1,37,99,133
Provision for Doubtful Debts Written Back	1,03,564	3,65,773
Provision for Doubtful Loans & Advances Written Back	91,000	-
Bad Debts Recovered	4,68,945	26,98,941
Miscellaneous Income	1,77,73,125	1,58,34,435
	11,15,92,522	11,85,95,195
	1,28,48,07,470	1,32,21,43,837

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

Notes to the Financial Statements For the year ended 31 March, 2019 (Contd.)

3.19 : OTHER INCOME

Particulars	For the year ended 31 March, 2019 (₹)	For the year ended 31 March, 2018 (₹)
Interest		
-On Deposit with Banks*	25,78,389	25,47,598
-On Unsecured Loans granted	10,69,863	1,38,630
-Others	57,75,305	3,03,029
Dividend	-	3,22,573
Gain on Sale of Investments	-	1,33,831
Insurance Claim Received	3,56,332	22,91,945
Other Miscellaneous Income	18,94,691	19,55,291
	1,16,74,580	76,92,897

* Acquired/held for the purposes other than of Stock/Currency Exchanges

3.20 : EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended 31 March, 2019 (₹)	For the year ended 31 March, 2018 (₹)
Salaries and Other Benefits	60,86,84,903	56,78,20,304
Contribution to Provident and Other funds	2,04,15,174	1,39,50,242
Gratuity	1,24,88,362	1,19,26,533
Employees Welfare Expenses	65,89,078	60,38,602
	64,81,77,517	59,97,35,681

3.21 : FINANCE COSTS

Particulars	For the year ended 31 March, 2019 (₹)	For the year ended 31 March, 2018 (₹)
Interest Expense	1,66,53,155	1,22,92,027
Other Borrowing Costs	1,34,79,546	1,15,80,781
	3,01,32,701	2,38,72,808

3.22 : DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	For the year ended 31 March, 2019 (₹)	For the year ended 31 March, 2018 (₹)
Depreciation of Tangible Assets	3,61,53,973	3,68,60,705
Amortization of Intangible Assets	87,96,606	84,00,831
	4,49,50,579	4,52,61,536

Notes to the Financial Statements
For the year ended 31 March, 2019 (Contd.)

3.23 : OTHER EXPENSES

Particulars	For the year ended 31 March, 2019 (₹)	For the year ended 31 March, 2018 (₹)
Brokerage and Commission	13,90,29,693	15,52,05,321
Contribution/Payments to Stock Exchanges/Prof Clearing Member	94,85,950	87,66,834
Depository Charges	13,02,431	10,90,826
Expenses Attributable to trades in Securities/Derivative Instruments	32,82,714	1,17,969
Membership and Subscription	5,71,95,313	4,41,52,727
Registration Fees	4,36,854	6,19,213
Loss due to Execution of Error Trades	1,36,65,346	97,09,382
Claims/ Compensation/ Settlement Charges	-	1,09,000
Communication, Postage and Courier Charges	2,21,91,901	2,11,94,394
Fees and Stamps	19,42,859	18,90,574
Electricity Charges	1,16,50,751	1,24,15,168
Insurance	10,41,800	9,75,959
Repair and Maintenance - Building	54,95,477	57,41,327
Repair and Maintenance - Others	1,84,24,429	1,72,31,642
Advertisement and Business Promotion Expenses	2,33,87,440	2,17,17,767
Printing and Stationery	53,52,763	44,87,330
Travelling, Conveyance and Vehicle Expenses	6,38,05,599	5,91,17,429
Provision for Doubtful Debts	10,05,867	3,93,197
Bad Debts Written off	45,72,937	27,41,228
Less : Provision Written Back	(34,08,744)	(9,27,613)
	11,64,193	18,13,615
Deposits and Advances Written off	6,70,513	10,65,400
Less : Provision Written Back	(6,66,474)	-
	4,039	10,65,400
Software Expenses	46,41,844	24,39,490
Legal and Professional Fees	2,83,90,261	2,35,08,857
Payment to Auditors		
As Auditors		
- Audit Fees	14,56,659	14,40,000
- Tax Audit Fees	1,52,857	1,50,000
In Other Capacity		
- Taxation Matter	-	80,850
- Other Services	6,89,057	9,85,155
	22,98,573	26,56,005
Commission to Independent Directors	9,50,000	9,50,000
Rent	2,55,72,370	1,89,28,002
Goods & Service Tax / Service Tax	13,37,116	1,42,441
Rates and Taxes	12,33,901	12,29,971
Share Issue Expenses	9,50,000	-
Miscellaneous Expenses	2,18,71,513	1,16,09,265
Foreign Exchange Rate Fluctuation Loss (Net)	6,25,877	64,684
Loss on Disposal/Discard of Property, Plant and Equipment	1,74,314	4,98,410
Corporate Social Responsibility	8,00,000	3,50,000
Donation	9,71,000	24,06,000
	46,96,82,188	43,25,98,199

Notes to the Financial Statements For the year ended 31 March, 2019 (Contd.)

4. EMPLOYEES STOCK OPTION SCHEMES

(i) Disclosure in connection with Company's Employees Stock Option Schemes:-

a) The Company has granted Employee Stock Options (ESOP) to its employees and employees of its subsidiaries. During the year ended 31 March, 2019, 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	28,05,000*	6,47,000
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
Market Price at the date of grant (per Share)***	Ranging from	
	₹ 36.95 to ₹ 92.75	₹ 37.00 to ₹ 92.50

Particulars	ESOP-2007	ESOP-2010
Date of Grant	28.05.2018	14.08.2018 to 01.03.2019
Number of Options Granted	13,95,000	21,86,168**
Method of Settlement	Equity	
Vesting period from the date of Grant	(i) Time based : 3 to 5years (ii) Performance/Target based - 2 years and 1 month to 7 years and 10 months	(i) Time based : 3 to 5 years (ii) Performance/Target based - 2 years and 1 month to 7 years and 1 month
Exercise period from the date of vesting	2 Years from the date of each vesting	
Exercise Price (per Share)	₹ 145.45	₹ 72.55 to ₹ 133.25
Market Price at the date of grant (per Share)***	₹ 145.45	₹ 72.55 to ₹ 133.25

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

** Options granted under ESOP – 2018 includes 61,548 Options to employees of Subsidiary Companies.

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

b) During the previous year ended on 31 March, 2018 following schemes were in 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	28,05,000*	6,47,000
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
Market Price at the date of grant (per Share)**	Ranging from	
	₹ 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.

Notes to the Financial Statements

For the year ended 31 March, 2019 (Contd.)

- c) 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 authorised 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 Per cent 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 there of.
- d) Details of activity under the ESOP Schemes have been summarised below:

Particulars	ESOP-2007		ESOP-2010		ESOP-2018
	2018-19	2017-18	2018-19	2017-18	2018-19
Options Outstanding at the beginning of the year (A)	87,000	353,050	15,500	65,000	-
Options Granted during the year (B)	13,95,000	-	-	-	21,86,168
Options Exercised and Shares Allotted (C)	50,000	80,880	-	40,500	-
Options Exercised and Shares Pending for Allotment (D)	-	35,000	-	-	-
Options Exercised Last Year and Allotted in current year	35,000	15,000	-	-	-
Options Lapsed during the year (E)	37,000	1,50,170	15,500	9,000	1,00,000
Options Outstanding at the end of the year (A+B-C-D-E)	13,95,000	87,000	-	15,500	20,86,168
Options Exercisable at the end of the year	-	87,000	-	15,500	-
Weighted Average remaining contractual life (in years)	6.67	1.12	-	0.50	6.87

- e) 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 March, 2019 (₹)	Year ended 31 March, 2018 (₹)
Net Income as reported	6,36,63,932	17,94,22,510
Add :- Intrinsic Value Compensation Cost	Nil	Nil
Less :- Fair Value Compensation Cost	3,07,62,556	(65,35,940)
Adjusted Proforma Net Income	3,29,01,376	18,59,58,450
Earning Per Share		
Basic		
- As Reported	2.59	7.32
- Proforma	1.34	7.59
Diluted		
- As Reported	2.59	7.30
- Proforma	1.34	7.57

Notes to the Financial Statements For the year ended 31 March, 2019 (Contd.)

- f) The Fair Value and other disclosures and assumptions have been determined by an independent consultant and relied upon by the Auditors.
- (ii) The Company has provided interest free loan to “Emkay Employees Welfare Trust” an independent ESOP Trust which is administrating ESOP 2010 Scheme of the Company and the loan outstanding as at 31 March, 2019 is ₹Nil (Previous Year Rs. Nil). As on 31 March, 2019, the said Trust has 1,25,767 (net of 2,61,363 equity shares sold during previous 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 lac) during the period commencing from September 2010 to July 2011 for Stock Options granted/to be granted from time to time to the eligible employees. The said holding of 1,25,767 equity shares comprises of 1,10,267 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 were already granted to the eligible employees. Further, during the year, 15,500 Options also got lapsed due to non-exercise of Options by employees and therefore the Un-Appropriated Options as on 31.03.2019 represents entire 1,25,767 equity shares held by “Emkay Employees Welfare Trust”.

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 to the eligible employees or to sell the equity shares 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 2,61,363 equity shares during the previous FY 2017-18 in the secondary market and the remaining 1,25,767 equity shares held by “Emkay Employees Welfare Trust” (Previous year 1,10,267 equity shares) shall be sold in the secondary market on or before 27.10.2019.

The Company introduced ESOP-2018 Scheme during the previous 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 approval on 18.04.2018 and Bombay Stock Exchange Limited on 26.04.2018. Under this ESOP Scheme approval for listing of maximum 24,53,403 equity shares of ₹10/- each of the Company has been obtained.

ESOP's under the said scheme have been granted by the Company to its employees and/or to the employees of its wholly owned subsidiary companies during the financial year ended 31.03.2019.

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

Particulars	As at	As at
	31 March, 2019 (₹)	31 March, 2018 (₹)
Present Value of defined benefit obligations	5,74,54,768	4,69,18,054
Fair value of plan assets	4,89,63,905	3,49,87,764
Unrecognised past service cost	2,501	3,757
Plan asset / (liability)	(84,88,362)	(1,19,26,533)

Notes to the Financial Statements
For the year ended 31 March, 2019 (Contd.)

Changes in present value of defined benefit obligations

Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
Opening defined benefit obligation	4,69,18,054	3,50,97,602
Acquisition Adjustment	1,54,620	-
Current service cost	64,77,311	41,90,786
Past service cost (Vested Employees)	-	52,21,307
Past service cost (Un-Vested Employees)	-	3,767
Interest cost	33,75,706	23,84,949
Benefits paid	(41,46,914)	(38,91,783)
Actuarial (Gains)/Losses on obligation	46,75,991	39,11,426
Closing defined benefit obligation	5,74,54,768	4,69,18,054

Changes in fair value of plan assets

Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
Opening fair value plan assets	34,987,764	2,86,69,926
Acquisition Adjustment	1,54,620	-
Expected return	26,22,220	20,05,474
Contributions by employer	1,59,26,533	64,27,676
Benefits paid	(41,46,914)	(38,91,783)
Actuarial Gain/(Losses)	(5,80,318)	17,76,471
Closing fair value of plan assets	4,89,63,905	3,49,87,764

Statement of Profit & Loss

Particulars	Year ended 31 March, 2019 (₹)	Year ended 31 March, 2018 (₹)
Current service cost	64,77,311	41,90,786
Past service cost (Vested Employees)	-	52,21,307
Past service cost (Un-Vested Employees)	1,256	10
Interest cost	33,75,706	23,84,949
Expected return on plan assets	(26,22,220)	(20,05,474)
Net Actuarial (Gains)/Loss recognised for the period	52,56,309	21,34,955
Expenses recognised in statement of profit & loss under Employee benefits expense	1,24,88,362	1,19,26,533

Principal assumptions

Particulars	Year ended 31 March, 2019 (₹)	Year ended 31 March, 2018 (₹)
Discount Rate	6.90%	7.20%
Rate of increase in compensation	9.00%	8.00%
Expected rate of return on assets	7.50%	7.50%
Withdrawal rate	Upto Age 45: 25% 46 & above : 15%	Upto Age 45: 30% 46 & above : 15%

Notes to the Financial Statements For the year ended 31 March, 2019 (Contd.)

6. CONTINGENT LIABILITIES

Sr. No.	Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
1	Claims against the Company not acknowledged as debt	4,87,650	3,87,650
2	Guarantees issued by Banks	1,55,00,00,000	1,44,00,00,000
3	Corporate Guarantee issued in favour of a bank to secure credit facilities sanctioned by the bank to EmkayCommotrade Limited (a wholly owned Subsidiary Company)	NIL	20,00,00,000
4	Income Tax matters in appeal (Net of taxes paid)	NIL	1,55,973
5	Service Tax Matters in appeal (Net of ₹ 3,843,538/- paid in financial year 2019-20)	8,47,80,563	NIL

7. CAPITAL COMMITMENTS

Sr. No.	Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
1	Estimated amounts of Contracts remaining to be executed on Capital Account and not provided for (net of advances)	1,74,04,396	11,34,632

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. Other Current Liabilities includes ₹ 19,58,156/- (P.Y. ₹16,40,778/-) being aggregate amount of deposits in Company's bank accounts made directly by Clients whose details are awaited.

10. 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 2,55,72,370/-(P.Y. ₹ 1,89,28,002/-)
- (b) The future minimum lease payments in respect of non-cancellable operating leases are as follows:-

Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
a) Payments not later than one year	1,10,36,652	51,91,026
b) Payments later than one year and not later than five years	63,50,311	-
c) Payable later than five years	-	-
Total	1,73,86,963	51,91,026

Notes to the Financial Statements For the year ended 31 March, 2019 (Contd.)

11. EARNINGS PER SHARE

Particulars	As at	
	31 March, 2019 (₹)	31 March, 2018 (₹)
Profit available for Equity Shareholders (₹)	6,36,63,932	17,94,22,510
Weighted average number of Shares used in Computing Basic Earning per share (No's.)	2,46,01,263	2,45,05,251
Add : Potential number of Equity share that could arise on exercise of Employee Stock Options (No's.)	10,306	73,200
Weighted average number of Shares used in Computing Diluted Earning per share (No's.)	2,46,11,569	2,45,78,451
Nominal Value of Equity Shares (₹)	10	10
Basic Earnings per Share (₹)	2.59	7.32
Diluted Earnings per Share (₹)	2.59	7.30

12. 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

13. A) RELATED PARTY DISCLOSURES:

Related parties where control exists

Subsidiaries	Emkay Fincap Limited
	Emkay Commotrade Limited
	Emkay Wealth Advisory Limited (formerly Emkay Insurance Brokers Limited)
	Emkay Investment Managers Limited
	Emkayglobal Financial Services IFSC Pvt. Limited

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

Associate	Aa lea Capital Partners LLP
Key Managerial Personnel	Krishna Kumar Karwa – Managing Director
	Prakash Kacholia – Managing Director
	Preeti Kacholia (Woman Director)
Relatives of Key Managerial Personnel	Priti Karwa
	Raunak Karwa
	Soumya Karwa
	MurlidharKarwa HUF
	Krishna Kumar Karwa HUF
	Nidhi Kacholia
	Divya Kacholia
Enterprises Owned/Controlled by Key Managerial Personnel	Krishna R. Kacholia
	Cambridge Securities
	Synthetic Fibres Trading Company
	Emkay Corporate Services Private Limited
Others	Krishna Investments
	Seven Hills Capital
	Emkay Charitable Foundation

Notes to the Financial Statements
For the year ended 31 March, 2019 (Contd.)

13. B) RELATED PARTY TRANSACTIONS FOR THE YEAR ENDED 31 MARCH, 2019

No.	Name	Relationship	Nature of transaction	Transaction amount during		Amount Outstanding as on	
				2018-19 (₹)	2017-2018 (₹)	31.03.2019 (₹)	31.03.2018 (₹)
	RELATED PARTIES WHERE CONTROL EXISTS						
1	Emkay Fincap Limited	Subsidiary	Brokerage Income Depository Charges Rent Recovery Reimbursement of expenses Reimbursement of expenses paid	7,61,708 2,63,735 3,43,716 3,75,030 -	16,09,645 2,40,405 3,86,780 4,56,137 19,116	- - - 1,90,448 -	- - - 1,65,413 -
			Loan taken & repayment Interest Paid on Loan taken Trade Payables	33,50,00,000 1,00,960 -	44,50,00,000 2,69,727 -	- - -	- - -
2	Emkay Comtrade Limited	Subsidiary	Investment in equity shares Brokerage Income Depository Charges Rent Recovery Reimbursement of expenses Payment received on behalf of Client	- - 5,095 1,71,852 4,78,431 31,158	- - 77,365 3,700 1,72,262 2,04,133 18,975	- - - - 1,09,616 -	- - - - 65,791 -
			Trade Receivables Investment in equity shares Investment in preference shares Reimbursement of expenses Investment in equity shares	- - - 5,27,491 -	- - - 11,15,388 -	437 6,00,00,000 2,50,00,000 -	111 6,00,00,000 2,50,00,000 1,92,078
3	Emkay Wealth Advisory Limited (Formerly Emkay Insurance Brokers Limited)	Subsidiary	Investment in equity shares Purchase of Property , Plant & Equipment	- 33,337	- -	4,10,00,000 -	4,10,00,000 -
4	Emkay Investment Managers Limited	Subsidiary	Brokerage Income Depository Charges Rent Recovery Reimbursement of expenses Interest Income on Loan given Loan given Trade Receivables Investment in equity shares Loan granted received back	3,875 37,985 12,02,995 5,43,020 10,69,863 2,00,00,000 -	5,829 50,525 12,60,582 5,40,072 1,38,630 2,00,00,000 -	- - - 3,46,955 -	- - - - - 2,00,00,000 5,976
			Investment in equity shares Loan granted received back	4,00,00,000 4,00,00,000	2,50,00,000 4,00,00,000	9,00,00,000 -	5,00,00,000 -
5	Azalea Capital Partners LLP	Associate	Depository Charges Trade Receivables Investment via Capital Contribution Payments made on behalf	630 - - -	- - - -	35 4,50,000 20,835 -	- - 4,50,000 -
			Salaries & Other Benefits Brokerage Income Depository Charges	94,08,000 48,825 830	94,08,000 1,06,773 1,200	- -	- -
6	Krishna Kumar Karwa	KMP having control or significant influence					

Notes to the Financial Statements
For the year ended 31 March, 2019 (Contd.)

13. B) RELATED PARTY TRANSACTIONS FOR THE YEAR ENDED 31 MARCH, 2019 (Contd)

No.	Name	Relationship	Nature of transaction	Transaction amount during		Amount Outstanding as on	
				2018-19 (₹)	2017-2018 (₹)	31.03.2019 (₹)	31.03.2018 (₹)
			Dividend Paid	98,45,000	49,22,500	-	-
			Trade Receivables	-	-	-	89
7	Prakash Kacholia	KMP having control or significant influence	Salaries & Other Benefits	94,08,000	94,08,000	-	-
			Brokerage Income	36,002	44,312	-	-
			Depository Charges	1,000	1,240	-	-
			Dividend Paid	95,00,000	47,50,000	-	-
			Trade payables	-	-	24,76,815	22,94,533
8	Preeti Kacholia	Relative of KMP	Brokerage Income	3,17,862	6,32,105	-	-
			Depository Charges	6,505	8,795	-	-
			Dividend Paid	37,60,000	21,25,000	-	-
			Trade payables	-	-	1,41,900	73,11,524
9	Priti Karwa	Relative of KMP	Brokerage Income	357	37,867	-	-
			Depository Charges	630	1,180	-	-
			Trade Receivables	-	-	71	71
10	Raunak Karwa	Relative of KMP	Salaries & Other Benefits	20,16,000	3,36,000	-	-
			Brokerage Income	5,109	6,002	-	-
			Depository Charges	735	585	-	-
			Dividend Paid	35,00,000	17,50,000	-	-
			Trade Receivables	-	-	389	342
11	Soumya K Karwa	Relative of KMP	Brokerage Income	-	26,717	-	-
			Depository Charges	510	675	-	-
			Trade Payables	-	-	-	-
			Trade Receivables	-	-	124	44
12	Murliidhar Karwa HUF	Relative of KMP	Brokerage Income	-	1,084	-	-
			Depository Charges	315	405	-	-
			Dividend Paid	2,00,000	1,00,000	-	-
			Trade Receivables	-	-	384	12
13	Krishna Kumar Karwa HUF	Relative of KMP	Brokerage Income	-	9,017	-	-
			Depository Charges	375	660	-	-
			Dividend Paid	2,00,000	1,00,000	-	-
			Trade Receivables	-	-	35	71
14	Nidhi Kacholia	Relative of KMP	Brokerage Income	344	183	-	-
			Depository Charges	15	645	-	-
			Trade Receivables	-	-	-	390
15	Divya Kacholia	Relative of KMP	Brokerage Income	-	18	-	-
			Depository Charges	-	15	-	-
			Trade Receivables	-	-	-	53

Notes to the Financial Statements
For the year ended 31 March, 2019 (Contd.)

13. B) RELATED PARTY TRANSACTIONS FOR THE YEAR ENDED 31 MARCH, 2019 (Contd)

No.	Name	Relationship	Nature of transaction	Transaction amount during		Amount Outstanding as on
				2018-19 (₹)	2017-2018 (₹)	
	ENTERPRISES OWNED/ CONTROLLED BY KMP					
16	CAMBRIDGE SECURITIES	Enterprise Owned/Controlled by KMP	Depository Charges	-	15	-
17	Synthetic Fibres Trading Co	Enterprise Owned/Controlled by KMP	Brokerage Income	7,65,341	13,44,370	-
			Depository Charges	1,490	4,170	-
			Trade Payables	-	-	1,33,51,064
			Trade Receivables	-	-	71
18	Emkay Corporate Services Private Limited	Enterprise Owned/Controlled by KMP	Brokerage Income	55,764	-	-
			Depository Charges	1,700	980	-
			Dividend Paid	83,00,000	41,50,000	-
			Interest Paid	27,124	42,192	-
			Loan taken & repayment	4,50,00,000	3,50,00,000	-
			Trade Receivables	-	-	18
			Trade Payables	-	-	52,35,153
19	Krishna Investments	Enterprise Owned/Controlled by relative of KMP	Brokerage and Commission	49,308	73,212	-
			Trade Receivables	-	-	2,20,079
			Trade Payables	-	-	41,869
20	Seven Hills Capital	Enterprise Owned/Controlled by KMP	Brokerage Income	3,42,535	8,56,319	-
			Depository Charges	1,610	2,145	-
			Trade Payables	-	-	40,63,137
Others						
21	Emkay Charitable Foundation	Others	Donation : Corporate Social Responsibility	8,00,000	3,50,000	-
	Additional Related Parties as per Companies Act,2013					
22	Saket Agrawal	Chief Financial Officer	Salaries & Other Benefits	45,87,160	34,38,767	-
23	Bhalchandra Raul	Company Secretary	Salaries & Other Benefits	24,92,093	21,72,386	-

Notes to the Financial Statements For the year ended 31 March, 2019 (Contd.)

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

Chief Financial Officer	Saket Agrawal
Company Secretary	Bhalchandra Raul

14. As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2 per cent of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the Company as per the Act.

a) Gross amount required to be spent by the Company during the year is ₹ 31,11,343/- (P.Y. ₹ 3,47,883/-)

b) Details of amount spent:

Particulars	Amount (₹)		
	In cash	Yet to be paid in cash	Total
During the year ending on 31 March, 2019 :			
i) Construction/acquisition of any asset	7,76,440	23,34,903	31,11,343
ii) On purposes other than (i) above	-	-	-
During the year ending on 31 March, 2018 :			
i) Construction/acquisition of any asset	2,58,349	41,234	2,99,583
ii) On purposes other than (i) above	48,300		48,300

Above amount has been spent by Emkay Charitable Foundation a section 8 Company as per the Companies Act, 2013 from the contribution made by the Company.

15. The Hon'ble Supreme Court of India ("SC") vide order dated February 28th, 2019, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund Contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. Pending decision on the review petition and directions from the EPFO, the impact, if any, is not ascertainable and consequently no effect has been given in the accounts

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 March, 2019			As at 31 March, 2018		
	No. of Contracts	No. of Units		No. of Contracts	No. of Units	
		Long	Short		Long	Short
FUTSTK INDIANB	-	-	-	10	20,000	-
FUTSTK CASTROLIND	-	-	-	9	25,200	-
FUTSTK HDFCBANK	-	-	-	6	3,000	-
FUTSTK IDEA	-	-	-	2	-	14,000
FUTSTK HCLTECH	3	2,100	-	-	-	-
FUTSTK REPCOHOME	15	16,500	-	-	-	-
FUTSTK ACC	4	1,600	-	-	-	-
FUTSTK BALKRISIND	3	-	2,400	-	-	-
FUTSTK EICHERMOT	3	-	75	-	-	-
FUTSTK SRTRANSFIN	3	1,800	-	-	-	-
FUTSTK JUBLFOOD	4	2,000	-	-	-	-
FUTSTK HEXAWARE	6	9,000	-	-	-	-
FUTSTK EQUITAS	9	36,000	-	-	-	-
FUTSTK APOLLOHOSP	4	2,000	-	-	-	-

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

Notes to the Financial Statements For the year ended 31 March, 2019 (Contd.)

Name of Equity Index / Stock Options	Premium carried forward as at 31 March, 2019 [net of provisions made] (₹)	Premium carried forward as at 31 March, 2018 [net of provisions made] (₹)
NIFTY	1,94,250	20,35,123
Total	1,94,250	20,35,123

17. DETAILED INFORMATION IN RESPECT OF SECURITIES TRADED (DELIVERY ONLY) :-

Particulars	Purchases		Sales	
	2018-19 (₹)	2017-18 (₹)	2018-19 (₹)	2017-18 (₹)
Shares & Securities	35,75,33,255	8,24,34,569	35,88,61,730	11,52,39,687

18. EXCEPTIONAL ITEMS

Exceptional Items	2018-19 (₹)	2017-18 (₹)
Provision for Diminution in value of Investment *	3,27,00,000	Nil
Provision for Diminution in value of Investment Written Back **	(1,40,00,000)	Nil

* As at 31 March, 2019, the Company has an aggregate investment of ₹ 8,50,00,000/- in equity and preference shares of Emkay Commotrade Limited (ECL), a wholly owned subsidiary. ECL was engaged in Commodity Broking business till 12th February, 2019 and subsequently it discontinued this business effective 13th February, 2019 and now ceases to be a going concern. As at 31 March, 2019, it has accumulated losses of ₹ 3,26,77,679/-. Based on ECL's networth as at 31 March, 2019, and in accordance with the requirement of the Accounting Standard (AS)-13-Accounting for Investments, the management of the Company has estimated a provision of ₹ 3,27,00,000/- towards diminution in value of its investment in the said Company, which is other than temporary in nature.

** The Company has made investment in Equity Shares of Emkay Wealth Advisory Limited (EWAL), (formerly Emkay Insurance Brokers Limited (EIBL)), a wholly owned subsidiary and the value of investment is of ₹ 4,10,00,000/- as at 31 March, 2019. EWAL (formerly EIBL) though a going concern, has been incurring losses and had accumulated losses till financial year ended 31 March, 2018. During the financial year ended 31 March, 2019, EWAL (formerly EIBL) sold its direct insurance broking business (without transferring its any assets and liabilities) to a third party vide agreement dated 22 March, 2019 and received a sum of ₹ 1,71,00,000/-, (₹ 1,00,00,000 towards sale of direct insurance business and ₹ 71,00,000/- towards non-compete fees), due to which the accumulated losses have reduced. Accordingly, based on EWAL's networth as at 31 March, 2019, and in accordance with the requirements of the Accounting Standard (AS) 13-Accounting for Investments, the management of the Company is of the view that a sum of ₹ 1,40,00,000/- should be written back out of the provision of ₹ 3,35,00,000/- made during the financial year ended 31 March, 2017 toward diminution in the value of its investments in EWAL (formerly EIBL) and the balance provision for diminution of ₹ 1,95,00,000/- remains as other than temporary in nature.

Notes to the Financial Statements For the year ended 31 March, 2019

19. Company has Sponsored various schemes of Emkay Emerging Stars Trust, a determinate Trust, organised 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. Details of amount committed and contributed under it's various schemes is as under –

Scheme Name	Amount Committed (₹)	Amount Contributed	
		As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
Emkay Emerging Stars Fund	10,00,00,000	7,00,00,000	3,50,00,000
Emkay Emerging Stars Fund II	2,25,00,000	1,57,50,000	78,75,000
Emkay Emerging Stars Fund III	3,10,00,000	2,17,00,000	-
Total	15,35,00,000	10,74,50,000	4,28,75,000

Balance sum of ₹ 4,60,50,000/-shall be contributed as and when draw down notices shall be received by the Company.

20. The Board of Directors at their meeting held on May 28, 2019 proposed a dividend of ₹.1.00 per share for the year ended March 31st, 2019, 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, 2019. If approved, the total liability arising to the Company would be ₹ 296.81 Lacs including dividend distribution tax.
21. (i) Additional information required pursuant to Part II of Schedule III to the Companies Act, 2013:-

Particulars	Year ended 31 March, 2019 (₹)	Year ended 31 March, 2018 (₹)
(a) Expenditure in Foreign Currency (accrual basis)		
Brokerage & Commission	18,23,211	92,61,729
Travelling Expenses	72,47,992	85,46,622
Membership & Subscription	87,90,866	60,27,143
Miscellaneous Expenses	23,17,266	1,42,123
Advertisement & Business Promotion	49,799	2,65,882
Software Expenses	50,152	25,013
(b) Earning in Foreign Currency (accrual basis)		
Research Fees	1,94,05,436	1,88,43,658
Investment Banking Fees	98,14,790	-
Miscellaneous Income	9,08,149	3,60,367

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

22. 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, 2019

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

Krishna Kumar Karwa
Managing Director

Saket Agrawal
Chief Financial Officer

Place : Mumbai
Date : May 28, 2019

Prakash Kacholia
Managing Director

Bhalchandra Raul
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Members of Emkay Global Financial Services Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

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 one associate comprising of the consolidated Balance sheet as at 31 March, 2019, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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 and the associate, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("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 31st March, 2019, their consolidated profit and their consolidated cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the

Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended 31 March, 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Independent Auditor's Report (Contd.)

Key audit matters	How our audit addressed the key audit matter
<p>Audit in an Information Technology (IT) enabled environment</p> <p>Pursuant to various reporting requirements such as reporting on the internal controls over financial reporting etc., we place significant emphasis on the information systems and the controls and process around such information systems and the usage of information from such systems for the purpose of financial reporting by the Management.</p> <p>Emkay has information technology applications which are used across various class of transactions in its operations through the automated and IT dependent manual controls that are embedded in them.</p> <p>Hence, our audit procedures have focus on IT systems and controls in them due the pervasive nature and complexity of the IT environment, operational volume across numerous locations daily and the reliance on automated and IT dependent manual controls.</p>	<p>In assessing the reliability of electronic data processing, we included specialised IT auditors in our audit team. Our audit procedures focused on the IT infrastructure and applications relevant to financial reporting:</p> <ul style="list-style-type: none"> • Assessing the information systems and the applications that is available in the Company in two phases: (i) IT General Controls and (ii) Application level embedded controls; • The aspects covered in the IT systems General Control audit were (i) User Access Management (ii) Change Management (iii) Other related ITGCs; - to understand the design and the operating effectiveness of such controls in the system; • Understanding of the changes that were made to the IT landscape during the audit period and assessing changes that have impact on financial reporting; • Performed tests of controls (including over compensatory controls wherever applicable) on the IT Application controls and IT dependent manual controls in the system. • Wherever applicable, we assessed through direct sample tests, the information produced from these systems which were relied upon for our audit.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, and consolidated cash flows of the Group including its associate the 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 associate are responsible for 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

Independent Auditor's Report (Contd.)

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

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

Those respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of the Group and of its associate.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures

responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management of the Holding Company, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditor's Report

We also provide the management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the management, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended 31 March, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

(a) We did not audit the financial statements and other financial information, in respect of four subsidiaries, whose financial statements include total assets of ₹ 86,82,67,919 as at 31 March, 2019, and total revenues of ₹ 19,85,75,256 and net cash inflow of ₹ 66,99,392 for the year ended on that date. These financial statements 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. The consolidated financial statements also include the Group's share of net profit of ₹ 35,45,714 for the year ended 31 March, 2019, as considered in the consolidated financial statements, in respect of one associate, whose financial statements, other financial information have been audited by other auditors and whose 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 associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate, is based solely on the reports of such other auditors.

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

1. 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 the associate, as noted in the 'other matter' paragraph we report, to the extent applicable, that:
 - (a) We/the other auditors whose report 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 purposes of our audit of the aforesaid consolidated financial statements;
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid 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, the Consolidated Statement of Profit and Loss and the 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 the Accounting Standards specified under Section 133 of the Act, read with Companies (Accounting Standards) Amendment Rules, 2016;
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2019 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 and associate, none

Independent Auditor's Report (Contd.)

- of the directors of the Group's companies or its associate incorporated in India is disqualified as on 31 March, 2019 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 and associate, refer to our separate Report in "Annexure" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and associate, the managerial remuneration for the year ended 31 March, 2019 has been paid / provided by the Holding Company, its subsidiaries and its associate to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
- (i) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associate, as noted in the 'Other matter' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associate in its consolidated financial statements – Refer Note 5 to the consolidated financial statements;
 - ii. The Group, and its associates did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended 31 March, 2019
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries or its associate during the year ended 31 March, 2019.

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, 2019

Annexure 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 31 March, 2019, 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 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

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

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 31 March, 2019, 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, 2019

CONSOLIDATED BALANCE SHEET

As at 31 March, 2019

Particulars	Note No.	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2.1	24,61,90,300	24,53,40,300
Reserves and Surplus	2.2	1,45,67,28,081	1,36,88,94,198
		1,70,29,18,381	1,61,42,34,498
Share Application Money Pending Allotment		-	12,95,000
MINORITY INTEREST			
		-	-
NON-CURRENT LIABILITIES			
Deferred Tax Liabilities (Net)	2.3	67,46,100	48,88,400
Other Long-Term Liabilities	2.4	1,68,28,312	1,63,46,699
Long-Term Provisions	2.5	10,92,544	9,90,306
		2,46,66,956	2,22,25,405
CURRENT LIABILITIES			
Short-Term Borrowings	2.6	21,75,00,000	34,00,62,264
Trade Payables			
- Total outstanding dues of Micro Enterprises and Small Enterprises	2.7	-	-
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	2.7	67,60,53,633	96,71,95,350
Other Current Liabilities	2.8	55,44,95,512	55,99,59,543
Short-Term Provisions	2.9	7,44,62,953	14,21,28,664
		1,52,25,12,098	2,00,93,45,821
TOTAL		3,25,00,97,435	3,64,71,00,724
ASSETS			
NON CURRENT ASSETS			
Property, Plant and Equipment			
- Tangible Assets	2.10 (a)	30,64,22,533	31,69,23,790
- Intangible Assets	2.10 (b)	41,76,733	97,37,497
- Capital Work In Progress		2,11,917	4,66,656
Non-Current Investments	2.11	27,86,13,407	30,60,75,086
Long-Term Loans and Advances	2.12	14,37,27,863	15,08,81,722
Other Non Current Assets	2.13	10,03,576	2,35,94,898
		73,41,56,029	80,76,79,649
CURRENT ASSETS			
Current Investments	2.14	3,02,33,614	5,80,98,203
Inventories	2.15	-	25,12,963
Trade Receivables	2.16	58,65,53,136	89,18,70,746
Cash and Cash Equivalents	2.17	1,36,23,79,825	1,41,41,99,046
Short-Term Loans and Advances	2.18	52,40,67,295	45,99,10,625
Other Current Assets	2.19	1,27,07,536	1,28,29,492
		2,51,59,41,406	2,83,94,21,075
TOTAL		3,25,00,97,435	3,64,71,00,724
SIGNIFICANT ACCOUNTING POLICIES :	1		

The accompanying notes are an integral part of 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, 2019

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

Krishna Kumar Karwa
Managing Director

Saket Agrawal
Cheif Financial Officer

Place : Mumbai
Date : May 28, 2019

Prakash Kacholia
Managing Director

Bhalchandra Raul
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the year ended 31 March, 2019

Particulars	Note No.	For the year ended 31 March, 2019 (₹)	For the year ended 31 March, 2018 (₹)
INCOME			
Revenue from Operations	2.20	1,47,92,47,659	1,55,40,10,220
Other Income	2.21	1,27,86,670	1,16,61,272
Total Revenue		1,49,20,34,329	1,56,56,71,492
EXPENSES			
Employee Benefits Expense	2.22	68,34,51,867	62,98,87,951
Finance Costs	2.23	6,14,90,942	4,30,07,745
Depreciation and Amortia tion Expense	2.24	4,60,22,866	4,68,11,892
Other Expenses	2.25	53,87,05,705	48,06,26,681
Total Expenses		1,32,96,71,380	1,20,03,34,269
Profit Before Exceptional Item and Tax		16,23,62,949	36,53,37,223
Add: Exceptional item	24	1,71,00,000	-
Profit Before Tax		17,94,62,942	36,53,37,223
Tax Expense:			
- Current Tax - for the year		4,11,53,000	8,03,25,000
- MAT Credit Entitlement		(30,54,000)	-
- Short/(Excess) Provision for earlier year		(18,48,327)	(1,39,104)
- Deferred Tax - for the year		18,57,700	(14,28,450)
Profit before Minority Interest		14,13,54,576	28,65,79,777
Less: Minority Interest		-	-
Add: Share of Profit/(Loss) from an Associate		35,45,714	(4,38,839)
Profit for the year		14,49,00,290	28,61,40,938
Earnings per Equity Shares of nominal value of Rs.10/- each			
-Basic		5.89	11.68
-Diluted		5.89	11.64
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, 2019

For and on behalf of the Board of

Emkay Global Financial Services Limited

Krishna Kumar Karwa

Managing Director

Saket Agrawal

Chief Financial Officer

Place : Mumbai

Date : May 28, 2019

Prakash Kacholia

Managing Director

Bhalchandra Raul

Company Secretary

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March, 2019

Particulars	Year ended 31 March, 2019 (₹)		Year ended 31 March, 2018 (₹)	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax, Exceptional / Extraordinary items		16,23,62,949		36,53,37,223
Finance Costs	3,31,44,522		2,79,77,005	
Depreciation and Amortisation Expense	4,60,22,866		4,68,11,892	
Net Gain on Sale of Investments	(78,633)		(24,78,985)	
(Profit)/Loss on Sale/Discard of Property, Plant and Equipment	1,59,398		5,03,232	
Interest Received	(1,18,19,127)		(60,48,532)	
Dividend Received	(3,40,684)		(6,57,931)	
Unrealised Foreign Exchange loss (Net)	1,99,785		(1,91,598)	
Provision for diminution in Value of Non-Current Investment	-		50,04,996	
W/Back/Reduction in Carrying Amount of Current Investments	(9,43,896)		20,05,491	
Provision for Standard & Sub-Standard Assets (net off write back)	(84,262)		2,64,175	
Provision for Doubtful Debts/Deposits/Advances (net off write back)	(3,86,68,312)		(48,61,829)	
		2,75,91,657		6,83,27,916
Operating profit before working capital changes		18,99,54,606		43,36,65,139
Adjustment for :				
Trade and other receivables	28,96,28,646		(38,17,65,921)	
Deposits with Banks and Other items not considered as cash equivalents (Refer Note 3 below)	3,82,53,359		(23,77,01,438)	
Inventories	25,12,963		2,65,96,919	
Trade and other payables	(36,38,34,487)	(3,34,39,519)	53,57,72,960	(5,70,97,480)
Cash Generated from operations		15,65,15,087		37,65,67,659
Direct taxes (Paid)/Refund		(1,60,42,276)		(7,87,55,935)
Cash flow before extraordinary/exceptional items		14,04,72,811		29,78,11,724
Exceptional/ Extraordinary items				
Exceptional/Extraordinary items		1,71,00,000		-
Net Cash From/ (used in) Operating Activities		15,75,72,811		29,78,11,724
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment	(3,00,47,352)		(1,83,85,542)	
Sale of Property, Plant and Equipment	1,81,848		1,73,083	
Current Investments (Purchased)/Redeemed	2,88,08,485		(2,48,24,433)	
Non Current Investments (Purchased)/Disposed Off	2,74,61,679		(8,24,15,794)	
Net Gain on Sale of Investments	78,633		24,78,985	
Loans received back from ESOP Trust	-		3,74,00,000	
Interest received	1,18,19,127		60,48,532	
Dividend received	3,40,684		6,57,931	
Share of Profit/(Loss) from Associate	35,45,714	4,21,88,818	(4,38,839)	(7,93,06,077)
Net Cash from/ (used in) Investing Activities		4,21,88,818		(7,93,06,077)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds/(Repayment) of Short Term Borrowings	(12,25,62,264)		(14,62,48,163)	
Share Application Money Pending Allotment	-		12,95,000	
Proceeds from Issue of ESOP Shares	18,50,000		62,27,760	
Finance Costs	(3,31,44,522)		(2,79,77,005)	
Dividend paid (including dividend tax)	(5,93,16,765)	(21,31,73,551)	(2,94,19,798)	(19,61,22,206)
Net Cash from/ (used in) financing activities		(21,31,73,551)		(19,61,22,206)
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)		(1,34,11,922)		2,23,83,441

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March, 2019

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.
- b) 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 Commotrade Limited on realisation basis since it ceased to be a going concern pursuant to its decision to discontinue the business of commodity broking w.e.f. 13 February, 2019.
- c) Financial Statements of Emkay Wealth Advisory Limited (formerly Emkay Insurance Brokers Limited) which were prepared on a realisation basis in previous financial year ended 31 March, 2018 have now been prepared on a going concern basis since it has initiated steps to commence new business of Wealth Management/Investment Advisory Services. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year unless otherwise stated.

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 Wealth Advisory Limited (formerly Emkay Insurance Brokers Limited) and Emkay Investment Managers Limited, reference to an Associate means Aa lea 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.

Notes on Consolidated Financial Statements For the year ended 31 March, 2019 (Contd.)

1.4 Revenue Recognition:

Revenue is recognised 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 recognised on the basis of contractual terms and 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 contractual terms and mobilisation 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) Setup fees of the Portfolio Management Services are accounted on accrual basis in accordance with the terms of contracts entered into with clients.
 - (iii) In case of fees based on returns on Portfolio, income is accounted at the end of completion of one year by each client from the date of joining the Portfolio Management Scheme or closure of Portfolio Account, whichever is earlier.
- f. Alternate Investment Management Fees is accounted on accrual basis in accordance with Private Placement Memorandum and Contribution Agreements of respective schemes of AIF.

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 recognised on receipt basis, as per RBI NBFC Directions. Any interest income recognized before the assets became non-performing and remaining unrealised is reversed.

Notes on Consolidated Financial Statements For the year ended 31 March, 2019 (Contd.)

Trading in Securities

- 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 trade 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 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. Capital Work in progress is stated at cost. 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.

- c. Depreciation on Property, Plant and Equipment 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.
- d. 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 from the year of acquisition 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.

Notes on Consolidated Financial Statements For the year ended 31 March, 2019 (Contd.)

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 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.”

Notes on Consolidated Financial Statements For the year ended 31 March, 2019 (Contd.)

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 RBI NBFC Directions.

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 Per cent as prescribed by RBI NBFC Directions.

1.13 Impairment of Assets

The Group 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 Group 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 Group 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 Group 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 Group's net investment in a non-integral foreign operation is

Notes on Consolidated Financial Statements For the year ended 31 March, 2019 (Contd.)

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 Group'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 Group 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 Group 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.

Notes on Consolidated Financial Statements For the year ended 31 March, 2019 (Contd.)

2.1: SHARE CAPITAL

Particulars	As at	
	31 March, 2019 (₹)	31 March, 2018 (₹)
Authorised		
5,00,00,000 (PY 4,00,00,000) Equity Shares of Rs.10/- each	50,00,00,000	40,00,00,000
Issued, Subscribed and Paid Up		
2,46,19,030 (PY 2,45,34,030) Equity Shares of Rs.10/- each fully paid up	24,61,90,300	24,53,40,300
	24,61,90,300	24,53,40,300

Notes:-

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

Particulars	As at		As at	
	31 March, 2019		31 March, 2018	
	No of Shares	Amount (₹)	No of Shares	Amount (₹)
At the beginning of the reporting period	2,45,34,030	24,53,40,300	2,44,38,150	24,43,81,500
Add: Shares issued during the reporting period under ESOP	85,000	8,50,000	95,880	9,58,800
Outstanding at the end of the reporting period	2,46,19,030	24,61,90,300	2,45,34,030	24,53,40,300

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		As at	
	31 March, 2019		31 March, 2018	
	No of Shares	% held	No of Shares	% held
Equity Shares of ₹ 10 each fully paid				
Mr.Krishna Kumar Karwa	49,22,500	19.99	49,22,500	20.06
Mr.Prakash Kacholia	47,50,000	19.29	47,50,000	19.36
M/s.Emkay Corporate Services Private Limited	43,90,000	17.83	41,50,000	16.92
Mrs.Preeti Kacholia	18,80,000	07.64	18,80,000	07.66
Mr.Raunak Karwa	17,50,000	07.11	17,50,000	07.13

d: Shares Reserved for issue under options:

The Parent Company has reserved issuance of 46,38,448 (Previous Year 22,45,045) 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 seven years and ten months 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).

Notes on Consolidated Financial Statements For the year ended 31 March, 2019 (Contd.)

2.2: RESERVES AND SURPLUS

Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
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	69,71,98,744	69,13,74,784
Add: Additions on ESOP's exercised & Shares allotted	22,95,000	58,23,960
Closing Balance	69,94,93,744	69,71,98,744
Special Reserve u/s 45-IC of the Reserve Bank of India Act, 1934		
Balance as per Last Financial Statements	6,11,17,737	4,27,39,856
Add: Transfer from Surplus in the Statement of Profit and Loss	47,36,995	1,83,77,882
Closing Balance	6,58,54,732	6,11,17,738
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	38,01,09,613	14,18,45,904
Add : Profit for the year	14,49,00,290	28,61,40,938
Amount available for appropriations	52,50,09,903	42,79,86,842
Less: Appropriations:		
Dividend paid on Equity Shares	4,92,38,060	2,45,09,750
Dividend Distribution Tax - on Dividend	1,01,23,346	49,89,597
Transfer to Special Reserve u/s 45-IC of the RBI Act, 1934	47,36,995	1,83,77,882
Total of appropriations	6,40,98,401	4,78,77,229
Net Surplus in the Statement of Profit and Loss	46,09,11,502	38,01,09,613
	1,45,67,28,081	1,36,88,14,198

2.3: DEFERRED TAX LIABILITIES (NET)

Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
Deferred Tax Assets		
Provisions	11,26,600	23,99,870
Deferred Tax Liability	11,26,600	23,99,870
Differences between book and tax depreciation	78,72,700	72,88,270
	78,72,700	72,88,270
Net Deferred Tax Liabilities	67,46,100	48,88,400

2.4: OTHER LONG-TERM LIABILITIES

Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
Others		
- Security Deposits	1,68,28,312	1,63,46,699
	1,68,28,312	1,63,46,699

Notes on Consolidated Financial Statements For the year ended 31 March, 2019 (Contd.)

2.5: LONG-TERM PROVISIONS

Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
Provision for Standard Assets	10,92,544	9,90,306
	10,92,544	9,90,306

2.6: SHORT-TERM BORROWINGS

Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
Secured		
Loan repayable on demand:		
- Overdraft from a Bank	-	1,20,62,264
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	11,75,00,000	22,80,00,000
	21,75,00,000	34,00,62,264

Note:(1) Overdraft referred above to the extent of ₹ Nil (P.Y. ₹ 1,20,62,264/) is secured by way of lien against term deposits

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

2.7 : TRADE PAYABLES

Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
Total outstanding dues of Micro Enterprises and Small Enterprises	-	-
	-	-
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		
Others	67,60,53,633	96,71,95,350
	67,60,53,633	96,71,95,350

The details of amount outstanding to Micro, Small and Medium Enterprises defined under "Micro, Small and Medium Enterprises Development Act, 2006" (as identified based on information available with the company and relied upon by the Auditors is as under) -

Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
- 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	-	-

Notes on Consolidated Financial Statements For the year ended 31 March, 2019 (Contd.)

2.8: OTHER CURRENT LIABILITIES

Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
Interest Accrued and Not Due on Borrowings	15,18,115	3,60,534
Interest Accrued and Due on Borrowings	2,712	-
Income Received in advance	10,89,766	12,54,648
Unclaimed Dividend *	3,41,047	2,96,406
Other Payables		
Advance Received from Clients	27,65,395	77,81,168
Payable for Expenses	4,59,34,136	5,64,72,419
Statutory Liabilities	6,50,57,393	6,74,34,333
Deposit towards Margin and other from Clients	43,49,58,931	42,32,35,536
Other Liabilities	28,28,017	31,24,499
	55,44,95,512	55,99,59,543

* There is no amount due and outstanding to be transferred to the Investor Education and Protection Fund (IEPF) as on March 31, 2019. 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, 2019 (₹)	As at 31 March, 2018 (₹)
Provision for Employee Benefits		
Gratuity Obligation	89,62,953	1,21,28,664
Provision for Bonus	6,55,00,000	13,00,00,000
	7,44,62,953	14,21,28,664

PROPERTY, PLANT & EQUIPMENT

2.10 (A) TANGIBLES ASSETS

Description	Office Premises * (₹)	Furniture & Fixtures (₹)	Vehicles (₹)	Office Equipment (₹)	Computers (₹)	Air Conditioners (₹)	Leasehold Improvement (₹)	Total (₹)
Gross Block (At Cost)								
At 1 April 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
Additions	-	17,55,938	-	35,09,579	1,27,95,905	6,25,558	78,96,794	2,65,83,774
Deductions	-	1,26,454	-	16,70,175	36,47,715	2,48,794	-	56,93,138
At 31 March 2019	38,04,75,731	4,20,78,982	1,23,08,991	2,22,85,312	10,73,68,325	74,03,737	3,35,21,067	60,54,42,145
Depreciation/ Amortisation								
At 1 April 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
Charge for the Year	1,32,97,524	21,24,230	11,36,181	20,68,744	1,40,97,578	6,25,059	34,27,806	3,67,77,122
Deductions	-	1,07,162	-	15,53,179	35,04,231	2,20,657	-	53,85,229
At 31 March 2019	12,01,54,600	3,57,32,604	98,28,456	1,78,37,629	8,43,30,570	45,02,358	2,66,33,395	29,90,19,612
Net Block								
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
At 31 March 2019	26,03,21,131	63,46,378	24,80,535	44,47,683	2,30,37,755	29,01,379	68,87,672	30,64,22,533

* Equitable Mortgage is created in favour of HDFC Bank Limited for Working Capital Overdraft facility.

Notes on Consolidated Financial Statements For the year ended 31 March, 2019 (Contd.)

2.10 (B) INTANGIBLES ASSETS

Description	Software (₹)	Total (₹)
Gross Block(At Cost)		
At 1 April 2017	5,75,39,034	5,75,39,034
Additions	51,60,207	51,60,207
Deductions	-	-
At 31 March 2018	6,26,99,241	6,26,99,241
Additions	36,84,980	36,84,980
Deductions	-	-
At 31 March 2019	6,63,84,221	6,63,84,221
Depreciation/ Amortisation		
At 1 April 2017	4,40,28,316	4,40,28,316
Charge for the Year	89,33,428	89,33,428
Deductions	-	-
At 31 March 2018	5,29,61,744	5,29,61,744
Charge for the Year	92,45,744	92,45,744
Deductions	-	-
At 31 March 2019	6,22,07,488	6,22,07,488
Net Block		
At 31 March 2018	97,37,497	97,37,497
At 31 March 2019	41,76,733	41,76,733

2.11 CURRENT INVESTMENTS

Particulars	Face Value Per Share/Unit	No. of Shares/Units		Amount	
		As at 31 March,2019	As at 31 March,2018	As at 31 March,2019 (₹)	As at 31 March,2018 (₹)
AT COST					
Investment in Equity Instruments					
(I) Investments in fully paid Equity Shares (Quoted)					
- Action Construction Equipment Ltd	2	77,362	77,362	1,08,23,786	1,08,23,786
- Ador Welding Ltd	10	20,921	20,921	1,18,69,332	1,18,69,332
- Bajaj Consumer Care Ltd	1	15,100	-	50,03,542	-
- Amber Enterprises India Ltd	10	-	9,000	-	1,04,42,107
- Birla Corporation Ltd	10	21,350	14,500	2,01,05,120	1,50,97,781
- Butterfly Appliances Ltd	10	-	17,000	-	97,88,604
- Capital Trust Ltd	10	96,722	1,25,000	2,09,88,674	2,71,25,000
- CMI FPE Ltd	10	-	7,139	-	73,72,524
- Dishman Carbogen Amcis Ltd	2	17,730	-	50,06,758	-
- EIH Ltd	2	-	50,000	-	77,17,512
- FIEM Industries Ltd	10	10,800	-	99,80,313	-
- GHCL Ltd	10	22,000	-	49,18,175	-
- Goodyear India Ltd	10	-	9,356	-	89,88,341
- Ipca Laboratories Ltd	2	-	16,200	-	1,00,49,846
- J B Chemicals & Pharma Ltd	2	14,880	-	50,06,903	-
- Birla Soft Ltd (Formerly - 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	-	1,00,08,978
- Mphasis Ltd	10	7,050	-	70,47,843	-

Notes on Consolidated Financial Statements For the year ended 31 March, 2019 (Contd.)

Particulars	Face Value Per Share/Unit	No. of Shares/Units		Amount	
		As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
- Maharashtra Seamless Ltd	5	-	21,000	-	87,34,373
- MIRC Electronics Ltd	1	-	1,50,000	-	58,43,826
- NOCIL Ltd	10	51,000	51,000	99,94,156	99,94,156
- 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	38,405	94,51,411	94,51,411
- Ratnamani Metals & Tubes Ltd	2	-	6,291	-	36,57,323
- Ramco Systems Ltd	10	-	20,178	-	85,50,298
- S. P. Apparels Ltd	10	15,410	-	50,01,292	-
- South Indian Bank Ltd	1	-	3,00,000	-	92,82,222
- Time Technoplast Ltd	1	52,555	-	71,23,698	-
- UFO Moviez India Ltd	10	-	23,500	-	1,04,35,239
- Vaibhav Global Ltd	10	-	19,873	-	1,12,97,933
- Apar Industries Ltd.	10	1440	-	8,31,726	-
- Bajaj Consumer Care Ltd.	1	1705	1705	4,89,233	4,89,233
- Bayer Cropscience Ltd.	10	162	182	3,18,522	3,57,846
- Centum Electronics Ltd.	10	1,311	1,311	7,15,154	7,15,154
- Cipla Ltd.	2	700	700	2,81,902	2,81,902
- Divi's Laboratories Ltd.	2	1,563	1,563	11,57,975	11,57,975
- Gujarat Pipavav Port Ltd.	10	8,658	8,658	8,51,440	8,51,440
- HDFC Bank Ltd.	2	1,098	1,098	7,84,931	7,84,931
- Hero Motocorp Ltd.	2	240	75	6,14,923	1,14,724
- Housing Development Finance Corporation Ltd.	2	150	150	1,23,186	1,23,186
- ICICI Bank Ltd.	2	4,004	4,004	6,20,266	6,20,266
- LIC Housing Finance Ltd.	2	2,563	2,338	9,69,870	8,73,782
- L&T Finance Holdings Ltd.	10	10,424	8,134	9,03,033	6,05,452
- Mahindra & Mahindra Ltd.	5	1,902	1,812	9,84,877	9,17,742
- Mahindra Holidays & Resorts India Ltd.	10	4,060	3,580	9,73,939	8,16,182
- NESCO Ltd.	2	2,995	2,470	10,64,324	8,35,484
- Pidilite Industries Ltd.	1	1,210	1,210	2,73,403	2,73,403
- Power Grid Corporation of India Ltd.	10	5,809	6,350	7,36,361	8,04,903
- PTC India Ltd.	10	8,743	8,743	6,34,066	6,34,066
- Sundram Fasteners Ltd.	1	2,945	2,945	4,84,725	4,84,725
- TD Power Systems Ltd.	10	1,600	1,600	5,67,993	5,67,993
- VRL Logistics Ltd.	10	3,255	2,380	9,03,702	6,73,254
Total Quoted Investments (A)				16,76,06,532	26,31,88,925
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	50,04,996
Total Unquoted Investments (B)				-	-
II) Investments in AIF					
- Emkay Emerging Stars Fund (1)	100	7,00,000	3,50,000	7,00,00,000	3,50,00,000
- Emkay Emerging Stars Fund II (2)	100	1,57,500	78,750	1,57,50,000	78,75,000
- Emkay Emerging Stars Fund III (3)	100	2,17,000	-	2,17,00,000	-

**Notes on Consolidated Financial Statements
For the year ended 31 March, 2019 (Contd.)**

Particulars	Face Value Per Share/Unit	No. of Shares/Units		Amount	
		As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
Total Investments in AIF (C)				10,74,50,000	4,28,75,000
(IV) Investment in LLP (In Associates)					
- Azalea Capital Partners LLP				4,50,000	4,50,000
Add/(Less) : Share in Accumulated Profit/(Loss)				31,06,875	(4,38,839)
Total Investments in Associate (D)				35,56,875	11,161
Total (A+B+C+D)				27,86,13,407	30,60,75,086
Aggregate of Quoted Investments in Shares					
- Cost				16,76,06,532	26,31,88,925
- Market Value				13,88,30,062	26,83,24,819
Aggregate of Unquoted Investments in Shares					
- Cost				50,04,996	50,04,996
Aggregate Cost of Investments in AIF				10,74,50,000	4,28,75,000
Aggregate Cost of Investments in LLP				4,50,000	4,50,000

(1) NAV per unit as on 31 March 2019 : ₹ 97.7840 (₹ 101.8519 as on 31 March, 2018)

(2) NAV per unit as on as on 31 March 2019 : ₹ 96.8059 (₹ 99.9354 as on 31 March, 2018)

(3) NAV per unit as on as on 31 March 2019 : ₹ 105.9754

2.12: LONG-TERM LOANS AND ADVANCES

Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
Unsecured, Considered Good		
Capital Advances	54,67,500	13,25,380
Deposits	4,16,52,836	3,49,34,111
Advances recoverable in cash or kind for value to be received	1,16,153	2,46,640
Other Loans and Advances		
Income Tax Paid (Net of Provisions)	1,01,54,530	3,34,16,927
MAT Credit Entitlement	30,54,000	-
Fringe Benefit Tax Refundable	5,28,303	5,28,303
Prepaid Expenses	8,27,54,541	8,03,25,361
Loans to Employees	-	1,05,000
	14,37,27,863	15,08,81,722

2.13: OTHER NON CURRENT ASSETS

Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
Other Bank Balances		
In Deposit Account with maturity more than 12 months	10,00,000	2,35,00,000
Accrued Interest on Fixed Deposits	3,576	94,898
	10,03,576	2,35,94,898

Note:- Deposits with banks includes of ₹ 10,00,000/- (P.Y ₹.2,35,00,000/-) with maturity of more than 12 months which is lien marked in favour of a Regulatory Authority.

Notes on Consolidated Financial Statements For the year ended 31 March, 2019 (Contd.)

2.14 CURRENT INVESTMENTS

Particulars	Face Value Per Share/Unit	No. of Shares/Units		Amount	
		As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
Valued at Lower of Cost and Fair Value					
Investments in Units of Mutual Funds					
Quoted, Fully Paid-up					
- Reliance ETF Liquid Bees	1000	294.032	2,219.990	2,94,032	22,19,996
Total (A)				2,94,032	22,19,996
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
- KEI Industries Ltd	2	12,565	-	50,07,689	-
- KEC International Ltd	2	20,000	-	58,86,052	-
- Lumax Auto Technologies Ltd	2	301	-	45,762	-
- Minda Corporation Ltd	2	-	30,000	-	46,21,403
- Manpasand Beverages Ltd	10	-	10,035	-	38,18,049
- Muthoot Capital Services Ltd	10	5,500	-	50,02,803	-
- Mastek Ltd	5	11,951	-	62,28,033	-
- Plastiblends India Ltd	5	-	34,000	-	84,54,733
- Radico Khaitan Ltd	2	16,850	20,000	60,20,039	45,36,792
- Repco Home Finance Ltd	10	346	-	2,03,646	-
- Sagar Cements Ltd	10	-	11,600	-	95,32,553
- Sanghvi Movers Ltd	2	-	75,000	-	1,10,40,540
				2,83,94,024	5,78,83,698
Less: Reduction in Carrying Amount of Current Investments				10,61,595	20,05,491
Total (B)				2,73,32,429	5,58,78,207
(II) Investments in Fully Paid Equity Shares (Unquoted)					
- KPIT Technologies Ltd (Formerly - KPIT Engineering Ltd)	10	27,900	-	26,07,153	-
Total (C)				26,07,153	-
Total (A+B+C)				3,02,33,614	5,80,98,203
Note :					
Aggregate of Quoted Investments in Shares					
- Cost				2,83,94,024	5,78,83,698
- Market Value				2,84,35,480	6,34,52,452
Aggregate of Unquoted Investments in Shares					
- Cost				26,07,153	-
Aggregate Amount of Quoted Investments in Mutual Fund Units					
-Cost				2,94,032	22,19,996
-Market Value				2,94,032	22,20,012

Notes on Consolidated Financial Statements For the year ended 31 March, 2019 (Contd.)

2.15: INVENTORIES

Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
Stock in Trade (Valued at lower of cost or fair value)		
- Shares and Securities	-	25,12,963
	-	25,12,963

2.16: TRADE RECEIVABLES

Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
Trade Receivable outstanding for a period exceeding six months from the date they are due for payment:		
Secured, considered good	1,06,603	1,09,266
Unsecured, considered good	89,11,200	2,41,146
Unsecured, considered doubtful	12,91,362	3,60,28,434
	1,03,09,165	3,63,78,846
Less: Provision for doubtful debts	12,91,362	3,60,28,434
	90,17,803	3,50,412
Trade Receivable outstanding for a period less than six months from the date they are due for payment: **		
Secured, considered good	34,64,48,042	4,16,79,628
Unsecured, considered good *	23,10,87,291	84,98,40,706
(includes unbilled Revenue of ₹.2,746,085/- (PY ₹ 6,037,591/-)		
Unsecured, considered doubtful	2,46,991	34,20,758
	57,77,82,324	89,49,41,092
Less: Provision for doubtful debts	2,46,991	34,20,758
	57,75,35,333	89,15,20,334
	58,65,53,136	89,18,70,746
* Above includes due from Director/KMP (Refer Note No.17(B))	1,04,690	1,15,369
** Net of Margin		

2.17: CASH AND CASH EQUIVALENTS

Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
Cash and Cash Equivalents		
Balances with Banks		
- Current Accounts	28,94,45,456	31,49,83,101
- Deposit Accounts	1,45,00,000	20,00,000
Cheque on Hand	-	1,22,000
Cash on Hand	4,35,701	7,02,407
Balance in Prepaid Cards	6,35,621	7,75,132
	30,50,16,778	31,85,82,640
Other Bank Balances		
- In Deposit Accounts towards Margin/Security for Bank Guarantees, Borrowings and other commitments	1,00,70,22,000	1,04,53,20,000
- In Margin Account towards security for borrowings	5,00,00,000	5,00,00,000
- In Earmarked Accounts		
Unclaimed Dividend	3,41,047	2,96,406
	1,36,23,79,825	1,41,41,99,046

Note:-

- Deposits with banks includes deposits of ₹ 46,15,22,000/- (P.Y. ₹ 47,45,21,000/-) 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.

Notes on Consolidated Financial Statements For the year ended 31 March, 2019 (Contd.)

2.18: SHORT-TERM LOANS AND ADVANCES

Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
Unsecured Considered Good, Unless otherwise stated		
Deposits		
- Considered Good	2,72,55,938	30,00,472
- Considered Doubtful	-	6,32,858
	2,72,55,938	36,33,330
Less: Provision for Doubtful Deposits	-	6,32,858
	2,72,55,938	30,00,472
Loans relating to Financing Activity		
- Secured, Considered Good	43,68,67,546	39,56,94,923
- Unsecured Considered Good	1,50,000	4,45,265
- Secured, Considered Sub-Standard	1,56,351	20,21,346
Less: Provision for Sub-Standard Assets	15,635	2,02,135
	1,40,716	18,19,211
	43,71,58,262	39,79,59,399
Advances recoverable in cash or kind or for value to be received		
- Considered Good	16,79,228	17,36,656
- Considered Doubtful	-	1,04,260
	16,79,228	18,40,916
Less: Provision for Doubtful Advances	-	1,04,260
	16,79,228	17,36,656
Other Loans and Advances		
Prepaid Expenses	4,81,27,585	3,75,76,900
Loans to Employees		
- Considered Good	20,587	17,90,014
- Considered Doubtful	-	20,356
	20,587	18,10,370
Less: Provision for Doubtful Loans	-	20,356
	20,587	17,90,014
Goods and Service Tax Input Credit Available / Receivable	96,31,445	1,58,12,061
Equity Index/Stock Options Premium	1,94,250	20,35,123
	52,40,67,295	45,99,10,625

2.19: OTHER CURRENT ASSETS

Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
Interest Accrued on Deposits with Banks	83,33,787	90,13,606
Interest Accrued on Financing Activities	43,73,749	37,55,862
Dividend Receivable	-	60,024
	1,27,07,536	1,28,29,492

2.20: REVENUE FROM OPERATIONS

Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
Sale of Services		
Advisory and Transactional Services		
Brokerage and Commission	1,12,35,28,016	1,14,23,78,978
Investment Banking Activities	4,19,14,790	4,33,13,166
Portfolio Management Fees	4,00,04,069	3,18,27,545
Alternate Investment Fund Management Fees	4,79,63,374	78,13,980
Depository Operations	62,94,023	87,33,625
Other Fees	2,73,46,436	3,56,66,157
Income from Financing & Investment Activities		
Interest on Loan from Financing Activities	6,19,29,816	3,73,39,499
Gain from Investing Activities	61,74,952	11,29,77,279

Notes on Consolidated Financial Statements For the year ended 31 March, 2019 (Contd.)

2.20: REVENUE FROM OPERATIONS (CONTD)

Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
Dividend from Investing Activities	11,84,339	19,93,376
Income from Trading in Corporate Bonds	10,22,533	5,59,571
	1,35,73,62,348	1,42,26,03,176
Other Operating Income		
Interest on Deposit* with		
- Banks	6,72,43,566	5,72,12,476
- Others	4,89,612	5,17,142
Delayed Payments Charges	2,37,98,531	3,23,89,494
Income from Trades in Securities/Derivative Instruments (Net)	49,61,640	1,90,57,870
Provision for Doubtful Debts Written Back	2,69,748	27,93,718
Provision for Doubtful Loans & Advances Written Back	91,000	-
Provision for Sub Standard Assets Written Back	2,02,135	1,30,252
Reduction in Carrying Amount of Current Investments Written Back	9,43,896	-
Bad Debts Recovered	4,68,945	27,01,898
Miscellaneous Income	2,34,16,238	1,66,04,194
	12,18,85,311	13,14,07,044
	1,47,92,47,659	1,55,40,10,220

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

2.21: OTHER INCOME

Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
Interest		
-On Deposit with Banks*	57,76,115	55,13,374
-Others	60,43,012	5,35,158
Dividend	3,40,684	6,57,931
Gain on Sale of Investments	78,633	24,78,985
Other Miscellaneous Income	5,48,226	24,75,824
	1,27,86,670	1,16,61,272

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

2.22: EMPLOYEE BENEFITS EXPENSES

Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
Salaries and Other Benefits	64,28,08,413	59,71,91,088
Contribution to Provident and Other Funds	2,06,76,457	1,42,91,616
Gratuity	1,33,08,419	1,23,25,666
Employees Welfare Expenses	66,58,578	60,79,581
	68,34,51,867	62,98,87,951

2.23: FINANCE COSTS

Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
Interest Expense	4,63,83,920	2,98,03,846
Other Borrowing Costs	1,51,07,022	1,32,03,899
	6,14,90,942	4,30,07,745

Notes on Consolidated Financial Statements For the year ended 31 March, 2019 (Contd.)

2.24: DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
Depreciation of Tangible Assets	3,67,77,122	3,78,78,464
Amortisation of Intangible Assets	92,45,744	89,33,428
	4,60,22,866	4,68,11,892

2.25: OTHER EXPENSES

Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
Brokerage & Commission	18,33,29,211	17,52,85,675
Contribution/Payments to Exchanges / PCM	1,03,56,326	91,26,317
Depository Charges	13,90,623	11,56,932
Expenses Attributable to Trades in Securities/Derivative Instruments	32,82,714	1,65,560
Membership & Subscription	6,01,38,783	4,80,21,232
Registration Fees	6,67,249	8,34,851
Loss due to Execution of Error Trades	1,36,91,102	97,31,132
Claims/ Compensation/ Settlement Charges	-	1,09,000
Communication, Postage and Courier Charges	2,31,99,757	2,20,90,377
Fees & Stamps	25,10,718	22,88,112
Electricity Charges	1,23,25,555	1,34,24,067
Insurance	12,27,228	12,53,134
Repair & Maintenance - Building	54,95,477	57,41,327
Repair & Maintenance - Other	2,01,04,053	1,87,76,066
Advertisement & Business Promotion Expenses	2,50,62,532	2,29,48,256
Printing & Stationery	56,65,325	50,43,583
Travelling, Conveyance & Vehicle Expenses	6,72,29,762	6,30,08,333
Provision for Doubtful Debts	10,49,107	6,33,202
Provision for diminution in Value of Non-Current Investment	-	50,04,996
Provision for Standard Assets	1,02,238	1,92,292
Provision for Sub-Standard Assets	15,635	2,02,135
Bad Debts Written off	4,08,63,231	45,63,714
Less : Provision Written Back	(3,86,90,197)	(27,01,313)
	21,73,034	18,62,401
Deposits & Advances Written off	7,00,513	10,99,400
Less: Provision Written Back	(6,66,474)	-
	34,039	10,99,400
Software Expenses	46,41,844	24,39,490
Legal & Professional Fees	3,50,13,996	2,65,75,370
Payment to Auditors		
As Auditors		
- Audit Fees	20,22,059	19,70,750
- Tax Audit Fees	3,47,657	3,34,000
In Other Capacity		
- Taxation Matter	2,06,210	2,36,550
- Other Matters	8,91,537	11,47,003
	34,67,463	36,88,303
Commission to Independent Directors	9,50,000	9,50,000
Rent	2,63,97,132	2,00,60,950
Goods & Service Tax / Service Tax	13,77,096	3,08,765
Rates & Taxes	12,33,901	12,29,971
Reduction in Carrying Amount of Current Investments	-	20,05,491
Miscellaneous Expenses	2,25,45,036	1,19,16,963
Foreign Exchange Rate Fluctuation Loss (Net)	6,33,371	83,766
Loss on Sale/Discard of Property, Plant and Equipment	1,59,398	5,03,232
Share Issue Expenses	14,65,000	25,000
Corporate Social Responsibility	8,00,000	3,50,000
Donation	9,71,000	24,91,000
	53,87,05,705	48,06,26,681

Notes on Consolidated Financial Statements For the year ended 31 March, 2019 (Contd.)

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 31st March 2019, following schemes were in operation:

Particulars	ESOP-2007	ESOP-2010
	Starting from	
Data of Grant	17.01.2008 to 21.01.2012	21.10.2010 to 21.01.2012
Number of Options Granted	28,05,000	6,47,000
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
Market Price at the date of grant (per Share) ***	Ranging from	
	₹ 36.95 to ₹ 92.75	₹ 37.00 to ₹ 92.50

Particulars	ESOP-2007	ESOP-2010
Data of Grant	28.05.2018	14.08.2018 to 01.03.2019
Number of Options Granted	13,95,000	21,86,168**
Method of Settlement	Equity	
Vesting period from the date of Grant	(i) Time based: 3 to 5 years (ii) Performance/Target based - 2 years and 1 month to 7 years and 10 months	(i) Time based: 3 to 5 years (ii) Performance/Target based - 2 years and 1 month to 7 years and 1 month
Exercise period from the date of vesting	2 Years from the date of each vesting	
Exercise Price (per Share)	₹ 145.45	₹ 72.55 to ₹ 133.25
Market Price at the date of grant (per Share) ***	₹ 145.45	₹ 72.55 to ₹ 133.25

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

** Options granted under ESOP – 2018 includes 61,548 options to employees of Subsidiary Companies.

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

b) During the previous year ended on 31st March, 2018 following schemes were in in operation:

Particulars	ESOP-2007	ESOP-2010
	Starting from	
Data of Grant	17.01.2008 to 21.01.2012	21.10.2010 to 21.01.2012
Number of Options Granted	28,05,000*	6,47,000
Method of Settlement	Equity	
Vesting period from the date of Grant	Graded Vesting – Over 3 Years	Graded Vesting – Over 5 Years
Exercise period from the date of vesting	3 Years from the date of each vesting	
	Ranging from	
Exercise Price (per Share)	₹ 37.00 to ₹ 93.00	₹ 37.00 to ₹ 93.00
	Ranging from	
Market Price at the date of grant (per Share) **	₹ 36.95 to ₹ 92.75	₹ 37.00 to ₹ 92.50

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

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

Notes on Consolidated Financial Statements For the year ended 31 March, 2019 (Contd.)

- c) 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 9th March 2016 whereby ESOP Trust is authorised 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 Per cent 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 there of.
- d) Details of activity under the ESOP Schemes have been summarised below:

Particulars	ESOP-2007		ESOP-2010		ESOP-2018
	2018-19	2017-18	2018-19	2017-18	2018-19
Options Outstanding at the beginning of the year	87,000	3,53,050	15,500	65,000	-
Options Granted during the year	13,95,000	-	-	-	21,86,168
Options Exercised and Shares Allotted	50,000	80,880	-	40,500	-
Options Exercised and Shares Pending for Allotment	-	35,000	-	-	-
Options Exercised Last Year and Allotted in current year	35,000	15,000	-	-	-
Options Lapsed during the year	37,000	1,50,170	15,500	9,000	1,00,000
Options Outstanding at the end of the year	1,395,000	87,000	-	15,500	20,86,168
Options Exercisable at the end of the year	-	87,000	-	15,500	-
Weighted Average remaining contractual life (in years)	6.67	1.12	-	0.50	6.87

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

Particulars	Year ended 31 March, 2019 (₹)	Year ended 31 March, 2018 (₹)
Net Income as reported	14,49,00,290	28,61,40,938
Add: Intrinsic Value Compensation Cost	Nil	Nil
Less: Fair Value Compensation Cost	3,07,62,556	(65,35,940)
Adjusted Proforma Net Income	11,41,37,734	29,26,76,878
Earning Per Share		
Basic		
- As Reported	5.89	11.68
- Proforma	4.64	11.94
Diluted		
- As Reported	5.89	11.64
- Proforma	4.64	11.91

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

Notes on Consolidated Financial Statements For the year ended 31 March, 2019 (Contd.)

- (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 Company and the loan outstanding as at 31 March, 2019 is ₹ NIL (Previous Year ₹ Nil). As on 31 March, 2019, the said Trust has 1,25,767 (net of 2,61,363 equity shares sold during previous 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 lac) during the period commencing from September 2010 to July 2011 for Stock Options granted/ to be granted from time to time to the eligible employees. The said holding of 1,25,767 equity shares comprises of 1,10,267 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 were already granted to the eligible employees. Further, during the year, 15,500 Options also got lapsed due to non-exercise of Options by employees and therefore the Un-Appropriated Options as on 31.03.2019 represents entire 1,25,767 equity shares held by “Emkay Employees Welfare Trust”.

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 to the eligible employees or to sell the equity shares 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 2,61,363 equity shares during the previous FY 2017-18 in the secondary market and the remaining 1,25,767 equity shares held by “Emkay Employees Welfare Trust” (Previous year 1,10,267 equity shares) shall be sold in the secondary market on or before 27.10.2019.

The Parent Company introduced ESOP-2018 Scheme during the previous year ended 31.03.2018. The said scheme was approved by the shareholders of the Parent 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 Parent 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 approval on 18.04.2018 and Bombay Stock Exchange Limited on 26.04.2018. Under this ESOP Scheme approval for listing of maximum 24,53,403 equity shares of ₹ 10/- each of the Parent Company has been obtained.

ESOP's under the said scheme have been granted by the Parent Company to its employees or to the employees of its wholly owned subsidiary companies during the financial year ended 31.03.2019.

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

Particulars	As at	As at
	31 March, 2019 (₹)	31 March, 2018 (₹)
Present value of defined benefit obligations	5,97,05,001	4,94,33,226
Fair value of plan assets	5,08,55,700	3,75,47,445
Unrecognised past service cost	2,501	3,757
Plan asset / (liability)	(88,46,800)	(1,18,82,024)

Notes on Consolidated Financial Statements For the year ended 31 March, 2019 (Contd.)

Changes in the present value of the defined benefit obligations

Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
Opening defined benefit obligation	4,94,33,226	3,71,38,028
Acquisition adjustment	1,54,620	-
Current service cost	68,00,356	45,67,756
Past service cost (vested Employees)	-	52,35,974
Past service cost (un-vested Employees)	-	3,767
Interest cost	35,56,668	25,23,598
Benefits paid	(54,69,002)	(38,91,783)
Actuarial (gains) / losses on obligation	52,29,133	38,55,886
Closing defined benefit obligation	5,97,05,001	4,94,33,226

Changes in the fair value of plan assets

Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
Opening fair value of plan assets	3,75,47,445	3,05,14,472
Acquisition adjustment	154,620	-
Expected return	28,14,057	21,34,499
Contributions by employer	1,63,43,643	70,67,198
Benefits paid	(54,69,002)	(38,91,783)
Actuarial gains / (losses)	(5,35,063)	17,23,059
Closing fair value of plan assets	5,08,55,700	3,75,47,445

Statement of Profit & Loss

Particulars	Year ended 31 March, 2019 (₹)	Year ended 31 March, 2018 (₹)
Current service cost	68,00,356	45,67,756
Past service cost (vested employees)	-	52,35,974
Past service cost (un-vested Employees)	1,256	10
Interest cost	35,56,668	25,23,598
Expected return on plan assets	(28,14,057)	(21,34,499)
Net Actuarial (gains) / losses recognised for the period	57,64,196	21,32,827
Expenses recognised in Statement of Profit & Loss under Employee benefits expense	1,33,08,419	1,23,25,666

Principal Assumptions

Particulars	Year ended 31 March, 2019 (₹)	Year ended 31 March, 2018 (₹)
Discount rate	6.90%	7.20%
Rate of increase in compensation	9.00%	8.00%
Expected rate of return on assets	7.50%	7.50%
Withdrawal rate	Up to Age 45 : 25% 46 & above:15%	Up to Age 45:30% 46 & above:15%

5. CONTINGENT LIABILITIES

Sr. No.	Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
1	Claims against the Company not acknowledged as debt	8,62,650	7,62,650
2	Guarantees issued by the Banks	1,55,00,00,000	1,56,00,00,000
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)	-	20,00,00,000
4	Income Tax matters in appeal (Net of taxes paid)	61,330	2,17,303
5	Service Tax matters in appeal (Net of ₹ 38,43,538 paid in Financial Year 2019-20)	8,47,80,563	-

Notes on Consolidated Financial Statements For the year ended 31 March, 2019 (Contd.)

6. CAPITAL COMMITMENTS

Sr. No.	Particulars	As at 31 March, 2019 (₹)	As at 31 March, 2018 (₹)
1	Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)	1,74,04,396	11,34,632

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 utilised towards Additional Base Capital/ Exposure/ Margin requirement of the respective Company.
8. Provisions made as per the RBI NBFC Directions 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 March, 2019 (₹)	Year ended 31 March, 2018 (₹)
Provision for diminution in Value of Non-Current Investments	-	50,04,996
Provision for Sub-Standard Assets	15,635	2,02,135

9. There are accumulated losses in case of one subsidiary Company namely Emkay Commotrade Limited. The said subsidiary Company has not been able to generate enough revenues and scale up its operations and therefore the subsidiary Company at its meeting held on 5th February, 2019 has decided to discontinue the business of commodity broking and accordingly the subsidiary Company has discontinued the said business w.e.f. 13th February, 2019. In view of the same, the financial statements of this subsidiary Company have been prepared under the realization basis of accounting as the subsidiary Company ceases to be a going concern.
10. Other Current Liabilities includes ₹ 20,30,276/- (P.Y. ₹ 17,10,408/-) being aggregate amount of deposits in Group Companies bank accounts made directly by clients whose details are awaited.

11. OPERATING LEASES

- (a) The Parent Company has taken various commercial premises under operating leases. These lease arrangements are normally renewable on expiry. The rental expenses in respect of above operating leases was ₹ 2,63,97,132/- (P.Y. ₹ 2,00,60,950/-).
- (b) The future minimum lease payments in respect of non-cancellable operating leases are as follows:

Particulars	Year ended 31 March, 2019 (₹)	Year ended 31 March, 2018 (₹)
a) Payments not later than one year	1,10,36,652	51,91,026
b) Payments later than one year and not later than five years	63,50,311	-
c) Payable later than five years	-	-
Total	1,73,86,963	51,91,026

Notes on Consolidated Financial Statements For the year ended 31 March, 2019 (Contd.)

12. EARNINGS PER SHARE

Particulars	Year ended 31 March, 2019 (₹)	Year ended 31 March, 2018 (₹)
Profit/(Loss) available for Equity Shareholders	14,49,00,290	28,61,40,938
Weighted average number of Shares used in Computing Basic Earning per share (No's)	2,46,01,263	2,45,05,251
Add: Potential number of Equity share that could arise on exercise of Employee Stock Options (No's)	10,306	73,200
Weighted average number of Shares used in Computing Diluted Earning per share (No's)	2,46,11,569	2,45,78,451
Nominal Value of Equity Shares	10	10
Basic Earnings per Share	5.89	11.68
Diluted Earnings per Share	5.89	11.64

13. SEGMENT INFORMATION

(a) Primary Segment:

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

(b) Secondary Segment:

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

Notes on Consolidated Financial Statements
For the year ended 31 March, 2019 (Contd.)

(c) Information about Business Segments

Particulars	Advisory and Transactional Services		Financing & Investment Activities		Eliminations		Consolidated for the	
	Year ended 31.03.2019 (₹)	Year ended 31.03.2018 (₹)	Year ended 31.03.2019 (₹)	Year ended 31.03.2018 (₹)	Year ended 31.03.2019 (₹)	Year ended 31.03.2018 (₹)	Year ended 31.03.2019 (₹)	Year ended 31.03.2018 (₹)
A. REVENUE								
1a Income from External Clients	1,40,32,78,977	1,40,05,45,111	7,59,68,682	15,34,65,109			1,47,92,47,659	1,55,40,10,220
1b Income from Intersegment Operations	10,25,443	18,50,050	(8,37,401)	(11,98,671)	(1,88,042)	(6,51,379)		
Total Revenue	1,40,43,04,420	1,40,23,95,161	7,51,31,281	15,22,66,438	(1,88,042)	(6,51,379)	1,47,92,47,659	1,55,40,10,220
B. RESULTS								
1 Segment Results(PBIT)	15,25,36,640	26,35,92,378	3,00,07,508	11,82,01,824	(1,76,653)	1,41,246	18,27,20,801	38,16,52,956
Segment Results(PBIT) - Intersegment	(1,76,653)	1,41,246					3,31,44,522	2,79,77,005
Total Segment Results (PBIT)	15,27,13,293	26,34,51,132	3,00,07,508	11,82,01,824	(1,76,653)	1,41,246	18,27,20,801	38,16,52,956
2 Finance Cost*							1,27,86,670	1,16,61,272
3 Unallocated Income								
Profit from Ordinary Activities before exceptional item & tax							16,23,62,949	36,53,37,223
Exceptional Items							1,71,00,000	-
Profit from Ordinary Activities after exceptional item but before tax							17,94,62,949	36,53,37,223
7 Provision for Current Tax							4,11,53,000	8,03,25,000
8 Deferred Tax Charge/(Benefit)							18,57,700	(14,28,450)
9 MAT Credit Entitlement							(30,54,000)	-
10 Tax Provision of Earlier Years							(18,48,327)	(1,39,104)
10 (Loss)/Profit After Tax							14,13,54,576	28,65,79,777
11 Less:- Minority Interest							-	-
12 Add:- Share of Profit/(Loss) from Associate							35,45,714	(4,38,839)
12 Profit							14,49,00,290	28,61,40,938
C. OTHER INFORMATION:								
1 Segment Assets	2,34,62,05,253	2,70,30,21,537	63,12,30,271	71,59,55,403			2,97,74,35,524	3,41,89,76,940
2 Unallocated Corporate Assets							27,26,61,911	22,81,23,784
3 Total Assets							3,25,00,97,435	3,64,71,00,724
4 Segment Liabilities	1,31,68,39,228	1,68,12,46,678	11,87,31,852	23,27,16,944			1,43,55,71,080	1,91,39,63,622
5 Unallocated Corporate Liabilities							70,87,147	64,79,806
6 Total Liabilities							1,44,26,58,227	1,92,04,43,428
7 Capital Expenditure (Including Capital Work in Progress)	3,41,37,524	1,73,77,732	51,948	-			3,41,89,472	1,73,77,732
8 Depreciation & Amortization	4,58,31,427	4,64,96,716	1,91,439	3,15,176			4,60,22,866	4,68,11,892
9 Unallocated Depreciation & Amortization							-	-
10 Total Depreciation & Amortization	4,58,31,427	4,64,96,716	1,91,439	3,15,176			4,60,22,866	4,68,11,892
11 Non Cash Expenses Other than Depreciation & Amortization	12,08,505	11,35,971	1,17,873	74,05,377			13,26,378	85,41,348

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

Notes on Consolidated Financial Statements For the year ended 31 March, 2019 (Contd.)

14. COMPANIES WHOSE ACCOUNTS HAVE BEEN CONSIDERED FOR THE CONSOLIDATED FINANCIAL STATEMENTS:-

Name of Entities	Date of Incorporation	% of Holding as at 31.03.2019	% of Holding as at 31.03.2018	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 Wealth Advisory Limited (formerly Emkay Insurance Brokers Limited)	08.03.2007	100%	100%	Wealth Management/ Investment Advisory
Emkay Commotrade Limited	05.01.2006	100%	100%	Commodity Broking (till 13th February, 2019)
ASSOCIATES				
Aa lea Capital Partners LLP	15.07.2017	45%	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	
	2018-19		2018-19	
	As % of Consolidated Net Assets	Amount (₹)	As % of Consolidated Profit or Loss	Amount (₹)
Parent				
Emkay Global Financial Services Limited.	64.56%	1,34,74,45,192	50.52%	63,663,932
Subsidiaries				
Emkay Fincap Limited.	24.78%	51,71,54,450	18.79%	2,36,84,975
Emkay Investment Managers Limited.	6.97%	14,54,37,403	14.51%	1,82,91,302
Emkay Wealth Advisory Limited. (formerly Emkay Insurance Brokers Limited.)	1.03%	2,15,27,117	11.30%	1,42,46,348
Emkay Commotrade Limited.	2.51%	5,23,22,321	2.06%	25,94,795
Accumulated Profit of Associate				
Aa lea Capital Partners LLP	0.15%	31,06,875	2.81%	35,45,714
Sub Total	100.00%	2,08,69,93,358	100.00%	12,60,27,066
Adjustments arising out of consolidation		(38,40,74,977)		1,88,73,224
Total		1,70,29,18,381		14,49,00,290

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 March, 2019 (₹)			As at 31 March, 2018 (₹)		
	No. of Contracts	No. of Units		No. of Contracts	No. of Units	
		Long	Short		Long	Short
FUTSTK INDIANB	-	-	-	10	20,000	-
FUTSTK CASTROLIND	-	-	-	9	25,200	-
FUTSTK HDFCBANK	-	-	-	6	3,000	-
FUTSTK IDEA	-	-	-	2	-	14,000
FUTSTK HCLTECH	3	2,100	-	-	-	-
FUTSTK REPCOHME	15	16,500	-	-	-	-

**Notes on Consolidated Financial Statements
For the year ended 31 March, 2019 (Contd.)**

Name of Equity Index/ Stock Futures	As at 31 March, 2019 (₹)			As at 31 March, 2018 (₹)		
	No. of Contracts	No. of Units		No. of Contracts	No. of Units	
		Long	Short		Long	Short
FUTSTK ACC	4	1,600	-	-	-	-
FUTSTK BALKRISIND	3	-	2,400	-	-	-
FUTSTK EICHERMOT	3	-	75	-	-	-
FUTSTK SRTRANSFIN	3	1,800	-	-	-	-
FUTSTK JUBLFOOD	4	2,000	-	-	-	-
FUTSTK HEXAWARE	6	9,000	-	-	-	-
FUTSTK EQUITAS	9	36,000	-	-	-	-
FUTSTK APOLLOHOSP	4	2,000	-	-	-	-

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 March, 2019 [net of provisions made] (₹)	Premium carried forward as at 31 March, 2018 [net of provisions made] (₹)
NIFTY	1,94,250	20,35,123
Total	1,94,250	20,35,123

17. A) RELATED PARTY DISCLOSURES:

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

Associate	Aa lea Capital Partners LLP
Key Managerial Personnel	Krishna Kumar Karwa – Managing Director Prakash Kacholia – Managing Director
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 Private. Limited. 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
Company Secretary	Bhalchandra Raul

Notes on Consolidated Financial Statements For the year ended 31 March, 2019 (Contd.)

17. B) RELATED PARTY TRANSACTION FOR THE YEAR ENDED 31 MARCH, 2019

No.	Name	Relationship	Nature of transaction	Transaction amount during		Amount Outstanding as on
				2018-19 (₹)	2017-2018 (₹)	31.03.2019 (₹)
RELATED PARTIES WHERE CONTROL EXISTS						
1	Azalea Capital Partners LLP	Associate	Depository Charges Trade Receivables Investment via Capital Contribution Payments made on behalf	630 - - -	- - 4,50,000 20,835	- 35 4,50,000 -
KEY MANAGERIAL PERSONNEL						
2	Krishna Kumar Karwa	KMP having control or significant influence	Salaries & Other Benefits Brokerage Income Depository Charges Dividend Paid Trade Receivables	94,08,000 48,825 830 98,45,000 -	94,08,000 1,06,773 1,200 49,22,500 -	- - - - 89
3	Prakash Kacholia	KMP having control or significant influence	Salaries & Other Benefits Brokerage Income Depository Charges Dividend Paid Trade payables Portfolio Management Fees Trade Receivables	94,08,000 36,002 1,000 95,00,000 - 3,57,005 -	94,08,000 44,312 1,240 47,50,000 - 3,63,701 -	- - - - 24,76,815 1,04,601 1,15,369
RELATIVES OF KEY MANAGERIAL PERSONNEL						
4	Preeti Kacholia	Relative of KMP	Brokerage Income Depository Charges Dividend Paid Trade payables	3,17,862 6,505 37,60,000 -	6,32,105 8,795 21,25,000 -	- - - 1,41,900
5	Priti Karwa	Relative of KMP	Brokerage Income Depository Charges Trade Receivables	357 630 -	37,867 1,180 -	- 71 -
6	Raunak Karwa	Relative of KMP	Salaries & Other Benefits Brokerage Income Depository Charges Dividend Paid	20,16,000 5,109 735 35,00,000	3,36,000 6,002 585 17,50,000	- - - 389
7	Soumya K Karwa	Relative of KMP	Trade Receivables Brokerage Income Depository Charges Trade Payables	- - 510 -	26,717 675 -	- - - 124
8	Muridhar Karwa HUF	Relative of KMP	Trade Receivables Brokerage Income Depository Charges	- 315 -	1,084 405 -	- - -
9	Krishna Kumar Karwa HUF	Relative of KMP	Dividend Paid Trade Receivables Brokerage Income Depository Charges	2,00,000 - 375 -	1,00,000 - 660 1,00,000	- 384 - -
10	Nidhi Kacholia	Relative of KMP	Trade Receivables Brokerage Income Depository Charges Trade Receivables	- 344 15 -	- 183 645 -	35 - - 390

Notes on Consolidated Financial Statements
For the year ended 31 March, 2019 (Contd.)

17. B) RELATED PARTY TRANSACTION FOR THE YEAR ENDED 31 MARCH, 2019 (Contd.)

No.	Name	Relationship	Nature of transaction	Transaction amount during			Amount Outstanding as on	
				2018-19 (₹)	2017-2018 (₹)	31.03.2019 (₹)	31.03.2018 (₹)	
11	Divya Kacholia	Relative of KMP	Brokerage Income Depository Charges Trade Receivables	- - -	18 15 -	- - -	- - 53	
	ENTERPRISES OWNED/ CONTROLLED BY KMP							
12	Cambridge Securities	Enterprise owned/controlled by KMP	Depository Charges	-	15	-	-	
13	Synthetic Fibres Trading Co	Enterprise owned/controlled by KMP	Brokerage Income Depository Charges Trade Payables Trade Receivables	7,65,341 1,490 - -	13,44,370 4,170 -	- -	- 1,33,51,064 71	
14	Emkay Corporate Services Private Limited	Enterprise owned/controlled by KMP	Brokerage Income Depository Charges Dividend Paid Interest Paid Loan taken & repayment Portfolio Management Fees Trade Receivables	55,764 1,700 83,00,000 29,836 4,80,00,000 28,797 -	- 980 41,50,000 42,192 3,50,00,000 -	- -	- -	
15	Krishna Investments	Enterprise owned/controlled by relative of KMP	Brokerage and Commission Trade Receivables Trade Payables	49,308 - -	73,212 -	- -	- 2,20,079 41,869	
16	Seven Hills Capital	Enterprise owned/controlled by KMP	Brokerage Income Depository Charges Trade Payables	3,42,535 1,610 -	8,56,319 2,145 -	- -	- -	
	OTHERS							
17	Emkay Charitable Foundation	Others	Donation : Corporate Social Responsibility	8,00,000	3,50,000	-	-	
	ADDITIONAL RELATED PARTIES AS PER COMPANIES ACT, 2013							
18	Saket Agrawal	Chief Financial Officer	Salaries & Other Benefits	45,87,160	34,38,767	-	-	
19	Bhalchandra Raul	Company Secretary	Salaries & Other Benefits	24,92,093	21,72,386	-	-	

Notes on Consolidated Financial Statements For the year ended 31 March, 2019 (Contd.)

18. As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. During the financial year ended 31.03.2019 provisions of Section 135 are applicable only to Parent Company and one of the subsidiaries, namely Emkay Fincap Limited. A CSR committee has been formed by the Group as per the Act.

- a) Gross amount required to be spent during the year is ₹ 44,84,343 (P.Y. ₹ 3,47,883/-)
b) Details of amount spent:

Particulars	Amount		
	In cash (₹)	Yet to be paid in cash (₹)	Total (₹)
During the year ending on 31 March, 2019 :			
i) Construction/acquisition of any asset	7,76,440	37,07,903	44,84,343
ii) On purposes other than (i) above	-	-	-
During the year ending on 31 March, 2018 :			
i) Construction/acquisition of any asset	2,58,349	41,234	2,99,583
ii) On purposes other than (i) above	48,300		48,300

Above amount has been spent by Emkay Charitable Foundation a section 8 Company as per the Companies Act, 2013 from the contribution made by the Group.

19. The Hon'ble Supreme Court of India ("SC") vide order dated February 28, 2019, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. Pending decision on the review petition and directions from the EPFO, the impact, if any, is not ascertainable and consequently no effect has been given in the accounts

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

Particulars	Year ended 31 March, 2019 (₹)	Year ended 31 March, 2018 (₹)
(a) Expenditure in Foreign Currency (accrual basis)		
Brokerage & Commission	18,23,211	92,61,729
Travelling Expenses	74,67,180	88,12,256
Membership & Subscription	95,64,966	67,38,710
Miscellaneous Expenses	23,17,266	1,42,182
Advertisement & Business Promotion	66,598	2,94,793
Software Expenses	50,152	25,013
(b) Earning in Foreign Currency (accrual basis)		
Research Fees	1,94,05,436	1,88,43,658
Investment Banking Fees	98,14,790	-
Miscellaneous Income	9,08,149	3,60,367

(ii) Other Additional Information required pursuant to Part II of Schedule III of the Companies Act, 2013 are not applicable to Parent Company or to any of the subsidiary company.

21. Expenses includes ₹ Nil (P.Y. ₹ 2,809/-) pertaining to earlier year.

22. Detailed information in respect of Securities traded (Delivery only) :-

Particulars	Purchases		Sales	
	2018-19 (₹)	2017-18 (₹)	2018-19 (₹)	2017-18 (₹)
Shares	35,75,33,255	9,37,37,569	35,88,61,730	13,49,05,476
Corporate Bonds	27,43,82,773	6,37,91,820	27,54,05,306	6,43,51,391

Notes on Consolidated Financial Statements For the year ended 31 March, 2019 (Contd.)

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 Limited	Emkay Commotrade Limited	Emkay Wealth Advisory Limited (Formerly Emkay Insurance Brokers Limited)	Emkay Investment Managers Limited.
Reporting Period	31/03/2019	31/03/2019	31/03/2019	31/03/2019
Reporting Currency	INR	INR	INR	INR
The date from which became subsidiary	16/05/2005	05/01/2006	08/03/2007	08/06/2010
Share Capital (₹)	22,00,00,000	8,50,00,000	4,10,00,000	9,00,00,000
Reserves & Surplus (₹)	29,71,54,450	(3,26,77,679)	(1,94,72,883)	5,54,37,403
Total Assets (₹)	63,66,74,999	5,55,81,015	2,20,73,119	15,53,21,937
Total Liabilities (₹)	11,95,20,549	32,58,694	5,46,002	98,84,534
Investments (₹)	18,24,69,826	-	-	1,55,98,514
Turnover/Total Income (₹)	7,51,67,182	2,47,11,024	10,311,733	8,83,96,620
Profit Before Tax (₹)	3,00,43,409	25,94,795	1,76,46,348*	2,54,66,108
Provision for Taxation (₹)	63,58,434	-	34,00,000	71,74,806
Profit after Taxation (₹)	2,36,84,975	25,94,795	1,42,46,348	1,82,91,302
Proposed Dividend (₹)	Nil	Nil	Nil	Nil
% of Shareholding	100.00%	100.00%	100.00%	100.00%

* Includes exceptional income of ₹ 1,71,00,000/-.

Subsidiaries which are yet to commence operations: Emkayglobal Financial Services IFSC Private Limited.

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. In case of Emkay Wealth Advisory Limited (formerly Emkay Insurance Brokers Limited) has transferred its direct insurance broking business by entering into a Business Transfer Agreement dated 22nd March, 2019 for an aggregate consideration of ₹ 1,71,00,000/-. The same is comprising of following and shown as an Exceptional Item in accompanying financial statements :-

Particulars	Year ended 31 March, 2019 (₹)	Year ended 31 March, 2018 (₹)
Non-Compete Fees Received on Transfer of Direct Insurance Broking Business	71,00,000	-
Consideration for Transfer of Direct Insurance Broking Business	1,00,00,000	-
Total	1,71,00,000	-

25. The Board of Directors of the Parent Company at their meeting held on 28th May, 2019 proposed a dividend of ₹ 1.00 per share for the year ended 31 March, 2019, subject to the approval of the members at the ensuing Annual General Meeting. In terms of revised Accounting Standard (AS) 4 "Contingencies and Events occurring after the Balance Sheet date", the Company is not required to provide for dividend proposed/declared after the Balance Sheet date. Consequently, no provision has been made in respect of the aforesaid dividend proposed by the Board of Directors of the Parent Company for the year ended 31 March, 2019. If approved, the total liability arising to the Parent Company would be ₹ 296.81 Lac including corporate dividend tax.

Notes on Consolidated Financial Statements For the year ended 31 March, 2019 (Contd.)

26. Figures pertaining to the Subsidiary Companies have been reclassified wherever necessary to bring them in line with the Parent Company's Financial Statements.
27. 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, 2019

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

Krishna Kumar Karwa
Managing Director

Saket Agrawal
Cheif Financial Officer

Place : Mumbai
Date : May 28, 2019

Prakash Kacholia
Managing Director

Bhalchandra Raul
Company Secretary



Your success is our success

EMKAY GLOBAL FINANCIAL SERVICES LIMITED**CIN No. L67120MH1995PLC084899****Registered Office:** The Ruby, 7th Floor, Senapati Bapat Marg, Dadar (West), Mumbai-400028**Website:** www.emkayglobal.com **T:** 022-66121212 **Fax:** 022-66121299 **Email:** secretarial@emkayglobal.com**PROXY FORM****[Pursuant to section 105 (6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]**

Name of the Member (s): _____

Registered Address: _____

E-mail ID: _____

Folio No./ Client ID: _____ DP ID: _____

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

1. Name:
Address:
E-mail ID:
Signature: _____ or failing him
2. Name:
Address:
E-mail ID:
Signature: _____ or failing him
3. Name:
Address:
E-mail ID:
Signature: _____ or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company, to be held on Monday, 12th day of August, 2019 at 12.00 noon at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th floor, 18/20 K. Dubhash Marg, Mumbai - 400 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolutions
1.	To receive, consider and adopt the audited financial statements including audited consolidated financial statements of the Company for the financial year ended 31st March, 2019 together with the reports of the Board of Directors and Auditors thereon.
2.	To declare Dividend on equity shares of the Company for the Financial Year ended 31st March, 2019.
3.	To appoint a Director in place of Mr. S. K. Saboo (DIN-00373201), aged 76 years, who retires by rotation and being eligible, offers himself for re-appointment by passing a Special resolution.
4.	Special resolution for re-appointment of Mr. G.C. Vasudeo as an Independent Director for second term of 5 years.
5.	Special resolution for re-appointment of Mr. R.K. Krishnamurthi as an Independent Director for second term of 5 years.
6.	Special resolution for re-appointment of Mr. Krishna Kumar Karwa as Managing Director and Payment of remuneration to him.
7.	Special resolution for re-appointment of Mr. Prakash Kacholia as Managing Director and Payment of remuneration to him.
8.	Special resolution for Grant of stock options to Mr. Yatin Kumar Singh, Head of Investment Banking in excess of 1% of issued capital of the Company.
9.	Special resolution for Grant of stock options to Mr. Sunil Tirumalai, Head of Research & Strategist in excess of 1% of issued capital of the Company.

Signed this _____ day of _____, 2019

Signature of the Shareholder: _____

Signature of the Proxy Holder(s): _____

Affix
Revenue
Stamp of
Rs.1

Note:

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



Your success is our success

EMKAY GLOBAL FINANCIAL SERVICES LIMITED

CIN-L67120MH1995PLC084899

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

Website: www.emkayglobal.com **T:** 022-66121212 **Email:** secretarial@emkayglobal.com

ATTENDANCE SLIP

I hereby record my presence at the 25th Annual General Meeting of the Company held on Monday, 12th August, 2019 at 12.00 noon at M.C Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, K. Dubash Marg, Next to Copper Chimney Grill, Mumbai – 400 001.

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

Name of Member _____

Name of Proxy holder _____

No. of Share(s) Held: _____

Signature of Member/Proxy

Notes:

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

The logo for Emkay, featuring the word "Emkay" in a white, cursive script font with a registered trademark symbol (®) to its upper right.

Your success is our success

Emkay Global Financial Services Ltd

CIN: L67120MH1995PLC084899

Registered Office:

The Ruby, 7th Floor, Senapati Bapat Marg,
Dadar (West), Mumbai 400 028.

Tel: +91 22 66121212

A large, white, 3D-style arrow pointing upwards and to the right, set against a background of radiating orange lines.