

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2012

(' in Lacs)

Sr.No.	Particulars	3 Months ended 31.03.2012		Preceding 3 Months ended 31.12.2011		Corresponding 3 Months ended 31.03.2011 in the previous year		Current year ended 31.03.2012		Previous year ended 31.03.2011	
		Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
1	Income from Operations										
	a) Income from Operations	1,876.30		1,920.60		1,690.61		7,506.76		9,839.36	
	b) Other Operating Income	198.03		349.70		248.94		1,251.79		1,476.09	
	Total Income from Operations	2,074.33		2,270.30		1,939.55		8,758.55		11,315.45	
2	Expenses										
	a) Employee Benefits Expense	871.24		1,172.79		989.70		4,320.86		4,542.36	
	b) Depreciation and Amortisation Expense	151.96		154.86		100.40		487.93		385.89	
	c) Other Expenses	976.11		994.23		1,207.65		4,112.14		4,956.20	
	Total Expenses	1,999.31		2,321.88		2,297.75		8,920.93		9,884.45	
3	Profit/(Loss) from Operations before Other Income, Finance Costs & Exceptional Items (1-2)	75.02		(51.58)		(358.20)		(162.38)		1,429.00	
4	Other Income	81.16		48.38		38.74		286.01		161.01	
5	Profit/(Loss) from Ordinary Activities before Finance Costs & Exceptional Items (3+4)	156.18		(3.20)		(319.46)		103.63		1,590.01	
6	Finance Costs	62.53		71.89		73.06		219.89		304.63	
7	Profit/(Loss) from Ordinary Activities after Finance Costs but before Exceptional Items (5-6)	93.65		(75.09)		(392.52)		(116.26)		1,285.38	
8	Exceptional Items										
9	Profit/(Loss) from Ordinary Activities before tax (7-8)	93.65		(75.09)		(392.52)		(116.26)		1,285.38	
10	Tax Expense/(Income)	30.23		(35.00)		(123.47)		(39.20)		452.57	
11	Profit/(Loss) from Ordinary Activities after tax (9-10)	63.42		(40.09)		(269.05)		(77.06)		832.81	
12	Extraordinary Items (net of tax expense)	-		-		-		-		-	
13	Net Profit/(Loss) for the period (11-12)	63.42		(40.09)		(269.05)		(77.06)		832.81	
14	Paid-up Equity Share Capital ('Face Value of ' 10/- each)	2,443.78		2,443.78		2,442.73		2,443.78		2,442.73	
15	Reserves excluding Revaluation Reserves at the end of the year							11,130.99		11,347.98	
16(i)	Earnings Per Share (EPS) (before Extraordinary Items) (of Rs.10/- each) (not annualised) :										
	(a) Basic	0.26		(0.16)		(1.10)		(0.32)		3.41	
	(b) Diluted	0.26		(0.16)		(1.09)		(0.32)		3.37	
16(ii)	Earnings Per Share (EPS) (after Extraordinary Items) (of Rs.10/- each) (not annualised) :										
	(a) Basic	0.26		(0.16)		(1.10)		(0.32)		3.41	
	(b) Diluted	0.26		(0.16)		(1.09)		(0.32)		3.37	

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SELECT INFORMATION FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2012

S.No.	Particulars	3 Months ended 31.03.2012	Preceding 3 Months ended 31.12.2011	Corresponding 3 Months ended 31.03.2011 in the previous year	Current year ended 31.03.2012	Previous year ended 31.03.2011
A PARTICULARS OF SHAREHOLDING						
1	Public Shareholding					
	- Number of Shares	6,540,250	6,740,250	6,929,750	6,540,250	6,929,750
	- Percentage of Shareholding	26.76%	27.59%	28.37%	26.76%	28.37%
2	Promoters and Promoter Group Shareholding					
	a) Pledged/ Encumbered					
	- Number of Shares	-	-	-	-	-
	- Percentage of Shares (as a % of the total Shareholding of Promoter and Promoter Group)	-	-	-	-	-
	- Percentage of Shares (as a % of the total Share Capital of the Company)	-	-	-	-	-
	b) Non-encumbered					
	- Number of Shares	17,897,500	17,697,500	17,497,500	17,897,500	17,497,500
	- Percentage of Shares (as a % of the total Shareholding of Promoter and Promoter Group)	100.00%	100.00%	100.00%	100.00%	100.00%
	- Percentage of Shares (as a % of the total Share Capital of the Company)	73.24%	72.42%	71.63%	73.24%	71.63%
	Particulars	3 Months ended 31.03.2012				
B INVESTOR COMPLAINTS						
	Pending at the beginning of the quarter		NIL			
	Received during the quarter		3			
	Disposed of during the quarter		3			
	Remaining unresolved at the end of the quarter		NIL			
Notes:						
1	The above Standalone Financial Results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on May 19, 2012.					
2	The figures of last quarter for the current year and for the previous year are the balancing figures between the audited figures in respect of the full financial year ended 31st March and the unaudited published year-to-date figures upto the third quarter ended 31st December, which were subjected to a limited review.					
3	As on March 31, 2012, the Company has 26,76,750 Stock Options outstanding under various ESOP Schemes.					
4	The Board of Directors has recommended a dividend of Rs 0.50 per share for the financial year 2011-2012 out of accumulated profits subject to approval of the shareholders.					
5	The Company's operations relate to one reportable business segment, i.e. Advisory & Transactional Services (comprising of Broking and Distribution, Investment Banking & Other related Financial Intermediation Services).					
6	Total Expenditure for the year ended on March 31, 2012 includes an amount of Rs.26.16 Lacs pertaining to previous year accounted on receipt of regulatory approval.					
7	In the corresponding year ended March 31, 2011, income from Operations includes Rs.223.46 Lacs being income from Portfolio Management Services business, which was transferred to a Wholly Owned Subsidiary, Emkay Investment Managers Limited, from 1st January, 2011.					
8	The Previous period/year figures have been regrouped and rearranged, wherever necessary to make them comparable.					

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STANDALONE AUDITED STATEMENT OF ASSETS AND LIABILITIES

(' in Laacs)

Particulars		As at 31.03.2012	As at 31.03.2011
A EQUITY AND LIABILITIES			
1 Shareholders' Funds			
	(a) Share Capital	2,443.78	2,442.73
	(b) Reserves & Surplus	11,130.99	11,347.98
	Sub-total - Shareholders' Funds	13,574.77	13,790.71
2 Share Application Money Pending Allotment			
Non Current Liabilities			
	(a) Long-term Borrowings	10.05	20.02
	(b) Other Long-term Liabilities	379.94	407.43
	Sub-total - Non Current Liabilities	389.99	427.45
4 Current Liabilities			
	(a) Short-term Borrowings	1,279.85	225.00
	(b) Trade Payables	4,387.55	5,382.71
	(c) Other Current Liabilities	2,561.85	2,857.44
	(d) Short-term Provisions	161.92	358.43
	Sub-total - Current Liabilities	8,371.17	8,803.58
	TOTAL - EQUITY AND LIABILITIES	22,335.93	23,023.51
B ASSETS			
1 Non Current Assets			
	(a) Fixed Assets	4,769.18	2,822.89
	(b) Non Current Investments	3,450.04	3,550.05
	(c) Deferred Tax Assets (Net)	467.67	428.92
	(d) Long-term Loans and Advances	1,436.16	1,612.97
	Sub-total - Non Current Assets	10,123.05	8,414.83
2 Current Assets			
	(a) Inventories	0.01	6.29
	(b) Trade Receivables	2,822.35	3,368.19
	(c) Cash and Bank Equivalents	7,923.08	10,583.28
	(d) Short-term Loans and Advances	1,278.08	461.45
	(e) Other Current Assets	189.36	189.47
	Sub-total - Current Assets	12,212.88	14,608.68
	TOTAL - ASSETS	22,335.93	23,023.51

On behalf of the Board of Directors

Emkay Global Financial Services Limited

K.K. Karwa

Krishna Kumar Karwa

Managing Director & CFO

Date: May 19, 2012

Place: Mumbai

EMIKAY GLOBAL FINANCIAL SERVICES LIMITED

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

Part I

STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2012

(' in Lacs)

Sr.No.	Particulars	3 Months ended		Corresponding 3 Months ended 31.03.2011 in the previous year	Current year ended 31.03.2012		Previous year ended 31.03.2011
		31.03.2012	Preceding 3 Months ended 31.12.2011		Unaudited	Audited	
1	Income from Operations						
	a) Income from Operations	2,365.43	2,465.93	2,123.37	9,617.97	11,151.88	
	b) Other Operating Income	236.89	405.01	253.74	1,491.15	1,513.44	
	Total Income from Operations	2,602.32	2,870.94	2,377.11	11,109.12	12,665.32	
2	Expenses						
	a) Employee Benefits Expense	983.13	1,302.98	1,083.43	4,785.80	4,861.42	
	b) Depreciation and Amortisation Expense	157.39	159.39	104.23	503.94	394.12	
	c) Other Expenses	1,830.07	1,259.59	1,389.28	5,724.88	5,558.34	
	Total Expenses	2,970.59	2,722.06	2,576.94	11,014.62	10,813.88	
3	Profit/(Loss) from Operations before Other Income, Finance Costs & Exceptional Items (1-2)	(368.27)	148.88	(199.83)	94.50	1,851.44	
4	Other Income	69.01	59.35	78.32	300.19	284.30	
5	Profit/(Loss) from Ordinary Activities before Finance Costs & Exceptional Items (3+4)	(299.26)	208.23	(121.51)	394.69	2,135.74	
6	Finance Costs	66.75	74.66	74.67	229.84	311.08	
7	Profit/(Loss) from Ordinary Activities after Finance Costs but before Exceptional Items (5-6)	(366.01)	133.57	(196.18)	164.85	1,824.66	
8	Exceptional Items	-	-	-	-	-	
9	Profit/(Loss) from Ordinary Activities before tax (7-8)	(366.01)	133.57	(196.18)	164.85	1,824.66	
10	Tax Expense/(Income)	(111.47)	32.10	(55.37)	58.04	640.37	
11	Profit/(Loss) from Ordinary Activities after tax (9-10)	(254.54)	101.47	(140.81)	106.81	1,184.29	
12	Extraordinary Items (net of tax expense)	-	-	-	-	-	
13	Net Profit/(Loss) for the period (11-12)	(254.54)	101.47	(140.81)	106.81	1,184.29	
14	Share of Profit/(Loss) of Associates	-	-	-	-	-	
15	Minority Interest	-	-	-	-	-	
16	Net Profit/(Loss) after taxes, minority interest and share of profit/(loss) of associates (13+14-15)	(254.54)	101.47	(140.81)	106.81	1,184.29	
17	Paid-up Equity Share Capital (Face Value of '10/- each)	2,443.78	2,443.78	2,442.73	2,443.78	2,442.73	
18	Reserves excluding Revaluation Reserves at the end of the year	-	-	-	12,389.32	12,422.44	
19(i)	Earnings Per Share (EPS) (before Extraordinary items) (of Rs. 10/- each) (not annualised) :						
	(a) Basic	(1.04)	0.42	(0.58)	0.44	4.85	
	(b) Diluted	(1.04)	0.42	(0.57)	0.44	4.79	
19(ii)	Earnings Per Share (EPS) (after Extraordinary items) (of Rs. 10/- each) (not annualised) :						
	(a) Basic	(1.04)	0.42	(0.58)	0.44	4.85	
	(b) Diluted	(1.04)	0.42	(0.57)	0.44	4.79	

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Part II

SELECT INFORMATION FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2012

Sr.No.	Particulars	3 Months ended 31.03.2012	Preceding 3 Months ended 31.12.2011	Corresponding 3 Months ended 31.03.2011 in the previous year	Current year ended 31.03.2012	Previous year ended 31.03.2011
A PARTICULARS OF SHAREHOLDING						
1	Public Shareholding					
	- Number of Shares	6,540,250	6,740,250	6,929,750	6,540,250	6,929,750
	- Percentage of Shareholding	26.76%	27.58%	28.37%	26.76%	28.37%
2	Promoters and Promoter Group Shareholding					
	a) Pledged/ Encumbered					
	- Number of Shares	-	-	-	-	-
	- Percentage of Shares (as a % of the total Shareholding of Promoter and Promoter Group)	-	-	-	-	-
	- Percentage of Shares (as a % of the total Share Capital of the Company)	-	-	-	-	-
	b) Non-encumbered					
	- Number of Shares	17,897,500	17,697,500	17,497,500	17,897,500	17,497,500
	- Percentage of Shares (as a % of the total Shareholding of Promoter and Promoter Group)	100.00%	100.00%	100.00%	100.00%	100.00%
	- Percentage of Shares (as a % of the total Share Capital of the Company)	73.24%	72.42%	71.63%	73.24%	71.63%
	Particulars	3 Months ended 31.03.2012				
B INVESTOR COMPLAINTS						
	Pending at the beginning of the quarter					
	Received during the quarter	3				
	Disposed of during the quarter	3				
	Remaining unresolved at the end of the quarter	NIL				
STANDALONE INFORMATION						
						(' In Lacs)
Sr.No.	Particulars	3 Months ended 31.03.2012	Preceding 3 Months ended 31.12.2011	Corresponding 3 Months ended 31.03.2011 in the previous year	Current year ended 31.03.2012	Previous year ended 31.03.2011
		Unaudited	Unaudited	Unaudited	Audited	Audited
1	Revenue	2,074.33	2,270.30	1,939.55	8,758.55	11,315.45
2	Profit/(Loss) before tax	93.65	(75.09)	(392.52)	(116.26)	1,285.38
3	Profit/(Loss) after tax	63.42	(40.09)	(269.05)	(77.06)	832.81

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- Notes:
- The above Consolidated Financial Results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on May 19, 2012.
 - The figures of last quarter for the current year and for the previous year are the balancing figures between the audited figures in respect of the full financial year ended 31st March and the unaudited published year-to-date figures upto the third quarter ended 31st December, which were subjected to a limited review.
 - As on March 31, 2012, the Company has 26,76,750 Stock Options outstanding under various ESOP Schemes.
 - The Board of Directors has recommended a dividend of Re. 0.50 per share for the financial year 2011-2012 out of accumulated profits subject to approval of the shareholders.
 - The Consolidated Results of the Company include the results of the wholly owned subsidiaries - Emkay Fincap Limited, Emkay Comtrade Limited, Emkay Insurance Brokers Limited & Emkay Investment Managers Limited.
 - The Company's operations on a Standalone basis relate to one reportable business segment, i.e. Advisory & Transactional Services (comprising of Broking and Distribution, Investment Banking & Other related Financial Intermediation Services). Hence Segment Information is presented for the Consolidated Financial Statements which comprises of two reportable business segments, i.e. Advisory & Transactional Services (comprising of Broking and Distribution, Investment Banking & Other related Financial Intermediation Services) and Non Banking Financing Activities (NBFC) in accordance with Accounting Standard - 17 on Segment Reporting.
 - Total Expenditure for the year ended on March 31, 2012 includes an amount of Rs.28.16 Lacs pertaining to previous year accounted on receipt of regulatory approval.
 - The Standalone Financial Results are available on the Company's website www.emkayglobal.com.
 - The Previous period/year figures have been regrouped and rearranged, wherever necessary to make them comparable.

CONSOLIDATED AUDITED SEGMENT RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2012

Sl.No.	Particulars	3 Months ended		Corresponding 3 Months ended		Current year ended	Previous year ended
		31.03.2012	Preceding 3 Months ended 31.12.2011	31.03.2011	In the previous year		
1	Segment Revenue						
	(a) Advisory and Transactional Services	2,458.89	2,798.16	2,303.88		10,530.33	12,370.26
	(b) Non Banking Financing Activities	144.22	133.26	73.35		580.90	295.88
	Total	2,603.11	2,871.42	2,377.23		11,111.23	12,666.14
	Less: Inter-Segment Revenue	0.79	0.48	0.12		2.11	0.82
2	Income from Operations	2,602.32	2,870.94	2,377.11		11,109.12	12,665.32
	Profit/(Loss) before tax and interest from each segment						
	(a) Advisory and Transactional Services						
	(b) Non Banking Financing Activities	(454.11)	65.04	(255.89)		(271.11)	1,633.48
	(c) Unallocated	85.84	83.84	56.06		365.61	217.96
	Total	69.01	59.35	78.32		300.19	284.30
	Less: Interest other than for Non Banking Financing Activities	(299.26)	208.23	(121.51)		394.69	2,135.74
3	Profit/(Loss) from Ordinary Activities before Exceptional Items & Tax	66.75	74.66	74.67		229.84	311.08
	Capital Employed	(366.01)	133.57	(196.18)		164.85	1,824.66
	(Segment Assets - Segment Liabilities)						
	(a) Advisory and Transactional Services						
	(b) Non Banking Financing Activities	11,592.29	12,542.42	10,918.64		11,592.29	10,918.64
	(c) Unallocated	3,228.81	4,541.86	2,664.23		3,228.81	2,664.23
	Total	1,301.66	1,222.72	1,529.10		1,301.66	1,529.10
		16,122.76	18,307.00	15,111.97		16,122.76	15,111.97

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CONSOLIDATED AUDITED STATEMENT OF ASSETS AND LIABILITIES

Particulars

(' In Laacs)

	As at 31.03.2012	As at 31.03.2011
A		
EQUITY AND LIABILITIES		
1		
Shareholders' Funds		
(a) Share Capital	2,442.78	2,442.73
(b) Reserves & Surplus	12,389.32	12,422.44
Sub-total - Shareholders' Funds	14,833.10	14,865.17
2		
Share Application Money Pending Allotment		
3		
Non Current Liabilities		
(a) Long-term Borrowings		
(b) Other Long-term Liabilities	10.05	20.02
(c) Long-term Provisions	453.26	451.52
Sub-total - Non Current Liabilities	463.31	471.54
4		
Current Liabilities		
(a) Short-term Borrowings		
(b) Trade Payables	3,654.85	263.75
(c) Other Current Liabilities	7,558.36	5,745.10
(d) Short-term Provisions	4,507.68	3,804.03
Sub-total - Current Liabilities	15,935.17	10,199.84
TOTAL - EQUITY AND LIABILITIES	31,245.38	25,545.50
B		
ASSETS		
1		
Non Current Assets		
(a) Fixed Assets		
(b) Non Current Investments	4,798.07	2,846.38
(c) Deferred Tax Assets (Net)	0.04	0.04
(d) Long-term Loans and Advances	794.84	568.97
Sub-total - Non Current Assets	5,593.95	3,425.43
2		
Current Assets		
(a) Current Investments		
(b) Inventories	305.69	300.00
(c) Trade Receivables	0.01	6.29
(d) Cash and Bank Equivalents	6,092.68	3,979.24
(e) Short-term Loans and Advances	10,781.64	12,748.09
(f) Other Current Assets	6,730.80	3,208.19
Sub-total - Current Assets	24,133.75	20,448.98
TOTAL - ASSETS	31,245.38	25,545.50

On behalf of the Board of Directors

Emkay Global Financial Services Limited

Krishna

Krishna Kumar Karwa

Managing Director & CFO

Date: May 19, 2012
Place: Mumbai

B. L. SARDA & ASSOCIATES

CHARTERED ACCOUNTANTS

CA.B. L. SARDA - B. COM., F.C.A.

CA.S. C. MANTRI - B. COM., F.C.A.

CA.ADITYA SARDA - B. COM., A.C.A.

61, Rajgir Chambers, 7th Floor,
Opp. Old Custom House,
12/14, Shahid Bhagat Singh Road,
Mumbai - 400 023.

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AUDITOR'S REPORT TO THE MEMBERS OF EMKAY GLOBAL FINANCIAL SERVICES LIMITED

1. We have audited the attached balance sheet of EMKAY GLOBAL FINANCIAL SERVICES LIMITED as at 31st March, 2012 and also the statement of profit and loss and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (the 'order'), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (the 'Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;

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B. L. SARDA & ASSOCIATES

CHARTERED ACCOUNTANTS

CA. B. L. SARDA - B. COM., F.C.A.

CA. S. C. MANTRI - B. COM., F.C.A.

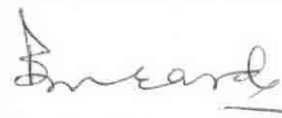
CA. ADITYA SARDA - B. COM., A.C.A.

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- (iv) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;
- (v) On the basis of written representations received from the directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and Notes thereon give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (a) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2012;
- (b) in the case of the Statement of Profit and Loss, of the **Loss** for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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



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



Place: Mumbai
Date: 19th May, 2012

EMKAY GLOBAL FINANCIAL SERVICES LIMITED**ANNEXURE TO THE AUDITORS' REPORT REFERRED TO IN PARAGRAPH
THREE OF OUR REPORT OF EVEN DATE**

- (i) In our opinion and according to the information and explanations given to us, the nature of the Company's business / activities during the year are such that clauses (viii), (xiii) and (xix) of Paragraph 4 of the said Order are not applicable to the company.
- (ii) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, fixed assets of the company have been physically verified by the management during the year which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the company has not disposed off substantial part of fixed assets which could affect the going concern status of the company.
- (iii) (a) The securities held as stock in trade have been confirmed with the statement of holding of depository at the end of the year. In our opinion, the frequency of verification of statement of holding is reasonable.
- (b) In our opinion and according the information and explanations given to us, the procedure of confirmation of securities held as stock in trade followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according the information and explanations given to us, the company has maintained proper records of securities held as stock in trade and as informed to us, no discrepancies have been noticed on verification between the statement of holding and the book records.
- (iv) (a) The company has granted unsecured demand loans to three companies covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was Rs 2503 lacs and the year end balance of loans granted to said companies was Rs 1000 lacs.

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B. L. SARDA & ASSOCIATES

CHARTERED ACCOUNTANTS

CA. B. L. SARDA - B. COM., F.C.A.

CA. S. C. MANTRI - B. COM., F.C.A.

CA. ADITYA SARDA - B. COM., A.C.A.

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:: 2 ::

- (b) In our opinion, the rate of interest and other terms and conditions on which the said unsecured loans have been granted to companies listed in the register maintained under section 301 of the Act are not prejudicial to the interest of the company.
- (c) The said companies are repaying the principal as and when demanded and are also regular in payment of interest.
- (d) There are no overdue amount of principal and interest.
- (e) The Company has not taken any secured or unsecured loan from companies, firms or other parties covered in the register maintained under section 301 of the Act during the year. Therefore comments under clause 4(iii) (e) to (g) of the Order are not applicable.
- (v) In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of securities, fixed assets and for sale of securities and services. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have we been informed of any instance of major weakness in the aforesaid internal control systems.
- (vi) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act and exceeding the value of rupees five lakhs in respect of any party during the year for services obtained from such a party have been made at prices which are reasonable having regard to prevailing market prices at the relevant time. In case of services provided to another such party, no comparison could be made since similar transactions have not been made with other parties.
- (vii) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from public within the meaning of Sections 58A and 58AA or any other relevant provisions of the Act and the rules framed thereunder.
- (viii) In our opinion, the Company has an adequate internal audit system commensurate with the size of the company and the nature of its business.



Contd...3

B. L. SARDA & ASSOCIATES

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- (ix) (a) The company has been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues applicable to it. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.
- (c) As at 31st March, 2012, according to the records of the company and the information and explanations given to us, the following are the particulars of disputed dues on account of income tax, sales tax, service tax, custom duty, wealth tax, excise duty and cess matters that have not been deposited:

Nature of dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where pending
Income Tax and Interest	6.37	F.Y.2002-2003	Rectifications/Appeal Effects
Income Tax and Interest	4.57	F.Y.2003-2004	Rectifications/Appeal Effects
Tax Deducted at Source and Interest	0.35	F.Y.2005-2006	Commissioner of Income Tax(Appeals)
Income Tax and Interest	25.94	F.Y.2007-2008	Income Tax Appellate Tribunal
Income Tax and Interest	61.19	F.Y.2008-2009	Commissioner of Income Tax(Appeals)

- (x) The Company has no accumulated losses as at 31st March, 2012 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- (xi) According to the information and explanations given to us, the company has not defaulted in repayment of dues to the bank. The Company has not obtained any borrowings from any financial institutions or by way of debentures.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of the transactions and contracts in respect of its dealing or trading in shares, securities and other investments and timely entries have been made therein and the shares, securities and other investments have been held by the company in its own name.



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B. L. SARDA & ASSOCIATES

CHARTERED ACCOUNTANTS

CA.B. L. SARDA - B. COM., F.C.A.

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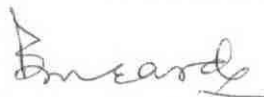
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- (xiv) To the best of our knowledge and belief and according to the information and explanations given to us, the terms and conditions at which guarantee has been given by the Company for credit facilities taken from banks by a subsidiary are, in our opinion, not, *prima facie*, prejudicial to the interest of the Company.
- (xv) To the best of our knowledge and belief and according to the information and explanations given to us, no term loans were obtained by the Company during the year.
- (xvi) According to the Cash Flow Statement and other records examined by us and the information and explanations given to us, on an overall basis, funds raised on short term basis have, *prima facie*, not been used during the year for long term investment.
- (xvii) According to the information and explanations given to us, the company has not made any preferential allotment during the year to Companies / firms / parties covered in the register maintained under section 301 of the Act.
- (xviii) The Company has not raised any money by public issues during the year.
- (xix) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

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



(B. L. Sarda)
Partner
Membership No. 14568



Place: Mumbai
Date : 19th May, 2012

**AUDITORS' REPORT
ON CONSOLIDATED FINANCIAL STATEMENTS**

**TO THE BOARD OF DIRECTORS OF
EMKAY GLOBAL FINANCIAL SERVICES LIMITED**

1. We have audited the attached Consolidated Balance Sheet of EMKAY GLOBAL FINANCIAL SERVICES LIMITED (the Company) and its subsidiaries, as at 31st March, 2012 and also the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's Management and have been prepared by the Management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.



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3. We did not audit the financial statements of two subsidiaries, namely Emkay Fincap Limited and Emkay Insurance Brokers Limited, whose Financial Statements reflect total assets of Rs. 5851.09 Lakhs as at March 31, 2012, total revenues of Rs. 720.37 Lakhs and total cash outflow of Rs. 183.41 Lakhs for the year then ended. Those financial statements and other financial information have been audited by other auditor whose reports have been furnished to us, and in our opinion, in so far as it relates to the amounts included in respect of these two subsidiaries, are based solely on the reports of the other auditor.
4. We report that the Consolidated Financial Statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21, 'Consolidated Financial Statements', issued by The Institute of Chartered Accountants of India and notified under the Companies (Accounting Standards) Rules, 2006 and on the basis of the separate Audited Financial Statements of the Company and its subsidiaries included in Consolidated Financial Statements.
5. In our opinion and to the best of our information and according to the explanations given to us, and on the consideration of the separate audit reports on individual Audited Financial Statements of the Company and its subsidiaries, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Consolidated Balance Sheet, of the Consolidated state of affairs of the Company and its subsidiaries as at 31st March, 2012;



B. L. SARDA & ASSOCIATES

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- (b) in the case of the Consolidated Statement of Profit and Loss , of the Consolidated results of operation of the Company and its subsidiaries for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the Consolidated cash flows for the year ended on that date.

For B.L. Sarda & Associates

Firm Registration No.109266W

Chartered Accountants

**(B. L. Sarda)**

Partner

Membership No. 014568



Place: Mumbai

Date: 19th May, 2012