EMKAY GLOBAL FINANCIAL SERVICES LIMITED

CIN : L67120MH1995PLC084899

Registered Office: The Ruby, 7th Floor, Senapati Bapat Marg, Dadar (West), Mumbai 400 028. Tel : +91 22 66121212, Fax : +91 22 66121299

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Part I

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2014

(₹ in Lacs)

Sr.No.	Particulars	3 Months ended 31.03.2014	Preceding 3 Months ended 31.12.2013	Corresponding 3 Months ended 31.03.2013 in the previous year	Current year ended 31.03.2014	Previous year ended 31.03.2013
		Audited	Unaudited	Audited	Audited	Audited
1	**Income from Operations**					
	a) Income from Operations	1,715.29	1,537.86	1,603.79	6,251.98	6,627.17
	b) Other Operating Income	174.25	176.01	111.57	830.17	1,023.36
	Total Income from Operations	**1,889.54**	**1,713.87**	**1,715.36**	**7,082.15**	**7,650.53**
2	**Expenses**					
	a) Employee Benefits Expense	807.94	738.34	824.00	3,203.86	3,478.56
	b) Depreciation and Amortisation Expense	104.76	104.79	129.78	415.83	529.39
	c) Other Expenses	871.20	853.14	908.07	3,649.67	4,017.67
	Total Expenses	**1,783.90**	**1,696.27**	**1,861.85**	**7,269.36**	**8,025.62**
3	**Profit/(Loss) from Operations before Other Income, Finance Costs & Exceptional Items (1-2)**	**105.64**	**17.60**	**(146.49)**	**(187.21)**	**(375.09)**
4	Other Income	17.70	15.63	141.09	88.12	336.29
5	**Profit/(Loss) from Ordinary Activities before Finance Costs & Exceptional Items (3+4)**	**123.34**	**33.23**	**(5.40)**	**(99.09)**	**(38.80)**
6	Finance Costs	102.02	93.37	99.28	415.09	283.43
7	**Profit/(Loss) from Ordinary Activities after Finance Costs but before Exceptional Items (5-6)**	**21.32**	**(60.14)**	**(104.68)**	**(514.18)**	**(322.23)**
8	Exceptional Items	-	-	-	-	-
9	**Profit/(Loss) from Ordinary Activities before tax (7-8)**	**21.32**	**(60.14)**	**(104.68)**	**(514.18)**	**(322.23)**
10	**Tax Expense**					
	(a) Current Tax	-	-	-	-	-
	(b) Deferred Tax Charge / (Benefit)	-	-	418.73	-	467.67
	(c) Prior Period Tax	6.92	-	-	6.92	-
	Total (a to c)	6.92	-	418.73	6.92	467.67
11	**Profit/(Loss) from Ordinary Activities after tax (9-10)**	**14.40**	**(60.14)**	**(523.41)**	**(521.10)**	**(789.90)**
12	Extraordinary Items (net of tax expense)	-	-	-	-	-
13	**Net Profit/(Loss) for the period (11-12)**	**14.40**	**(60.14)**	**(523.41)**	**(521.10)**	**(789.90)**
14	Paid-up Equity Share Capital (Face Value of ₹ 10/- each)	2,443.78	2,443.78	2,443.78	2,443.78	2,443.78
15	Reserves excluding Revaluation Reserves as at the end of the year				9,819.99	10,341.09
16(i)	**Earnings Per Share (EPS) (before Extraordinary items) (of Rs.10/- each) (not annualised) :**					
	(a) Basic	0.06	(0.24)	(2.14)	(2.13)	(3.23)
	(b) Diluted	0.06	(0.24)	(2.14)	(2.13)	(3.23)
16(ii)	**Earnings Per Share (EPS) (after Extraordinary items) (of Rs.10/- each) (not annualised) :**					
	(a) Basic	0.06	(0.24)	(2.14)	(2.13)	(3.23)
	(b) Diluted	0.06	(0.24)	(2.14)	(2.13)	(3.23)

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Part II						
SELECT INFORMATION FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2014						
Sr.No.	**Particulars**	**3 Months ended 31.03.2014**	**Preceding 3 Months ended 31.12.2013**	**Corresponding 3 Months ended 31.03.2013 in the previous year**	**Current year ended 31.03.2014**	**Previous year ended 31.03.2013**
A	**PARTICULARS OF SHAREHOLDING**					
1	Public Shareholding					
	- Number of Shares	6,540,250	6,540,250	6,540,250	6,540,250	6,540,250
	- Percentage of Shareholding	26.76%	26.76%	26.76%	26.76%	26.76%
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	17,897,500	17,897,500	17,897,500	17,897,500
	- 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%	73.24%	73.24%	73.24%	73.24%

	Particulars	**3 Months ended 31.03.2014**
B	**INVESTOR COMPLAINTS**	
	Pending at the beginning of the quarter	NIL
	Received during the quarter	NIL
	Disposed of during the quarter	NIL
	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 22, 2014.

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, 2014, the Company has 1495650 Stock Options outstanding under various ESOP Schemes.

4 "Advances recoverable in cash or kind or for value to be received" under "Short Term Loans and Advances" in the Balance Sheet as at March 31, 2014 and as at March 31, 2013 includes Rs 5194.04 lacs paid to National Stock Exchange of India Limited (NSE) towards pay-in obligation raised by them on account of loss which arose due to a manifest material mistake occurred on October 5, 2012 while executing a sale order on Cash Segment of NSE and the same has been discharged wholly and exclusively for protecting and continuing the business of the company. The Company made an application for annulment to NSE which was not accepted favourably by the relevant authority of NSE against which the Company has preferred an appeal before Securities Appellate Tribunal (SAT) and the same is admitted and pending disposal.
The Company has opinions of eminent legal experts to the effect that the issue under appeal is a fit case for annulment. In view of this, the Company considers that there is no probability of outflow of resources and therefore the same has not been provided for.
The statutory auditors in their report have drawn attention on the above matter.

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 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 Lacs)

	Particulars	As at 31.03.2014	As at 31.03.2013
A	**EQUITY AND LIABILITIES**		
1	**Shareholders' Funds**		
	(a) Share Capital	2,443.78	2,443.78
	(b) Reserves & Surplus	9,819.99	10,341.09
	Sub-total - Shareholders' Funds	**12,263.77**	**12,784.87**
2	**Non-current Liabilities**		
	(a) Long-term Borrowings	-	-
	(b) Other Long-term Liabilities	246.28	329.09
	Sub-total - Non-current Liabilities	**246.28**	**329.09**
3	**Current Liabilities**		
	(a) Short-term Borrowings	2,728.57	3,892.22
	(b) Trade Payables	5,103.13	3,165.92
	(c) Other Current Liabilities	4,313.86	2,620.17
	(d) Short-term Provisions	23.70	14.67
	Sub-total - Current Liabilities	**12,169.26**	**9,692.98**
	TOTAL - EQUITY AND LIABILITIES	**24,679.31**	**22,806.94**
B	**ASSETS**		
1	**Non-current Assets**		
	(a) Fixed Assets	3,882.81	4,235.85
	(b) Non-current Investments	3,460.04	3,450.04
	(c) Deferred Tax Assets (Net)	-	-
	(d) Long-term Loans and Advances	1,505.80	1,467.35
	Sub-total - Non-current Assets	**8,848.65**	**9,153.24**
2	**Current Assets**		
	(a) Inventories	0.01	0.01
	(b) Trade Receivables	3,720.07	2,283.99
	(c) Cash and Cash Equivalents	5,424.00	5,639.86
	(d) Short-term Loans and Advances	6,582.52	5,647.06
	(e) Other Current Assets	104.06	82.78
	Sub-total - Current Assets	**15,830.66**	**13,653.70**
	TOTAL - ASSETS	**24,679.31**	**22,806.94**

On behalf of the Board of Directors

Emkay Global Financial Services Limited

Krishna Kumar Karwa.

Date: May 22, 2014

Place: Mumbai

Krishna Kumar Karwa

Managing Director & CFO

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INDEPENDENT AUDITOR'S REPORT

To the Members of
EMKAY GLOBAL FINANCIAL SERVICES LIMITED

Report on the Financial Statements
We have audited the accompanying financial statements of EMKAY GLOBAL FINANCIAL SERVICES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation of these 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 standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Opinion

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

(a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

(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.

Emphasis of Matter

We draw attention to Note No.5 to the financial statements which describe the uncertainty related to the outcome of the appeal pending before Securities Appellate Tribunal (SAT) against rejection of company's annulment application by NSE on account of occurrence of a mistake while executing a sale order on Cash Segment of the said exchange resulting in loss of Rs 5194.04 lakhs. The impact, if any, of the abovesaid matter on the Company's financials is dependent upon the outcome of the said appeal. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required under provisions of section 227(3) of the Companies Act, 1956, we report that:

   a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b. 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;

   c. 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;

   d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards notified under the Companies Act,1956 ("the Act") read with the General Circular 15/2013 dated 13th September,2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act,2013 ;and

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e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

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

Place : Mumbai
Date :22nd May,2014

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EMKAY GLOBAL FINANCIAL SERVICES LIMITED

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING OF "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

(i) 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 matters specified in clauses (viii), (xiii) and (xix) of Paragraph 4 of the said Order do not apply 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 two companies both being its subsidiaries which are also covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was Rs. 280 lakhs and the year end balance of loans granted to said companies was Rs.NIL.

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(b) In our opinion, the rate of interest and other terms and conditions on which the said unsecured loans have been granted to two 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 have fully repaid the principal alongwith interest thereon during the year as and when demanded.

(d) The clause 4(iii)(d) of order regarding any overdue amount of loan granted to the said companies is not applicable in view of our comments in para (iv)(c) above.

(e) The Company has taken unsecured demand loans from three companies and two parties covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was Rs.2720 lakhs and the year end balance of loan taken from the said companies and said parties were Rs.1195 lakhs.

(f) In our opinion ,the rate of interest and other terms and conditions on which the said unsecured loans have been taken from three companies and two parties listed in the register maintained under section 301 of the Act are not, prima facie, prejudicial to the interest of the Company.

(g) The Company is repaying the principal amount during the year as and when demanded and has also been regular in paying the interest thereon.

(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 provided to such a 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

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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.

(ix) (a) The company has been generally 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.

(b) As at 31st March, 2014, 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
Tax Deducted at Source and Interest	0.35	F.Y.2005-2006	Appeal effects
Income Tax and Interest	9.29	F.Y.2007-2008	Rectifications/Appeal effects
Income Tax and Interest	16.73	F.Y.2008-2009	(a)Rectifications/Appeal effects, and (b)Income Tax Appellate Tribunal
Income Tax and Interest	9.60	F.Y.2010-2011	Commissioner of Income Tax(Appeals)

(x) The Company has no accumulated losses as at 31st March, 2014. It has incurred cash losses during the financial year covered by our audit but not 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.

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(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.

(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
Chartered Accountants
Firm Registration No. 109266W

B.L. SARDA & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

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

Place: Mumbai
Date : 22nd May,2014