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HORIZON NEXT

Annual Report 2015-16

EMKAY FINCAP LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

Krishna Kumar Karwa	Whole-Time Director (DIN: 00181055)
Prakash Kacholia	Director & CFO (DIN: 00002626)
R. K. Krishnamurthi	Director (DIN: 00464622)
G. C. Vasudeo	Director (DIN: 00021772)

COMPANY SECRETARY

Sheetal Omre

STATUTORY AUDITORS

B. L. Sarda & Associates, Chartered Accountants
 61, Rajgir Chambers, 7th Floor, Opp. Custom House,
 12/14, Shahid Bhagat Singh road, Mumbai- 400 023

BANKERS

HDFC Bank Limited
 Kotak Mahindra Bank Limited
 State Bank of India

REGISTERED OFFICE

The Ruby, 7th Floor,
 Senapati Bapat Marg,
 Dadar (West), Mumbai- 400 028

ADMINISTRATIVE OFFICE

Paragon Centre,
 "C-06", Ground Floor,
 P. B. Marg, Opp. Century Mills,
 Worli, Mumbai-400 013

CORPORATE IDENTITY NUMBER

U65990MH2005PLC153310

AGM NOTICE

NOTICE

Notice is hereby given that the Eleventh Annual General Meeting of the Members of Emkay Fincap Limited will be held on Wednesday, 10th August, 2016 at 10.00 a.m. at the Registered Office of the Company situated at The Ruby, 7th Floor, Senapati Bapat Marg, Dadar(West), Mumbai – 400 028 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2016, the Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To confirm the Interim Dividend paid for the financial year ended 31st March, 2016.
3. To appoint a director in place of Mr. Prakash Kacholia, who retires by rotation and being eligible, offers himself for re-appointment.
4. To re - appoint Statutory Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. B L Sarda & Associates, Chartered Accountants, bearing Firm Registration Number 109266W with the Institute of Chartered Accountants of India (ICAI), be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the Annual General Meeting to be held for the financial year 2016-17 on such remuneration and terms and conditions as may be determined by the Board of Directors of the Company.”

“RESOLVED FURTHER THAT any director of the Company and Company Secretary be & are hereby severally authorised to do all such acts, deeds and things and execute all such documents as may be required to give effect to the aforesaid resolution”

By order of the Board of Directors

Emkay Fincap Limited

Sheetal Omre

Company Secretary

Registered Office:

The Ruby, 7th Floor,
Senapati Bapat Marg,
Dadar (West), Mumbai 400028

Place: Mumbai

Dated: 23rd May, 2016

AGM NOTICE

Notes for Members' Attention:

1. A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint Proxy/Proxies to attend and vote instead of himself/herself. Proxy/Proxies need not be a member of the company. A person can act as proxy on behalf of members not exceeding fifty (50) and in holding not more than ten percent (10%) of the total share capital of the company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. Proxies in order to be effective must be received by the company at its registered office not later than forty eight hours before the commencement of the meeting. A proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
2. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting are requested to send a duly certified copy of their board resolution.
3. Members/Proxies/Representatives should bring the enclosed Attendance Slip, dully filled in, for attending the Meeting. Copies of the Annual Report or Attendance Slips will not be distributed at the Meeting.

By order of the Board of Directors

Emkay Fincap Limited

Sheetal Omre

Company Secretary

Registered Office:

The Ruby, 7th Floor,
Senapati Bapat Marg,
Dadar (West), Mumbai 400028

Place: Mumbai

Dated: 23rd May, 2016

DIRECTORS' REPORT

Dear Members,

Your Directors present the Eleventh Annual Report of your Company and the Audited Financial Statements for the year ended on 31st March, 2016.

FINANCIAL RESULTS

An overview of the financial performance of the Company for financial year 2015-16 is as under:

Particulars	(Amount ₹ in Lac)	
	31st March, 2016	31st March, 2015
Total Income	600.58	647.68
Profit Before Tax	412.31	377.22
Less: Provision for Taxation	126.20	91.00
Deferred Tax Charge/(Benefit) for the year	2.75	0.49
Deferred Tax Charge/(Benefit) for the earlier year	(4.50)	0.49
Tax for Earlier Years	(0.14)	-
Profit After Tax	288.00	285.73
Add: Balance brought forward	571.69	343.11
Amount available for Appropriations	859.69	628.84
Less: Appropriations		
Transfer to Special Reserve u/s 45 I C of RBI Act, 1934	57.60	57.15
Interim Dividend	110.00	-
Dividend Distribution Tax on Interim Dividend	22.39	-
Transfer to Capital Redemption Reserve	-	-
Balance carried forward	669.70	571.69

DIVIDEND

During the financial year, your Company declared an interim dividend of Re. 0.50 per equity share. Your Directors have considered it financially prudent in the long-term interests of the Company to reinvest the profits into the business of the Company to build a strong reserve base and grow the business of the Company. No final dividend has therefore been recommended for the year ended March 31, 2016.

REVIEW OF OPERATIONS

During the year under review, your Company recorded a total income of ₹ 60,058,061 as compared to ₹ 64,768,404 in the previous financial year, lower by 7.27 %.

EXTRACT OF ANNUAL RETURN

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

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS.

During the Financial Year 2015-2016, 9 meetings were held on 16.04.2015, 12.05.2015, 22.05.2015, 06.07.2015, 15.07.2015, 12.08.2015, 26.10.2015, 29.01.2016 and 01.03.2016.

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

DIRECTORS' REPORT

Name of the Director	Category	Board Meetings during Financial Year 2015-16	
		Held	Attended
Mr. Krishna Kumar Karwa	Director	9	9
Mr. Prakash Kacholia	Director	9	9
Mr. G. C. Vasudeo	Director	9	9
Mr. Ravikumar Krishnamurthi	Director	9	9

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 and that there are no material departures.
- The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review.
- The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The directors have prepared the annual accounts on a going concern basis.
- The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- The directors had laid down systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate & operating effectively.

AUDIT COMMITTEE

The composition of Audit Committee is as under:

- Mr. R. K. Krishnamurthi Chairman
- Mr. Prakash Kacholia Member
- Mr. G. C. Vasudeo Member

The Statutory Auditors of the Company are invited to the Audit Committee Meetings. The meetings of the Committee is held once in every quarter to review the financial results of the Company.

NOMINATION AND REMUNERATION COMMITTEE

The Company has constituted Nomination and Remuneration Committee pursuant to Section 178 of the Companies Act, 2013.

The composition of Committee is as under:

- Mr. G. C. Vasudeo, Chairman
- Mr. R. K. Krishnamurthi, Director
- Mr. Prakash Kacholia, Director

DIRECTORS' REPORT

Terms of reference are as per the policy approved by the Board.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the Board at its meeting held on 23rd May, 2016 carried out an annual evaluation of its own performance, the directors individually as well as the evaluation of the working of its committees..

STATUTORY AUDITORS

M/s B. L. Sarda & Associates, Chartered Accountants, bearing Firm Registration Number 109266W with the Institute of Chartered Accountants of India (ICAI) retire as the statutory Auditors of the Company at the ensuing Annual General Meeting and offer to be re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the Annual General Meeting to be held for the financial year 2016-17 on such remuneration as may be determined by the Board of Directors of the Company.

A certificate from them has been received to the effect that their appointment as Statutory Auditors of the Company, if made, would be within the limits prescribed under Section 139(1) and 141 of the Companies Act, 2013.

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

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.

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.

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 2015-16. All the directors have disclosed their interest in Form MBP-1 pursuant to Section 184 of the Companies Act, 2013 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.

INFORMATION UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has constituted an Internal Compliant 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.

DIRECTORS' REPORT

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Conservation of Energy, Technology Absorption do not have much relevance to the activities of the Company since it does not own any manufacturing facility and hence the disclosure of information to be disclosed in terms of Section 134(3)(m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014 in respect of Conservation of Energy, Technology Absorption are not given. There were no foreign exchange earnings and outgo during the year.

DIRECTORS & KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014 and Articles of Association of the Company, Mr. Prakash Kacholia is liable to retire by rotation and being eligible, offers himself for re-appointment.

The above appointment/re-appointment forms part of the Notice of the forthcoming 11th Annual General Meeting and the respective resolution is recommended for your approval.

The following three persons were formally noted as Key Managerial Personnel of the Company in compliance with the provisions of Section 203 of the Companies Act, 2013.

- Mr. Krishna Kumar Karwa - Whole Time Director
- Mr. Prakash Kacholia - Director & CFO
- Ms. Sheetal Omre - Company Secretary

All independent directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013.

PARTICULARS OF EMPLOYEES

The particulars of employees, in terms of requirement under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not annexed, as there are no employees whose remuneration falls within the prescribed limits of the Section 197.

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.

On behalf of the Board of Directors

Krishna Kumar Karwa
Whole Time Director

Prakash Kacholia
Director & CFO

Place: Mumbai

Date: 23rd May, 2016

ANNEXURE “A”- EXTRACT OF THE ANNUAL RETURN

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN AS ON 31ST March, 2016

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

I REGISTRATION AND OTHER DETAILS

	CIN	U65990MH2005PLC153310
i	Registration Date	16th May, 2005
ii	Name of the Company	Emkay Fincap Limited
iii	Category/ Sub-Category of the Company	Public Limited Company
iv	Address of the Registered Office and contact details	The Ruby, 7th Floor, SenapatiBapatMarg, Dadar (West), Mumbai-400028 Tel. No. 022-66299299
v	Whether Listed Company	NO
vi	Name , Address and Contact details of Registrar and Transfer Agent, if any	-

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of Main Products/Service	NIC Code of the Products/Service	% to total turnover of the Company
1	Margin Funding Activities and Investment activities	64990	96.64%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN Nos	Holding/Subsidiary/ Associates	% of shares held	Applicable Section
1	Emkay Global Financial Services Ltd	L67120MH1995PLC084899	Holding	100	2(46)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category –wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. Promoters									
(1) Indian									
a) Individuals/HUF									
b) Central Govt									
c) State Govt									
d) Bodies Corporate		21,999,400	21,999,400	99.99727		21,999,400	21,999,400	99.99727	No Change in % during the year
e) Bank/FI									
f) Any Other Six Shareholders are as a nominee of Emakay Global Financial Services		600	600	0.00273		600	600	0.00273	
Sub Total A-1		22,000,000	22,000,000	100%		22,000,000	22,000,000	100%	
2 Foreign									
(a) NRI-Individuals				-					
(b) Others-Individuals				-					

ANNEXURE “A”- EXTRACT OF THE ANNUAL RETURN

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
(c) Bodies Corporate				-					
(d) Bank/FI				-					
(e) Any Others				-					
Sub Total (A) (2)				-					
Total Shareholding of Promoters A= A1+A2		22,000,000	22,000,000	100%		22,000,000	22,000,000	100%	
B. Public Shareholding									
1. Institution									
a) Mutual Fund				-					
b) Bank/FI				-					
c) Cent. Govt				-					
d) State Govt				-					
e) Venture Capital Funds				-					
f) Insurance Comp				-					
g) FIIS				-					
h) Foreign Venture Capital Funds				-					
i) Others (specify)				-					
Sub Total-B-1				-					
2. Non Institutions									
a. Bodies Corporate				-					No Change in % during the year
i. Indian				-					
ii. Overseas				-					
b. Individuals				-					
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh				-					
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh				-					
c. State Govt				-					
d. Venture Capital Funds				-					
e. Insurance Comp				-					
f. FIIS				-					
g. Foreign Vanture Capital Funds				-					
h. Others (specify)				-					
a. Clearing member				-					
b. Trust				-					
c. NRIs				-					
d. NRN				-					
Sub Total B-2									
Total Public ShareholdingB=B1+B2				-					
C. Shares held by Custodian for GDRs & ADRs				-					
Grand Total (A+B+C)		22,000,000	22,000,000	100%		22,000,000	22,000,000	100%	

ANNEXURE “A”- EXTRACT OF THE ANNUAL RETURN

ii. Shareholding of Promoters:

Sr. No.	Shareholders Name	Shareholding at the beginning of the Year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of the total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of the total shares of the Company	% of Shares Pledged / Encumbered to total shares	
1	Emkay Global Financial Services Ltd.	21,999,400	99.99727	-	21,999,400	99.99727	-	
2	Krishna Kumar Karwa as a nominee of Emkay Global Financial Services	100	0.000455	-	100	0.000455	-	
3	Prakash Kacholia as a nominee of Emkay Global Financial Services	100	0.000455	-	100	0.000455	-	No Change in Shareholding during the year
4	Satyanarayan Karwa as a nominee of Emkay Global Financial Services	100	0.000455	-	100	0.000455	-	
5	Krishna Kacholia as a nominee of Emkay Global Financial Services	100	0.000455	-	100	0.000455	-	
6	Priti Karwa as a nominee of Emkay Global Financial Services	100	0.000455	-	100	0.000455	-	
7	Preeti Kacholia as a nominee of Emkay Global Financial Services	100	0.000455	-	100	0.000455	-	

Note: There was no change in the shareholding during the year.

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	At the Beginning of the year						
A	Emkay Global Financial Services Ltd.	21,999,400	99.99727	21,999,400	99.99727	21,999,400	99.99727
B	Krishna Kumar Karwa as a nominee of Emkay Global Financial Services	100	0.000455	100	0.000455	100	0.000455
C	Prakash Kacholia as a nominee of Emkay Global Financial Services	100	0.000455	100	0.000455	100	0.000455
D	Satyanarayan Karwa as a nominee of Emkay Global Financial Services	100	0.000455	100	0.000455	100	0.000455
E	Krishna Kacholia as a nominee of Emkay Global Financial Services	100	0.000455	100	0.000455	100	0.000455
F	Priti Karwa as a nominee of Emkay Global Financial Services	100	0.000455	100	0.000455	100	0.000455
G	Preeti Kacholia as a nominee of Emkay Global Financial Services	100	0.000455	100	0.000455	100	0.000455

There is no change in the number of shares held by the Promoter Company

(iv) Shareholding pattern of top ten shareholders (other than Directors / Promoters and holders of GDRs and ADRs.

Sr. No.	For each of the Top Ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	NA				

ANNEXURE “A”- EXTRACT OF THE ANNUAL RETURN

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial Year				
i) Principal Amount	-	210,000,000	-	210,000,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	994,109	-	994,109
Total (i+ii+iii)	-	210,994,109	-	210,994,109
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	-	210,000,000	-	210,000,000
Net Change	-	210,000,000	-	210,000,000
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	994,109	-	994,109
Total (i+ii+iii)	-	994,109	-	994,109

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of Managing Director Krishna Kumar Karwa- WTD	Total Amount (₹)
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	-	-
5	Others, please specify	-	-
	Total (A)	-	-
	Ceiling as per the Act	-	-

Note: Mr Krishna Kumar Karwa is drawing remuneration from the holding Company – Emkay Global Financial Services Limited.

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors		Total Amount
		R. K. Krishnamurthi	G. C. Vasudeo	
1.	Independent Directors	-	-	-
	• Fee for attending board/ committee meetings			
	• Commission	-	2,25,000	2,25,000
	• Others, please specify	-	-	-
	Total (1)	-	2,25,000	2,25,000
2	Other Non-Executive Directors	-	-	-
	• Fee for attending board/ committee meetings	-	-	-
	• Commission	-	-	-
	• Others, please specify	-	-	-
	Total (2)	-	-	-
	Total (B)=(1+2)	-	2,25,000	2,25,000
	Total Managerial Remuneration	-	-	-
	Overall Ceiling as per the Act	-	1 % of the net profit	-

ANNEXURE “A”- EXTRACT OF THE ANNUAL RETURN

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTB

			In Rupees
Sr. No.	Particulars of Remuneration	Key Managerial Personnel	Total
		Mr. Prakash Kacholia, CFO	
	Gross salary		
1.	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of Profit - others, specify...	-	-
5.	Others, please specify		
	Total	-	-

Note: Mr Prakash Kacholia is drawing remuneration from the holding Company – Emkay Global Financial Services Limited.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCE

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment /Compounding fees imposed	Authority (RD/NCLT/COURT)	Appeal made if any (give Details)
A. COMPANY					
Penalty					
Punishment		-----	NIL -----		
Compounding					
B. DIRECTOR					
Penalty					
Punishment		-----	NIL -----		
Compounding					
C. OTHER OFFICERS IN DEFAULTY					
Penalty					
Punishment		-----	NIL -----		
Compounding					

ANNEXURE “B”- EXTRACT OF THE ANNUAL RETURN

ANNEXURE “B”

Form No. AOC-2

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

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis
 - (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-
 - (e) Justification for entering into such contracts or arrangements or transactions.-N.A
 - (f) Date(s) of approval by the Board –N.A
 - (g) Amount paid as advances, if any: N.A
 - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 –N.A

Your Company enters into various transactions with related parties as per the provisions of the Companies Act, 2013. 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 .

There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large.

2. Details of material contracts or arrangement or transactions at arm's length basis
 - (a) Name(s) of the related party and nature of relationship –N.A
 - (b) Nature of contracts/arrangements/transactions –N.A
 - (c) Duration of the contracts / arrangements/transactions –N.A
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: N.A
 - (e) Date(s) of approval by the Board, if any: N.A
 - (f) Amount paid as advances, if any: N.A

INDEPENDENT AUDITOR'S REPORT

To the Members of EMKAY FINCAP LIMITED,

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of EMKAY FINCAP LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2016 the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. 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.

INDEPENDENT AUDITOR'S REPORT

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so 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 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section(11) of section 143 of the Act, we give in the "Annexure A" ,a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we report that:
- 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.
 - 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.
 - 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.
 - In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - The Company does not have any pending litigations which would impact its financial position.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

(CA B.L. Sarda)
Partner

Place : Mumbai
Date : 23rd May, 2016

Membership No.014568

INDEPENDENT AUDITOR'S REPORT

ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF EMKAY FINCAP LIMITED ON THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2016

- (i) (a) In our opinion, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, fixed assets of the Company have been physically verified by the management during the year which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no discrepancies were noticed on such verification.
- (c) The Company does not own any immovable property during the year. Accordingly, paragraph 3(i)(c) of the order is not applicable to the Company.
- (ii) In our opinion and according to the information and explanations given to us, the Company do not hold any inventory in connection with its trading in corporate bonds. Accordingly, comments required under paragraph 3(ii) of the order regarding physical verification of inventory are not applicable to the Company
- (iii) (a) The Company has granted unsecured loans to companies covered in the register maintained under section 189 of the Act. The Company has not granted any secured or unsecured loan to firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
- (b) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.
- (c) In respect of the aforesaid loans, the schedule of repayment of principal and payment of interest has been stipulated, and the Companies to whom loans have been granted have/are repaid/repaying, the principal amount and interest, as stipulated.
- (d) In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, the provisions of section 185 are not applicable to the Company. The Company has complied with the provisions of Section 186 of the Act to the extent applicable to it, with respect to the investments made.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Section 73 to 76 of the Act and the Rules framed there under to the extent notified.
- (vi) In our opinion and according to the information and explanations given to us, the Company is not required to maintain cost records pursuant to the rules made by the Central Government under Section 148 (1) of the Act. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including income tax, service tax, cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid statutory dues were in arrears, as on 31st March, 2016 for a period of more than six months from the date they became payable. As explained to us, the Company did not have any dues on account of provident fund, employees' state insurance, sales-tax, duty of customs, duty of excise and value added tax.

INDEPENDENT AUDITOR'S REPORT

- (b) As at 31st March, 2016, according to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, service tax, cess and other statutory dues which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loan or borrowings to the financial institution. The Company has not obtained any loan or borrowings from any bank or government. Further, the Company does not have any debentures issued/outstanding any time during the year.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the order is not applicable to the Company.
- (x) Based on the audit procedures performed and according to the information and explanations given by the management, we report that no fraud by the company or on the Company by its officers or employees has been noticed or reported during the year ended 31st March, 2016 nor have we been informed of such case by the management during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us the Company is not a nidhi company. Accordingly paragraph 3(xii) of the order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transaction have been disclosed in note 26 of the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly paragraph 3(xiv) of the order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him as prescribed under section 192 of the Act. Accordingly paragraph 3(xv) of the order is not applicable to the Company.
- (xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained certificate of registration from Reserve Bank of India.

For B.L. Sarda & Associates

Chartered Accountants

Firm Registration No. 109266W

(CA B. L. Sarda)

Partner

Membership No. 014568

Place: Mumbai

Date: 23rd May, 2016

INDEPENDENT AUDITOR'S REPORT

ANNEXURE “B” TO INDEPENDENT AUDITOR’S REPORT OF EVEN DATE TO THE MEMBERS OF EMKAY FINCAP LIMITED ON THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2016

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

1. We have audited the internal financial controls over financial reporting of EMKAY FINCAP LIMITED (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

3. Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

INDEPENDENT AUDITOR'S REPORT

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion , the Company has , in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31stMarch ,2016 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B.L. Sarda & Associates

Chartered Accountants

Firm Registration No. 109266W

(CA B. L. Sarda)

Partner

Membership No. 014568

Place: Mumbai

Date: 23rd May, 2016

BALANCE SHEET AS AT 31ST MARCH, 2016

PARTICULARS	Note No.	As At	
		31st March, 2016	31st March, 2015
		(₹)	(₹)
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUND			
Share Capital	3	220,000,000	220,000,000
Reserves and Surplus	4	154,241,954	138,681,401
		374,241,954	358,681,401
NON - CURRENT LIABILITIES			
Long-term Provisions	5	601,232	1,388,005
		601,232	1,388,005
CURRENT LIABILITIES			
Short-term Borrowings	6	-	210,000,000
Trade Payables	7	10,307	23,919
Other Current Liabilities	8	1,248,857	2,328,544
Short-term Provisions	5	11,853	-
		1,271,017	212,352,463
Total		376,114,203	572,421,869
ASSETS			
NON - CURRENT ASSETS			
Fixed Assets			
- Tangible Assets	9 (a)	4,670	4,670
- Intangible Assets	9 (b)	74,906	149,813
Non-Current Investments	10	69,385,221	-
Deferred Tax Assets (Net)	11	263,190	88,330
Long-term Loans and Advances	12	5,651,916	5,975,870
		75,379,903	6,218,683
CURRENT ASSETS			
Trade Receivables	13	5,813	-
Cash and Cash Equivalents	14	57,273,058	5,530,668
Short-term Loans and Advances	15	241,576,106	555,306,140
Other Current Assets	16	1,879,323	5,366,378
		300,734,300	566,203,186
Total		376,114,203	572,421,869
Significant Accounting Policies	2		

The accompanying notes are an integral part of the financial statements.

As per our Report of even date
For B. L. SARDA & ASSOCIATES
CHARTERED ACCOUNTANTS

For and on behalf of the Board of
EMKAY FINCAP LIMITED

Krishna Kumar Karwa
 Whole Time Director

Prakash Kacholia
 Director

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

Sheetal Omre
 Company Secretary

Place: Mumbai
 Dated: 23rd May, 2016

Place: Mumbai
 Dated: 23rd May, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

PARTICULARS	Note No.	For the year ended	
		31st March, 2016	31st March, 2015
		(₹)	(₹)
Revenue from Operations	17	59,856,327	64,768,404
Other Income	18	201,734	-
Total Revenue		60,058,061	64,768,404
Expenses			
Employee Benefits Expense	19	5,827,226	7,527,202
Finance Costs	20	7,546,798	14,992,652
Depreciation and Amortization Expense	21	74,907	74,907
Other Expenses	22	5,378,251	4,451,872
Total Expenses		18,827,182	27,046,633
Profit Before Tax		41,230,879	37,721,771
Tax Expense:			
- Current Tax		12,620,000	9,100,000
- Deferred Tax Charge/(Benefit) - for the year		275,480	48,945
- for the earlier year		(450,340)	-
- Short/(Excess) Provision for Income Tax for Earlier Years		(14,194)	-
Profit for the year		28,799,933	28,572,826
Earnings per Equity Share of Nominal Value of ₹ 10 each			
- Basic		1.31	1.30
- Diluted		1.31	1.30
Significant Accounting Policies	2		

The accompanying notes are an integral part of the financial statements.

As per our Report of even date
For B. L. SARDA & ASSOCIATES
CHARTERED ACCOUNTANTS

For and on behalf of the Board of
EMKAY FINCAP LIMITED

Krishna Kumar Karwa
 Whole Time Director

Prakash Kacholia
 Director

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

Sheetal Omre
 Company Secretary

Place: Mumbai
 Dated: 23rd May, 2016

Place: Mumbai
 Dated: 23rd May, 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	31st March, 2016		31st March, 2015	
	(₹)	(₹)	(₹)	(₹)
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit/(Loss) before tax and extraordinary items		41,230,879		37,721,771
<u>Adjustment for :</u>				
Depreciation and Amortization Expense	74,907		74,907	
Provision for Standard Assets	-		311,128	
Provision for Sub-Standard Assets	116,731		-	
Provision for Doubtful Debts Written Back	-		(382,874)	
Provision for Loss Assets Written Back	-		(28,320)	
Provision for Standard Assets Written Back	(786,773)		-	
Interest on deposit with Bank	(25,246)		-	
Interest on Income Tax Refund	(176,488)	(796,869)	-	(25,159)
Operating profit before working capital changes		40,434,010		37,696,612
<u>Adjustment for :</u>				
Trade and other receivables	3,534,985		2,786,877	
Loans relating to Financing Activities	313,541,929		(124,422,700)	
Deposits with Banks and Other items not considered as cash equivalents (Refer Note 3 below)	(486,459)		(13,541)	
Trade and other payables	(1,081,446)	315,509,009	590,885	(121,058,479)
Cash Generated from operations		355,943,019		(83,361,867)
Direct taxes (Paid)/Refund		(12,264,221)		(9,981,751)
Cash flow before extraordinary items		343,678,798		(93,343,618)
Net Cash from/(used in) Operating Activities		343,678,798		(93,343,618)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	-		(224,720)	
Non-current Investments made	(69,385,221)		-	
Interest on deposit with Bank	25,246		-	
Interest on Income Tax Refund	176,488		-	
		(69,183,487)		(224,720)
Net Cash from/(used in) Investing Activities		(69,183,487)		(224,720)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Dividend paid (including Dividend Distribution Tax)	(13,239,380)		-	
(Repayment)/Proceeds from Short Term Borrowings	(210,000,000)		87,500,000	
		(223,239,380)		87,500,000
Net Cash from/(used in) Financing Activities		(223,239,380)		87,500,000
Net Increase/(Decrease) in Cash and Cash Equivalents		51,255,931		(6,068,338)
Cash and Cash Equivalents at the beginning of the year (Opening Balance)		5,517,127		11,585,465
Cash and Cash Equivalents at the close of the year (Closing Balance)		56,773,058		5,517,127

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	31st March, 2016		31st March, 2015	
	(₹)	(₹)	(₹)	(₹)
Note: 1. Cash and Cash Equivalents comprise of :				
Balances with Scheduled Banks				
- In Current Accounts		55,687,846		5,505,488
Cheque on hand		1,047,122		-
Cash on hand		38,090		11,639
		56,773,058		5,517,127
2. Cash flow statement has been prepared under the Indirect Method as set out in the Accounting Standard - 3 (AS-3) "Cash Flow Statement".				
3. Cash and Cash Equivalent excludes deposit with banks towards security for Corporate Credit Card and Meal Coupons on hand.				
4. Previous year's figures are re-grouped/ recasted/ re-arranged wherever considered necessary.				

AS PER OUR REPORT OF EVEN DATE

For B L SARDA & ASSOCIATES
CHARTERED ACCOUNTANTS

For and on behalf of the Board of
EMKAY FINCAP LIMITED

Krishna Kumar Karwa
Whole Time Director

Prakash Kacholia
Director

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

Sheetal Omre
Company Secretary

Place: Mumbai
Dated: 23rd May, 2016

Place: Mumbai
Dated: 23rd May, 2016

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

1. Corporate Information

Emkay Fincap Ltd (the 'Company') is a public Company domiciled in India and incorporated on 16-May-2005 under the provisions of the Companies Act, 1956. The Company is a wholly owned subsidiary of Emkay Global Financial Services Limited. The Company has received a Certificate of Registration No.N-13.01809 from the Reserve Bank of India ('RBI') on October 8, 2005 to commence/carry on the business of Non-Banking Financial Institution ('NBFC') without accepting public deposits.

2. Significant Accounting Policies

2.1 Basis of Preparation of Financial Statements

- a) The accompanying financial statements have been prepared on going concern basis in accordance with Generally Accepted Accounting Principles in India to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 and Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 (NBFC Prudential norms) prescribed by Reserve Bank of India. The Financial Statements have been prepared under the historical cost convention on the accrual basis of accounting. The accounting policies have been consistently applied by the company unless otherwise stated.
- b) In view of criteria set out in the Schedule III to the Companies Act, 2013, the Company has considered 12 months period as its operating cycle for classifying its assets and liabilities as current or non-current.

2.2 Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates and the differences between actual results and estimates are recognized in the periods in which the results are known / materialize.

2.3 Revenue Recognition

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

- a) Interest Income is recognized on the time proportionate basis starting from the date of disbursement of loan. In case of Non-Performing Assets, interest income is recognized on receipt basis, as per NBFC Prudential norms.
- b) (i) Trading Income in Corporate Bonds and Government Securities comprises of Profit/(Loss) on Sale of these instruments held as Stock-in-Trade and is recognized on settlement date. Profit on sale of securities is netted with loss on sale of securities. Profit/(Loss) on Sale of these Instruments is determined based on first-in-first-out (FIFO) basis of cost of these instruments sold.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

- (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.
- c) Profit/(Loss) earned on sale of Investments is recognized on trade date basis. Profit or Loss on sale of Investments is determined on the basis of the weighted average cost method. On disposal of an Investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.
- d) Income from fees is recognized as and when such services are completed / performed.
- e) Dividend including interim are accounted when the right to receive payment is established.

2.4 Provisioning/Write-off on assets

Provisioning/Write-off on overdue assets

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

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

Provision on standard assets

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

2.5 Fixed Assets and Depreciation

- 1 Fixed Assets are stated at cost of acquisition including incidental expenses related to such acquisition and installation less accumulated depreciation.
- 2 Depreciation on Fixed Assets 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 rate depreciation on additions/deletions made during the year.

2.6 Intangible Assets & Amortization

Items of expenditure that meet the recognition criteria as mentioned in Accounting Standard- 26 on "Intangible Assets" are classified as intangible assets and are amortized over the period of their economic benefits.

Software are stated at cost of acquisition and are amortized on straight-line basis over a period of 3 years irrespective of the date of Acquisition.

2.7 Stock in trade

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

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

2.8 Investments

Investments that are readily realizable and intended to be held for not more than twelve months are classified as Current Investments. All other investments are classified as Non-current Investments. Non-current Investments are stated at cost. However, provision for diminution in value is made to recognize a decline other than of a temporary in the Value of long term investments.

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

2.9 Employee Benefits

- **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.

- **Long Term Benefits:**

Post Employment Benefits

Defined Benefit: 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 contribution. Actuarial gain/loss, if any recognized in the Statement of Profit and Loss.

- **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.

2.10 Taxation

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

2.11 Deferred Taxation

Deferred tax assets and liabilities are recognized for timing differences between the accounting and taxable income measured based on the tax rates and the tax laws enacted at the balance sheet date or substantively enacted. 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 the deferred tax assets is reviewed to assess its realization.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

2.12 Contingencies and Events occurring after the Balance Sheet Date

Events occurring after the Balance Sheet, which provide further evidence of conditions that existed at the Balance Sheet date or that arose subsequently, are considered up to the date of approval of accounts by the Board of Directors, where material.

2.13 Impairment

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

2.14 Provisions, Contingent Liabilities and Contingent Assets

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

2.15 Cash and Cash Equivalents

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

2.16 Segments

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

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

2.18 Borrowing Costs

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

2.19 Assets on Operating Leases

Lease payments under operating leases are recognized as expenses on accrual basis in accordance with the respective lease and license agreements.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

3. Share Capital

Particulars	As at	
	31st March, 2016	31st March, 2015
	(₹)	(₹)
Authorised		
22,000,000 (P. Y. 22,000,000) Equity Shares of ₹ 10/- each	220,000,000	220,000,000
5,000,000 (P. Y. 5,000,000) 9% Non-convertible Redeemable Preference Shares of ₹ 10/- each	50,000,000	50,000,000
	270,000,000	270,000,000
Issued, Subscribed & Paid Up		
22,000,000 (P. Y. 22,000,000) Equity Shares of ₹ 10/- each fully paid up	220,000,000	220,000,000
	220,000,000	220,000,000

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

Particulars	As at 31st March 2016		As at March 31, 2015	
	No of Shares	Amount (₹)	No of Shares	Amount (₹)
Equity Shares				
At the beginning of the reporting period	22,000,000	220,000,000	22,000,000	220,000,000
Add: Shares issued during the reporting period	-	-	-	-
Outstanding at the end of the reporting period	22,000,000	220,000,000	22,000,000	220,000,000

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. Shares held by holding company

The entire 22,000,000 (previous year 22,000,000) equity shares of ₹ 10 each fully paid up are held by Holding Company Emkay Global Financial Services Limited.

d. Details of shareholders holding more than 5% shares in the company:

Name of the shareholder	As at 31st March 2016		As at March 31, 2015	
	No of Shares	% held	No of Shares	% held
Equity Shares of ₹ 10 each fully paid				
Emkay Global Financial Services Limited (Holding Company) and its nominees.	22,000,000	100	22,000,000	100

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

4. Reserves & Surplus

Particulars	As at	
	31st March, 2016	31st March, 2015
	(₹)	(₹)
Capital Redemption Reserve		
Balance as at the beginning of the year	50,000,000	50,000,000
	50,000,000	50,000,000
Special Reserve u/s 45-IC of the Reserve Bank of India Act, 1934		
Balance as at the beginning of the year	31,512,246	25,797,681
Add: Transfer from Surplus in the Statement of Profit and Loss	5,759,987	5,714,565
	37,272,233	31,512,246
Surplus in the Statement of Profit and Loss		
Balance as at the beginning of the year	57,169,155	34,310,894
Add: Profit for the year	28,799,933	28,572,826
Amount Available for Appropriation	85,969,088	62,883,720
Less : Appropriations		
- Amount transferred to Special Reserve u/s 45-IC of the Reserve Bank of India Act, 1934	5,759,987	5,714,565
- Interim Dividend	11,000,000	-
- Dividend Distribution Tax on Interim Dividend	2,239,380	-
Net Surplus	66,969,721	57,169,155
	154,241,954	138,681,401

5. Provisions

Particulars	Long-term Provision		Short-term Provision	
	As at		As at	
	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015
	(₹)	(₹)	(₹)	(₹)
Provision for Standard Assets	601,232	1,388,005	-	-
Provision for Gratuity	-	-	11,853	-
	601,232	1,388,005	11,853	-

6. Short-term Borrowings

Particulars	As at	
	31st March 2016	31st March 2015
	(₹)	(₹)
Unsecured		
Loan repayable on demand		
- from Body Corporates	-	210,000,000
	-	210,000,000

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

7. Trade Payables

Particulars	As at	
	31st March 2016	31st March 2015
	(₹)	(₹)
Trade Payables		
- Holding Company [Refer Note no. 27 (B) (IV)]	10,198	19,919
- Others	109	4,000
	10,307	23,919

8. Other Current Liabilities

Particulars	As at	
	31st March 2016	31st March 2015
	(₹)	(₹)
Interest Accrued but not due on Short Term Borrowings	-	994,109
Others		
- Advances Received from Clients	-	20,561
- Payable for Expenses	1,124,883	1,126,843
- Other Liabilities	519	-
- Statutory Liabilities	123,455	187,031
	1,248,857	2,328,544

9. Fixed Assets

	a) Tangible Assets		b) Intangible Assets	
	Computers	Total	Software	Total
	(₹)	(₹)	(₹)	(₹)
Gross Block (At Cost)				
At 1 April 2014	165,375	165,375	609,000	609,000
Additions	-	-	224,720	224,720
Deductions	-	-	-	-
At 31 March 2015	165,375	165,375	833,720	833,720
Additions	-	-	-	-
Deductions	-	-	-	-
At 31st March 2016	165,375	165,375	833,720	833,720
Depreciation/ Amortization				
At 1 April 2014	160,705	160,705	609,000	609,000
Charge for the year	-	-	74,907	74,907
Deductions	-	-	-	-
At 31 March 2015	160,705	160,705	683,907	683,907
Charge for the year	-	-	74,907	74,907
Deductions	-	-	-	-
At 31st March 2016	160,705	160,705	758,814	758,814
Net Block				
At 31 March 2015	4,670	4,670	149,813	149,813
At 31st March 2016	4,670	4,670	74,906	74,906

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

10 Non-Current Investments

Particulars	Face Value Per Share (₹)	No. of Shares		Amount	
		As At		As At	
		31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015
				(₹)	(₹)
AT COST					
Investment in Equity Instruments					
(I) Investments in fully paid Equity Shares (Quoted)					
- Kridhan Infra Ltd.	2	249,750	-	23,519,850	-
- Aurobindo Pharma Ltd	1	11,000	-	9,255,619	-
- Motherson Sumi Systems Ltd	1	4,050	-	995,724	-
- Vadilal Industries Ltd	10	2,000	-	989,452	-
- UFO Movies India Ltd ¹	10	6,100	-	2,494,580	-
- Capital Trust Ltd ^{1 n 2}	10	125,000	-	27,125,000	-
Total (A)				64,380,225	-
II) Investments in fully paid Equity Shares (Unquoted)					
- Prothom Industries India Pvt Ltd	10	14,764	-	5,004,996	-
Total (B)				5,004,996	-
Total (A+B)				69,385,221	-
Note :					
Aggregate of Quoted Investments in Shares					
- Cost				64,380,225	-
- Market Value				73,861,708	-
Aggregate of Unquoted Investments in Shares					
- Cost				5,004,996	-

1. Credit in demat account for holding received subsequent to the date of Balance Sheet.

2. Alloted on 29th March, 2016 with lock-in for transfer till 28th April, 2017.

11. Deferred Tax Assets (Net)

Particulars	As at	
	31st March, 2016	31st March, 2015
	(₹)	(₹)
Deferred Tax Assets		
Difference Between Tax and Book Depreciation	-	1,053
Provisions	268,640	-
Disallowances	-	87,277
	268,640	88,330
Deferred Tax Liabilities		
Difference between Tax and Book Depreciation	5,450	-
	5,450	-
Deferred Tax Assets (Net)	263,190	88,330

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

12. Long-term Loans & Advances

Particulars	As at	
	31st March, 2016	31st March, 2015
	(₹)	(₹)
Advances		
- Income Tax Paid (Net of Provisions)	5,634,285	5,975,870
- Prepaid Expenses	17,631	-
	5,651,916	5,975,870

13 : Trade Receivables

Particulars	As at	
	31st March, 2016	31st March, 2015
	(₹)	(₹)
Unsecured, Considered Good		
- Outstanding for a period exceeding six months	-	-
- Others	5,813	-
	5,813	-

14. Cash & Cash Equivalents

Particulars	As at	
	31st March, 2016	31st March, 2015
	(₹)	(₹)
Cash and Cash Equivalents		
Balances with Banks		
- In Current Accounts	55,687,846	5,505,488
Cheques in Hand	1,047,122	-
Cash on Hand	38,090	11,639
	56,773,058	5,517,127
Other Bank Balances		
- In Deposit Accounts towards security for Corporate Credit Card	500,000	-
Others		
Meal Coupons on Hand	-	13,541
	57,273,058	5,530,668

Note:-

1. Deposits with banks of ₹ 500000/- (P.Y. ₹ Nil) is with maturity period of more than 12 months.

15. Short-term Loans & Advances

Particulars	As at	
	31st March, 2016	31st March, 2015
	(₹)	(₹)
Secured, Considered Good		
- Loans relating to Financing Activity	224,741,586	449,312,996
Secured, Considered Sub-Standard		
- Loans relating to Financing Activity	1,167,309	-
Less: Provision for Sub-Standard Assets	116,731	-
	1,050,578	-

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	As at	
	31st March, 2016	31st March, 2015
	(₹)	(₹)
Unsecured, Considered Good		
Loan relating to Financing Activity	751,172	889,000
Loan to Related Parties		
- Holding Company [(Refer Note no. 27 (B) (IV))]	-	85,000,000
- Fellow Subsidiary Company [(Refer Note no. 27 (B) (IV))]	15,000,000	20,000,000
	241,543,336	555,201,996
Advances recoverable in cash or kind for value to be received	23,558	104,144
Other Loans and Advances		
- Prepaid Expenses	9,212	-
	241,576,106	555,306,140

16. Other Current Assets

Particulars	As at	
	31st March, 2016	31st March, 2015
	(₹)	(₹)
- Interest Accrued on Financing Activities	1,833,517	5,366,378
- Interest Accrued on Deposits with Bank	4,134	-
- Income Receivable	41,672	-
	1,879,323	5,366,378

17. Revenue from Operations

Particulars	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
	(₹)	(₹)	(₹)	(₹)
Interest on				
- Loans relating to Financing Activity		50,271,467		64,176,365
- Corporate Bonds/Government Securities		-		81,123
Gain on Sale of				
- Current Investments		2,991,292		239,406
- Non-Current Investments		4,435,901		-
Dividend on				
- Non-Current Investments		87,775		-
Trading Income				
Corporate Bonds				
Sales	96,565,707		179,239,375	
Add: Closing Stock	-	96,565,707	-	179,239,375
Less: Purchases	96,314,015		179,073,379	

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
	(₹)	(₹)	(₹)	(₹)
Opening Stock	-	96,314,015	-	179,073,379
		251,692		165,996
Other Operating Revenue				
- Referral Fees		402,747		-
- Advisory Fees		436,680		-
- Provision for Doubtful Debts Written back		-		105,514
- Provision for Standard Assets Written back		786,773		-
- Liability No Longer Payable		192,000		-
		59,856,327		64,768,404

18. Other Income

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
	(₹)	(₹)
Interest on		
- Deposit with Banks	25,246	-
- Income Tax Refund	176,488	-
	201,734	-

19. Employee Benefits Expense

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
	(₹)	(₹)
Salaries and Other Benefits	5,722,251	7,623,340
Gratuity	94,540	(98,198)
Staff Welfare Expenses	10,435	2,060
	5,827,226	7,527,202

20. Finance Costs

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
	(₹)	(₹)
Interest Expense	7,546,798	14,992,652
	7,546,798	14,992,652

21. Depreciation and Amortization Expense

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
	(₹)	(₹)
Depreciation on Tangible Assets	-	-
Depreciation on Intangible Assets	74,907	74,907
	74,907	74,907

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

22. Other Expenses

Particulars	For the year ended 31st March 2016		For the year ended 31st March, 2015	
	(₹)	(₹)	(₹)	(₹)
Communication, Postage and Courier Charges		151,802		63,342
Fees and Stamp (Net)		50,190		38,675
Membership and Subscription		29,217		23,098
Depository Charges		192,105		435,023
Consultancy Fees		219,432		-
Electricity Charges		614,400		475,500
Insurance		-		15
Repairs and Maintenance - Others		134,130		93,000
Advertisement and Business Promotion		131,815		-
Printing and Stationery		26,954		62,540
Travelling, Conveyance and Vehicle Expenses		741,423		386,002
Provision for Standard Assets		-		311,128
Provision for Sub-Standard Assets		116,731		-
Bad Debts Written Off	-		277,360	
Less:- Provision Written Back	-	-	277,360	-
Loss Assets Written Off	-		28,320	
Less:- Provision Written Back	-	-	28,320	-
Legal and Professional Fees		496,174		296,357
Payment to Auditors				
As Auditors				
- Audit Fees		108,775		134,832
- Tax Audit Fees		34,350		33,708
In Other Capacity				
- Taxation Matters		4,269		-
- Other Matters		35,395		16,854
Commission to Independent Directors		255,900		250,000
Rent		1,490,890		1,194,948
Miscellaneous Expenses		544,299		311,850
Donation		-		325,000
		5,378,251		4,451,872

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

(i) Defined Benefit

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 :

NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2016

Sr. No	Particulars	As at	
		31st March, 2016	31st March, 2015
		(₹)	(₹)
I	Changes in Present Value of Obligations		
	Present Value of Obligations at the beginning of the year	242,398	15,511
	Interest Cost	18,961	1,427
	Current Service Cost	79,630	93,490
	Benefits Paid	-	-
	Actuarial (Gain)/Loss on obligations	17,655	131,970
	Present Value of Obligations at the end of the year	358,644	242,398
II	Changes in Fair Value of Plan Assets		
	Faire Value of Plan Assets at the beginning of the year	325,085	-
	Adjustment to Opening Fair Value of Plan Assets	-	-
	Expected Return on Plan Assets	21,706	-
	Contributions by employer	-	311,866
	Benefits Paid	-	-
	Actuarial Gain/(Loss) on plan assets	-	13,219
	Faire Value of Plan Assets at the end of the year	346,791	325,085
III	Fair Value of Plan Assets		
	Faire Value of Plan Assets at the beginning of the year	325,085	-
	Adjustment to Opening Fair Value of Plan Assets	-	-
	Actual Return on Plan Assets	21,706	13,219
	Contributions	-	311,866
	Benefits Paid	-	-
	Faire Value of Plan Assets at the end of the year	346,791	325,085
	Funded Status	(11,853)	82,687
	Excess of actual over estimated return on Plan Assets	-	13,219
IV	Actuarial Gain/(Loss) Recognized		
	Actuarial Gain/(Loss) for the year (Obligation)	(17,655)	(131,970)
	Actuarial Gain/(Loss) for the year (Plan Assets)	-	13,219
	Total Gain/(Loss) for the year	(17,655)	(118,751)
	Actuarial Gain/(Loss) recognized for the year	(17,655)	(118,751)
	Unrecognized Actuarial Gain/(loss) at the end of the year	-	-
V	Amounts to be recognized in Balance Sheet		
	Present Value of Obligation at the end of the year	358,644	242,398
	Fair Value of Plan Assets at the end of the year	346,791	325,085
	Funded Status	(11,853)	82,687
	Unrecognized Actuarial Gain/(Loss)	-	-
	Net (Liability)/Asset recognized in Balance Sheet under "Provisions – Gratuity"/ (Advances recoverable in Cash or kind or for value to be received)	(11,853)	82,687

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Sr. No	Particulars	As at	
		31st March, 2016	31st March, 2015
		(₹)	(₹)
VI	Expenses recognized in the statement of Profit & Loss Account		
	Current Service Cost	79,630	93,490
	Interest Cost	18,961	1,427
	Expected Return on Plan Assets	(21,706)	-
	Net Actuarial (Gain)/Loss recognized for the year	17,655	118,751
	Expense recognized in the Statement of Profit & Loss under "Employee Benefits Expense"	94,540	213,668
VII	Movement in the Liability recognized in Balance Sheet		
	Opening Net Liability / (Asset)	(82,687)	15,511
	Adjustment to Opening Fair Value of Plan Assets	-	-
	Expenses as above	94,540	213,668
	Contributions Paid	-	(311,866)
	Closing Net Liability / (Asset)	11,853	(82,687)
VIII	Experience Analysis – Liabilities		
	Actuarial (Gain)/Loss due to change in basis	1,161	11,608
	Experience (Gain)/Loss due to change in Experience	16,494	120,362
	Total	17,655	131,970
	Experience Analysis – Plan Assets		
	Experience (Gain)/Loss due to change in Plan Assets	-	13,219
IX	Investment Pattern		
	Insurer Managed Funds	100.00%	100.00%
X	Principal Assumptions		
	Mortality	IALM (2006-08) Ult	IALM (2006-08) Ult
	Discount Rate	7.70%	7.80%
	Rate of Increase in Compensation	10.00%	10.00%
	Rate of Return (expected) on plan assets		
	Withdrawal rates	Up to Age 45: 25% 46 & Above: 10%	Up to Age 45: 25% 46 & Above: 10%

24. In the opinion of the Board of Directors, the assets other than fixed assets and non-current investments have a value on realization in ordinary course of business at least equal to the amount at which they are stated except as otherwise stated. Provision for all known and determined liabilities is adequate and not in excess of the amount reasonably required.

25. Segment Information

a) Primary Segment

The Company's operations falls under one reportable business segment namely "Non Banking Financing Activities" therefore primary business segment reporting as required by Accounting Standard 17 "Segment Reporting" is not applicable.

b) Secondary Segment

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

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

26. Related Party Disclosures

A. List of related parties (Where transactions have taken place)

Sr. No.	Name of Related Party	Name of Relationship
1.	Key Management Personnel/individuals having control or significant influence a. Krishna Kumar Karwa b. Prakash Kacholia	Whole Time Director Director
2.	Holding Company a. Emkay Global Financial Services Limited	Holding Company
3.	Fellow Subsidiaries a. Emkay Commotrade Limited b. Emkay Insurance Brokers Ltd.	Fellow Subsidiary Fellow Subsidiary
4.	Others a. Emkay Charitable Foundation	Others

B. Transactions with related parties:

Sr. No	Particulars	Holding Company		Fellow Subsidiaries		Others	
		2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
I	Income						
	<u>Interest Received</u>						
	- Emkay Global Financial Services Ltd	751,232	4,981,645	-	-	-	-
	- Emkay Commotrade Ltd			1,435,069	1,371,781		
	- Emkay Insurance Brokers Ltd	-	-	-	6,904	-	-
II	Expenditure						
	<u>Depository Charges</u>						
	- Emkay Global Financial Services Ltd	167,550	365,614	-	-	-	-
	<u>Interim Dividend Paid</u>						
	- Emkay Global Financial Services Ltd	11,000,000	-	-	-	-	-
III	Others						
a)	<u>Expenses Reimbursed</u>						
	- Emkay Global Financial Services Ltd	2,359,840	1,788,948	-	-	-	-
b)	<u>Loans Granted</u>						
	- Emkay Global Financial Services Ltd	217,500,000	845,000,000	-	-	-	-
	- Emkay Commotrade Ltd	-	-	60,000,000	165,000,000	-	-
	- Emkay Insurance Brokers Ltd	-	-	-	300,000	-	-
c)	<u>Loans Granted - Received Back</u>						
	- Emkay Global Financial Services Ltd	302,500,000	825,000,000	-	-	-	-
	- Emkay Commotrade Ltd	-	-	65,000,000	180,000,000	-	-
	- Emkay Insurance Brokers Ltd	-	-	-	800,000	-	-
d)	<u>Payment made on our behalf</u>						
	- Emkay Commotrade Ltd	-	-	1,440	12,100	-	-
e)	<u>Gift Coupons Purchased</u>						
	- Emkay Global Financial Services Ltd	-	6,500	-	-	-	-
f)	<u>Donation Given</u>						
	- Emkay Charitable Foundation	-	-	-	-	-	25,000
g)	<u>Brokerage Paid</u>						
	- Emkay Global Financial Services Ltd	134,134	-	-	-	-	-
h)	<u>Meal Coupon sold</u>						
	- Emkay Global Financial Services Ltd	1,840	-	-	-	-	-

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Sr. No	Particulars	Holding Company		Fellow Subsidiaries		Others	
		2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
IV	Outstanding as on 31.03.2016						
	<u>Loans Granted</u>						
	- Emkay Global Financial Services Ltd	-	85,000,000	-	-	-	-
	- Emkay Commotrade Ltd	-	-	15,000,000	20,000,000	-	-
	<u>Depository Charges</u>						
	- Emkay Global Financial Services Ltd	10,198	19,919	-	-	-	-

C. Related Parties are identified by the management and relied upon by the Auditors.

D. No balances in respect of related parties have been written off.

27. There are no Operating Lease arrangements entered into by the company. The company is occupying part of premises taken on operating lease by its holding company to whom rent aggregating to ₹ 1,490,890 (P.Y. ₹ 1,194,948) has been paid for the same.

28. Disclosure in respect of Loans and Advances in the nature of Loans pursuant to Schedule V of Securities and Exchange Board of India (listing Obligations and Disclosure Requirements) Regulations, 2015 made applicable to the Company by virtue of its being the subsidiary of Emkay Global Financial Services Limited a listed parent company:-

Particulars	As at 31st March, 2016 (₹)		As at 31st March, 2015 (₹)	
	Outstanding Balance	Maximum Balance during the year	Outstanding Balance	Maximum Balance during the year
To Holding Company				
- Emkay Global Financial Services Ltd	-	117,500,000	85,000,000	140,000,000

29. Earnings per Share

Particulars	Year end March, 2016 (₹)	Year end March, 2015 (₹)
a) Net Profit after tax available for Equity Shareholders (₹)	28,799,933	28,572,826
b) Weighted average number of Equity Shares of ₹ 10/- each outstanding during the year for Basic Earning (No. of Shares)	22,000,000	22,000,000
c) Basic Earning per Equity Share (₹)	1.31	1.30
d) Weighted average number of Equity Shares of ₹ 10/- each outstanding during the year for Diluted Earning (No. of Shares)	22,000,000	22,000,000
e) Diluted Earning per Equity Share (₹)	1.31	1.30

30. Provisions made as per the NBFC Prudential Norms in respect of Loans & Advances, Trade Receivables and other assets are as below:

Particulars	For the Year Ended 31st March 2016 (₹)	For the Year Ended 31st March 2015 (₹)
Provision for Standard Assets	Nil	311,128
Provision for Sub-Standard Assets	116,731	Nil
Total	116,731	311,128

31. The provisions of section 135 of the Companies Act, 2013 pertaining to expenditure on Corporate Social Responsibility are not applicable to the company.

32. Pursuant to the enactment of the Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II. Accordingly, the unamortized carrying value is being depreciated/ amortized over the revised/ remaining useful lives. Consequently, depreciation for the year ended 31.03.2015 is lower by ₹1,869/-.

NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2016

33. Disclosure regarding loans given, investments made and guarantee given pursuant to section 186(4) of the Companies Act, 2013:
- Loans Given - Refer note no.15
- Investments made - Refer note no.10
- Guarantee given - NIL
34. Commission to Director/s of ₹ 225,000/- (P.Y. ₹ 250,000/-) represents commission to Independent Director/s.
35. Other current liabilities includes ₹ 519/- (P.Y. ₹ Nil) being amount of deposit in company's bank accounts made directly by clients whose details are awaited. The liabilities are properly adjusted subsequently on receipt of information from them.
36. The Company has made non-current investment of ₹ 5,004,996/- in the equity shares (unquoted) of Prothom Industries Pvt. Ltd. The said Company has incurred losses and its net worth has eroded based on their latest audited financial statements. In the opinion of the Board of Directors of the Company, these symptoms are temporary in nature. Considering above and its intention to hold these investments on long term basis, no provision for diminution in value of these non-current investments is considered necessary in the accounts.
37. The particulars as required by Non-Systemically Important Non-banking Financial (Non-deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 are given in the note appended hereto.
38. Payment to auditors includes ₹ 13,775/- (P.Y. ₹ 14,832/-) in audit fees, ₹ 4,350/- (P.Y. ₹ 3,708/-) in tax audit fees, ₹ 769/- (P.Y. ₹ Nil) in fees for taxation matters and ₹ 4,395/- (P.Y. ₹ 1,854/-) in other matters towards Service Tax and Swachh Bharat Cess.
39. Figures of the previous year have been regrouped, recasted and rearranged wherever necessary to make them comparable with the figures of the current year
40. Other Additional Information required pursuant to Part II of Schedule III of the Companies Act, 2013 are not applicable to the Company.
41. Figures have been rounded off to the nearest rupees.
42. Figures in brackets indicates previous year figures.

AS PER OUR REPORT OF EVEN DATE

For B L SARDA & ASSOCIATES
CHARTERED ACCOUNTANTS

For and on behalf of the Board of
EMKAY FINCAP LIMITED

Krishna Kumar Karwa
 Whole Time Director

Prakash Kacholia
 Director

(CA B. L. Sarma)
 Partner
 Membership No: 014568

Sheetal Omre
 Company Secretary

Place: Mumbai
 Dated: 23rd May, 2016

Place: Mumbai
 Dated: 23rd May, 2016

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

37. The particulars as required by Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 are given in the note appended hereto.

Schedule to the Balance Sheet of a Non-Deposit taking Non-Banking Financial Company
as required in terms of paragraph 13 of Non Systemically Important Non-Banking Financial
(Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015

(₹ In Lacs)			
Sr. No.	Particulars	Amount outstanding As on 31st March, 2016	Amount overdue As on 31st March, 2016
	Liabilities Side :		
(1)	Loans and Advances Availed by the NBFC inclusive of interest accrued thereon but not paid:		
	(a) Debentures : Secured	0	0
	: Unsecured	0	0
	(other than falling within the meaning of public deposits*)		
	(b) Deferred credits	0	0
	(c)Term Loans	0	0
	(d) Intercompany Loans and Borrowings	0	0
	(e) Commercial paper	0	0
	(f)Other loans (specify nature)	0	0
	*Please see Note 1 below		
	Assets side:		
(2)	Break-up of Loans and Advances including bills receivables (other than those included in (4) below)	Amount outstanding as on 31st March, 2016	
	(a) Secured		2259.09
	(b) Unsecured		157.51
(3)	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
	(I) Lease assets including lease rentals under sundry debtors:		
	(a) Financial lease		0
	(b) Operating lease		0
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire		0
	(b) Repossessed Assets		0
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed		0
	(b) Loans other than (a) above		0
(4)	Break up of Investments:		
	<i>Current Investments:</i>		
	1. Quoted :		
	(i) Shares : (a) Equity		0
	(b) Preference		0
	(ii) Debentures and Bonds		0
	(iii) Units of mutual funds		0
	(iv) Government Securities		0
	(v) Others (please specify)		0
	2. Unquoted:		
	(i) Shares : (a) Equity		0
	(b) Preference		0
	(ii) Debentures and Bonds		0
	(iii) Units of mutual funds		0
	(iv) Government Securities		0
	(v) Others (please specify)		0

NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2016

		Amount outstanding as on 31st March, 2016		
Long term Investments:				
1. Quoted				
(i) Shares : (a) Equity		643.80		
(b) Preference		0		
(ii) Debentures and Bonds		0		
(iii) Units of mutual funds		0		
(iv) Government Securities		0		
(v) Others (please specify)		0		
2. Unquoted :				
(i) Shares : (a) Equity		50.05		
(b) Preference		0		
(ii) Debentures and Bonds		0		
(iii) Units of mutual funds		0		
(iv) Government Securities		0		
(v) Others (please specify)		0		
(5) Borrower Group-wise Classification of Assets Financed as in (2) and (3) above (Please see Note 2 below)				
Category		Amount Net of Provisions		
		Secured	Unsecured	Total
1. Related Parties**				
(a) Subsidiaries		0	0	0
(b) Companies in the same group		0	150.00	150.00
(c) Other related parties		0	0	0
2. Other than related parties		2259.09	7.51	2266.60
Total		2259.09	157.51	2416.60
(6) Investor group-wise classification of all investment (current and long term) in shares and securities (both quoted and unquoted) (Please see note 3 below)				
Category		Market value / Break-up or Fair Value or NAV		Book Value (Net of Provisions)
1. Related Parties**				
(a) Subsidiaries		0		0
(b) Companies in the same group		0		0
(c) Other related parties		0		0
2. Other than related parties		788.67		643.80
Total		788.67		643.80
**As per Accounting Standard of ICAI (please see Note 3)				
(7) Other information				
Particulars				Amount
(i) Gross Non-performing Assets				
(a) Related Parties				0
(b) Other than related parties				11.67
(ii) Net Non-Performing Assets				
(a) Related Parties				0
(b) Other than related parties				10.51
(iii) Assets acquired in satification of debt				0

Notes:

- As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Direction, 1998.
- Provisioning norms shall be applicable as prescribed in Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 or Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 whichever is applicable
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break-up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (4) above.

EMKAY FINCAP LIMITED

CIN: U65990MH2005PLC153310

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

ATTENDANCE SLIP

I hereby record my presence at the 11th Annual General Meeting of the Company held on Wednesday, 10th August, 2016 at 10.00 a.m. at Registered Office of the Company situated at The Ruby, 7th Floor, Senapati Bapat Marg, Dadar (West), Mumbai – 400 028.

Folio No. _____ DP ID No. _____ Client ID No. _____

Name of Member: _____

Name of Proxyholder: _____

No. of Share(s) Held: _____

Signature of Member/Proxy

Notes:

- (1) Members/Proxyholders are requested to produce the attendance slip duly signed for admission to the Meeting hall.
- (2) Members are requested to bring their copy of Annual Report for reference at the Meeting.

EMKAY FINCAP LIMITED

CIN: U65990MH2005PLC153310

Registered office: The Ruby, 7th Floor, Senapati Bapat Marg, Dadar (West), Mumbai-400028
 Website: www.emkayglobal.com T: 022-66299299 Email: compliance@emkayglobal.com

PROXY FORM

[Pursuant to section 105 (6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014].

Name of the Member (s):
Registered Address:
E-mail ID:
Folio No./ Client ID: DP ID:

I/We, being the member (s) of Emkay Fincap Limited holding _____ equity shares of the above named company, hereby appoint.

- Name :
 Address :
 E-mail ID :
 Signature: _____ or failing him
- Name :
 Address :
 E-mail ID :
 Signature: _____ or failing him
- Name :
 Address :
 E-mail ID :
 Signature: _____ or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 11th Annual General Meeting of the Company, to be held on Wednesday, 10th day of August, 2016 at 10.00a.m. at the Registered Office of the Company situated at The Ruby, 7th Floor, Senapati Bapat Marg, Dadar(West), Mumbai – 400 028 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 Balance Sheet of the Company as at 31st March, 2016, the Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2	To confirm the Interim Dividend paid for the financial year ended 31st March, 2016.
3	To appoint a director in place of Mr. Prakash Kacholia, who retires by rotation and being eligible, offers himself for re-appointment.
4	To re - appoint Statutory Auditors M/s. B. L. Sarda & Associates, Chartered Accountants.

Signed this _____ day of _____, 2016.

Signature of the Shareholder: _____

Signature of the Proxy Holder(s): _____

Affix
Revenue
Stamp of
₹ 1

Note: 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 FINCAP LIMITED

CIN: U65990MH2005PLC153310

Registard Office: The Ruby, 7th Floor, Senapati Bapat Marg,
Dadar (West), Mumbai - 400028. Tel: +91 22 6612 1212