



Your success is our success.



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Tested. Committed. Diversified.

There was the great depression of 1929 and then there was 2008-09. Never before in the history of global financial services industry have the times been worse. The last year was a very tough year for global equities. Every single equities market in the world saw a decline. Bankruptcy of some of the most reputed institutions became a norm. Everyday one woke up to bad news. Such was the velocity of the avalanche of the global liquidity crisis that it took with it growth of countries. After all finance is the life of every economy.

And India was no different.

The BSE Sensex and the Nifty fell 53% and 47.70% respectively from their peak. Volumes on the exchanges were down. This turmoil affected us too.

Broking revenue was down 36%, income went down by 31%, EBIDTA fell from Rs 43.21 crores to Rs 0.90 crores and we reported a loss of Rs 5.96 crores against a profit of Rs 23.50 crores in the previous year.

The year tested us. We remain committed to our business. We used this adversity to diversify.

We were tested.

Our character. Our DNA. And our systems. As we look back, we have emerged wiser through the downtrend. We quickly realigned our business growth initiatives in view of the slowdown, keeping in focus short term realities versus long term objectives. As we look ahead to the great Indian story, we are prepared, better than before.

We are committed.

Despite the downtrend in equities, we remain committed

to our stakeholders; our clients, the Emkay team and the investors. We used the downturn to strengthen relationships with existing clients to improve long term sustainability and growth. We looked for opportunities in adversities by hiring the best talent to fill available gaps. We remain committed to strong risk management systems to ensure we can successfully manage high volatility that is emerging as a constant in our business so that we can give better returns to our shareholders. Our commitment has only furthered in such times.

We have diversified.

We learnt from the last 12 months. Initiatives were taken to speed up the process of expanding the non equity business. Corporate debt/syndication was seeded. Focus was shifted to non equity verticals such as the insurance business. In the long term we believe that revenue stream diversification will give us even more stability in revenue. Given the cyclical nature of the equity market, we believe that diversification will be the key to long term sustainability.

As we look ahead, the worst seems to be over. The Indian capital markets have bounced back the best from its low of 7,697 in October 2008 to 14,930 in May 2009. There is a new wave of optimism, thanks to the election mandate given to the UPA. The India story is intact and growing. India is expected to grow at 8% for the next few years. The new Government is committed to disinvestment and growth that should keep capital markets interested and happy.

We are ready too.

Company Snapshot

THE GROUP

Incorporated in the year 1995, Emkay Global Financial Services Limited (previously Emkay Share and Stock Brokers Limited) is a full service financial services company, offering a wide gamut of financial services and solutions. A Rs 132.50 crores net worth company, Emkay is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

Emkay, along with its subsidiaries Emkay Commotrade Limited (ECL), Emkay Insurance Brokers Limited (EIBL) and Emkay Fincap Limited (EFL), offers comprehensive financial services to clients consisting of FIIs, domestic mutual funds, hedge funds, banks, insurance companies, PE firms, corporate houses, HNIs and retail investors.

REACH

Emkay has its presence in 160 locations, through 380 outlets, with 65 branches and 315 franchisees across the country. Its vast network reaches out to more than 180 institutional clients and about 93,500 retail clients.

SERVICES

The Company along with its 100% subsidiaries functions across various business verticals, providing a one-stop shop for all investing needs. The firm's philosophy is intensely and perpetually client centric with a clear focus on integrity, knowledge, team work and quality.

Our service offerings broadly fall under the following categories:

- Equity Broking which includes retail and institutional clients in both cash and derivatives, and is offered through the offline and online channels
- Wealth Management which includes Portfolio Management Services and Mutual Fund advisory services
- Insurance Broking
- Commodity Broking
- Investment Banking

TEAM

With a total of 738 employees, Emkay's core management team comprises of professionals with extensive business and industry experience in functions ranging from Wealth Management, Institutional Broking, Retail Broking, Investment Banking, Insurance and Research.

MISSION

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

VALUES

- To be fair, empathetic and responsive in serving our customers
- To respect and reinforce to our fellow employees the power of teamwork
- To strive relentlessly to improve ourselves and our business activities
- To always learn to be worthy of our clients' trust



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MILESTONES

1995

Year of incorporation

1996

Commenced equity broking on BSE

1999

Commenced equity broking on NSE

2000

Executed first trade in Sensex Futures and Sensex Options

2005

Converted into a public limited company

2006

- Successfully launched Rs 75 crores IPO and listed on BSE/NSE
- Commenced commodity broking
- Incorporated and launched RBI approved NBFC

2007

Launched IRDA approved insurance broking subsidiary

2008

Crossed the landmark of Rs 100 crores topline

2009

Strengthened its fund management capabilities by appointing Fortuna Capital as Advisors to the Emkay PMS Schemes

Business Overview

In existence since 1995, Emkay Global Financial Services Limited (Emkay) is a high growth, full service financial organization providing a breadth of financial and advisory services. Founded by Mr. Krishna Kumar Karwa and Mr. Prakash Kacholia, Emkay, caters to the financial needs of Individuals, Private Clients, Corporations and Institutions with business activities organised in four segments-Equities and Derivatives Broking, Commodity Broking, Insurance Broking and Non Banking Financial Company. On date it serves through more than 350 branches and franchisees across 150+ cities.

BROKING

We have come a long way from traditional floor based trading. The introduction of futures and options has really changed the face of our industry with our brokerage operations meeting the extensive needs of investors. Our differentiated products, quality and relevant research based advice, attractive

commissions and dependable systems have led to us making a pan-India presence across 160 cities.

E-BROKING

Internet access has led to everybody from college students, to housewives to retirees taking a go in the stock market. Our diverse customer base has made us develop an E-broking platform which helps our customer experience world-class online trading facilities-anywhere, anytime, in an uncomplicated and effortless manner.

WEALTH MANAGEMENT

At Emkay, we understand that wealth is more than just money; it's about goals, ambitions and dreams which differ from person to person. We offer a complete end-to-end wealth management solution designed to offer integrated services extending beyond just managing money for the client. We have christened our wealth management services as MIDAS because we believe that investing can be a complex and mystical exercise, and our expertise can help clients optimize their returns, especially in challenging times such as now.

MIDAS offers a complete end-to-end wealth management solution that is designed to offer integrated services.

Pooling of expertise guarantees that clients work with people who not only are financially astute, but who also understand the true meaning of structuring and managing wealth.

We link people, knowledge and experience and work very closely with clients and partner them to make a difference.

INVESTMENT BANKING

We commenced our operations in Investment

At Emkay, we understand that wealth is more than just money; it's about goals, ambitions and dreams which differ from person to person.

Banking in March 2008. Due to the downturn in market last year, there was not much activity in this space. However once the market picks up, our focus will be on the middle market entrepreneurs, and we expect to provide them with a complete range of solutions from strategic advisory services to capital raising, to assist them to implement their growth plans. We aim to spend adequate time with the entrepreneurs and their team to understand their motivations, businesses and strategy.

We have put together an experienced team of professionals. They come with very strong relationships across the regulatory and investor space and have a deep understanding of the issues facing the mid market corporates in these difficult times, as they aim to become the large caps of tomorrow.

Emkay offers the full range of services in the financial space. These include private placement of equity, private equity, promoter funding, acquisition financing, project finance, qualified institutional placements as well as advice on mergers and acquisitions and tax related issues. We are a SEBI registered Category 1 merchant banker and operate from Mumbai with support staff at our offices in Bangalore, Chennai, Delhi and Hyderabad.

COMMODITIES

Emkay offers commodity futures trading through Emkay Commotrade Limited (ECL). We have membership with two major commodity exchanges of the country; Multi Commodity Exchange of India Limited (MCX) and National Commodity and Derivatives Exchange Limited (NCDEX).

We equip our customers with reliable research, based on technical and fundamental study of all major commodities.

Local, national and international commodity

information is disseminated through the Company's large branch network. Seminars, free in-house literature and interactive site sessions raise awareness levels on the futures market. Consequently, large numbers of informed participants enter the trading process resulting in increased volumes and market efficiency.

INSURANCE

Emkay Insurance Brokers Limited (EIBL), our 100% owned subsidiary was incorporated in March 2007 as a Direct Insurance Broker as per IRDA Regulations, aimed at making most of the under-penetrated insurance market. The IRDA License was received in September 2007. Focusing on life and non-life businesses, the Company is aiming to benefit from its huge existing 93,500 retail client base and existing corporate relationships.

NON BANKING FINANCIAL COMPANY (NBFC)

Emkay Fincap Limited (EFL) is a RBI registered Non Deposit taking NBFC Company. It provides to clients, finances against approved securities. The Company has a networth of Rs 31.98 crores.



Message from the Managing Directors

“After a tough year, we are optimistic about the future, given our strength, expertise, the new UPA Government, a structural India story and the corrective measures taken at Emkay.”

Dear Shareowners,

At the outset, we want to upfront admit that 2008-09 was a tough year for us. Driven by the global liquidity crisis and the plunge in the equities market in India, we were also adversely affected.

Emkay reported a loss of Rs 5.96 crores.

However, we believe that the worst is behind us. We are delighted to inform that Emkay reported a Q1 profit of Rs 2.37 crores. After a tough year, we are optimistic about the future, given our strength, expertise, the new UPA Government, a structural India story and the corrective measures taken at Emkay.

India continues to attract

The India story, we believe has once again gathered momentum. The clear mandate given to the newly formed UPA Government, we believe, will add a lot of stability and credibility to India's ability to remain on an 8% GDP growth path for the next several years. India, along with China will be the growth engine for the world and is expected to attract a lot of capital. Besides, it is only a matter of time before household savings get channelized into equities

and other asset classes. The Indian markets have bounced back by more than 50% from the lows in October 2008 and the future looks good. We are bullish.

The downtrend did well

Though we were affected in one financial year, the downtrend did long term good for the Company. We used the downtrend to get more efficient, de-risk the business and look at other opportunities too.

Operational efficiencies

We realigned our businesses to improve operational efficiencies. We used the downtrend to rightsize our business by focusing on productivity and used productivity-driven measures to rationalize people. The downtrend was also a good time to hire appropriate talent at the right price. We did that.

Besides, we focused on profitable branches. Of the 77 branches, 12 branches that lacked the potential to generate ROI for the Company were closed down. Having invested and built a strong Emkay brand, we preferred the more flexible franchise model to grow. 93 franchisees were added since they work on flexible cost structures.



“Though we were affected in one financial year, the downtrend did long term good for the Company. We used the downtrend to get more efficient, de-risk the business and look at other opportunities too.”

De-risking

Realizing the cyclical nature of the equity business, we used the slump, to enter into non equity verticals. This will help us de-risk our business by generating alternate streams of income. Indian corporate sector borrowing is expected to grow, fueling demand for bank borrowing and other alternate funding channels. This spells opportunity for Emkay as we have entered the corporate finance business.

PMS through partnership

Emkay has a strong brand and client base. The retail client base increased from 68,000 to 93,500. We have strong equities marketing capabilities. We reinforced the equities PMS space in a strategic partnership with Fortuna Capital, run by two stalwarts in the Indian equities space – Sanjoy Bhattacharya and Soumendra Nath Lahiri – who will now advise the PMS business.

We continue to focus on the retail expansion as we believe that the household investment into Indian equities is at an inflection. As younger India earns, there is a significant need to take equities to people. Emkay is set to give new

energy to the growth of its retail business across the country.

As we look ahead, the India story is strong. Indian equities and fixed income businesses are slated to grow. The outlook looks buoyant and optimistic. The concern areas that remain are world economy and the performance of global equities. We are cautiously optimistic. We have removed excesses from the business. We have hired the right talent. We have built a strong brand.

We would like to thank our team, for it is because of each member that we were able to come out stronger in such a crucial year. We are also grateful to all our clients who remain committed to us. And finally we would like to thank our shareholders for their long term trust in us.

Sincerely

Prakash Kacholia
Managing Director

Krishna Kumar Karwa
Managing Director and CFO

CORPORATE INFORMATION

Board of Directors

G. P. Gupta	Chairman
S. K. Saboo	Director
R. K. Krishnamurthi	Director
G. C. Vasudeo	Director
Krishna Kumar Karwa	Managing Director & CFO
Prakash Kacholia	Managing Director

Company Secretary & Compliance Officer

Manish Jain

Statutory Auditors

B. L. Sarda & Associates, Chartered Accountants

Bankers

HDFC Bank Limited • Citibank N A • Bank of India

AXIS Bank Limited • Punjab National Bank

ICICI Bank Limited • The Hongkong & Shanghai Banking Corporation Limited

State Bank of India • Corporation Bank • Kotak Mahindra Bank

Union Bank of India • BNP Paribas Bank • Indusind Bank Limited

Registered Office

4D, 4th Floor, Hamam House, Ambalal Doshi Marg,
Fort, Mumbai – 400 023

Corporate Office

Building “C”, Ground Floor, Paragon Centre,
PandurangBudhkar Marg, Worli, Mumbai – 400 013

Registrar & Transfer Agent

Link Intime India Private Limited [Formerly
Intime Spectrum Registry Limited], C-13, Pannalal Silk Mills
Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078