



**GROWTH
DELIVERED**



**PERFORMANCE
PROVEN**



**ACCELERATION
SET**

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Welcome to Emkay Global Annual Report 2017-18



Please get this report online at
www.emkayglobal.com

Corporate Information

Board of Directors

G. P. Gupta, Chairman
S. K. Saboo, Director
R. K. Krishnamurthi, Director
G. C. Vasudeo, Director
Dr. Satish Ugrankar, Director
Bharat Kumar Singh, Add. Director
Preeti Kacholia, Woman Director
Krishna Kumar Karwa, Managing Director
Prakash Kacholia, Managing Director

Chief Financial Officer

Saket Agrawal

Company Secretary & Compliance Officer

B. M. Raul

Corporate Identification Number (CIN)

L67120MH1995PLC084899

Website

www.emkayglobal.com

Statutory Auditors

S. R. Batliboi & Co. LLP.
Chartered Accountants

Secretarial Auditors

Parikh & Associates,
Practising Company Secretaries

Internal Auditors

Lovi Mehrotra & Associates,
Chartered Accountants

Bankers

Abu Dhabi Commercial Bank
Axis Bank Limited
Bank of India
Citibank NA
HDFC Bank Limited
ICICI Bank Limited
Indian Overseas Bank
IndusInd Bank Limited
Kotak Mahindra Bank
State Bank of India
Union Bank of India

Registered & Corporate Office

The Ruby, 7th Floor,
Senapati Bapat Marg,
Dadar (West), Mumbai - 400 028
Tel. No.: 022-66121212

Administrative Office

Building 'C-06', Ground Floor,
Paragon Centre,
Pandurang Budhkar Marg, Worli,
Mumbai - 400 013
Tel. No.: 022-66299299

Registrar & Transfer Agents

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

Our Visiting Card

From humble beginnings in 1995, Emkay Global Financial Services Ltd. today is amongst the top players in financial services in India. At the heart of our enduring success is consistent wealth creation for our clients emanating from our insightful research and in-depth analysis, backed by deep domain expertise.

Research



Research is our strongest forte and biggest differentiator. Our award-winning research desk covers Perspective Research, Corporate Research and Alternative Research. Emkay Research reports are amongst the most sought-after reports for their macro perspective as well as granular details. Our team of senior and seasoned analysts cover a wide range of complex sectors and industries.



Along this eventful journey, we have won numerous awards and recognitions, validating our leadership position.

We were awarded India's Most Trusted Financial Brand in 2016-2017 by World Consulting & Research Corporation and India's Most Admired Services Provider in Financial Sector by CMO Asia in 2017.

We offer a variety of advisory and transactional services to our clients that include foreign institutional investors, domestic mutual funds, banks, insurance

companies, private equity firms, corporate houses, small and medium-sized enterprises and high net worth individuals.

Our range of service offerings include institutional and retail broking in equities and derivatives on the Bombay Stock Exchange and National Stock Exchange, portfolio management services, private wealth management, investment banking, commodities and currency broking & advisory.



Our Promise

To protect Clients' trust and expectations by ensuring that every person meets the set value proposition. This means we build for our clients a focussed and quality portfolio with no over-diversification.



Our Mission

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



Our Values

- To be fair, empathetic and responsive in serving our clients
- To respect and reinforce our fellow employees and the power of teamwork
- To strive relentlessly to improve what we do and how we do it
- To always earn and be worthy of our customers' trust

Timeline - Our Journey

We took our first steps in the journey in 1995 with a vision of providing sound and research-backed financial advice to clients. Building on the strong foundation of research and insights, we have continued increasing our bouquet of offerings with a range of advisory and transactional services. Today, our comprehensive services portfolio has institutional equities, investment banking, portfolio management services and wealth management through four wholly-owned subsidiaries.



2012

Commences
Currency Broking

2014

Closes first PIPE deal of
Somany Ceramics. Also
closes first QIP as BRLM
of Dynamic Technologies

2016

Acts as sole manager to the
Preferential Issue of ₹ 150
crore of Time Technoplast

2015

Acts as sole book
running lead manager
for QIP of MPS Ltd.

2017

Signs an exclusive agreement with DBS
Vickers Securities (Singapore) Pte Ltd,
a wholly-owned subsidiary of DBS Bank
for sharing of knowledge, co-branding of
research and its distribution to the global
clients of DBS Vickers.
Also, Emkay Investment Managers Ltd
launches its maiden Alternative Investment
Fund (A fund sponsored by Emkay Global
Financial Services Ltd.)

Management Message



Prakash Kacholia

Krishna Kumar Karwa

Dear Shareholders,

It is always a pleasure and privilege to share with you our thoughts and views on the performance and prospects of the Company.

The world economy embarked on a synchronous recovery in 2018 but subsequently faced headwinds of trade protectionism and strong idealisation towards domestic-centric growth approach. In India too, the implementation of demonetisation and GST caused temporary setbacks, particularly in the informal segment. As the effect of these aberrations faded, the Indian capital markets rebounded with smart recovery.

As the Indian economy surges ahead with significant GDP growth, what is interesting is the structural changes in the form of reforms like GST which are aimed at formalising the economy. Another interesting development has been the increasing interest of investors in India that has resulted in better liquidity. The overall financial services space has witnessed significant growth, particularly with more household savings getting invested in financial assets through Mutual Funds, Insurance, Banks, Direct Investments in Equities and Bonds, among others. This trend is only expected to increase in the days to come, and definitely augurs well for financial intermediaries and service providers.

For Emkay, FY18 was another year of remarkable growth and performance. Driven by strong performance of all segments, the Consolidated Income rose to

₹ 156.57 crore in FY18 from ₹ 108.84 crore in FY17, an increase of 43.85 per cent. EBIDTA rose to ₹ 45.52 crore compared to ₹ 23.74 crore in FY17, an increase of 91.74 per cent. Profit after Tax for the year was ₹ 28.62 crore compared to ₹ 12.19 crore in FY17, an increase of 134.70 per cent.

Our well diversified and research-backed service offerings, nationwide reach, strong brand equity, coupled with the latest technological infrastructure and strong risk management systems have resulted in consistent and steady growth. Some key highlights of the year were:

- We successfully launched and closed our maiden Alternative Investment Fund - Emkay Emerging Stars Fund
- Another proud moment came in June 2017 when we inked an agreement with DBS Vickers, a wholly-owned subsidiary of DBS Bank, for sharing of knowledge, co-branding of research and its distribution to the global clients of DBS Vickers
- We were recognised as 'India's Most Admired Service Provider' by CMO Asia
- Our institutional client base increased from 299 in FY17 to 324 in FY18, and the number of non-institutional clients increased to 1.39 lac
- While the institutional segment contributed 59 per cent of the total equity broking business during FY18, the non-institutional segment accounted for 41 per cent

Our performance within each business segment also remained upbeat during FY18. The rising influence of domestic players in the Indian markets, especially that of the Mutual Fund industry and number of retail investors has brought about a remarkable transformation in the last few years, which provided a considerable fillip to mid-cap and small-cap stocks, thereby enhancing the liquidity and depth of the Indian stock markets.

With a strong presence in each segment of the financial markets, we benefited considerably from this transformation. Our leading position across a wide array of financial services and a 3 per cent market share in the domestic institutional business helped us to surge ahead at a stronger pace.

- Our currency derivatives business too experienced a swell in options volumes, which reflected in our revenues that increased 32 per cent in FY18 year-on-year
- FY18 also brought the much-awaited SEBI approval for options in the commodity business

Marquee Events

We signed an exclusive agreement with DBS Vickers Securities (Singapore), a wholly-owned subsidiary of DBS Bank, an AA- rated bank with a stable outlook (S&P rating), for sharing of knowledge, co-branding of research and its distribution to the global clients of DBS Vickers. The partnership would involve your Company and DBS Vickers to jointly organise, arrange and participate in events to showcase and market India Research Reports and India Equities, to empower them with inclusive and insightful equity research. Such events would not only open up a wider audience base for your Company, but also increase the depth of our offerings to domestic clients.

We sponsored the launch of Emkay Emerging Stars Fund, our maiden research backed Category III Alternative Investment Fund by Emkay Investment Managers, our wholly-owned subsidiary company. This is a five-year, close-ended and sector agnostic fund with a focus on mid and small cap companies and a fund-raising commitment of ₹ 200-300 crore. The objective of the Fund is to generate long-term capital appreciation for investors with an investment horizon

of five years in Indian equity. In a short span of three months from the date of its launch, Emkay Emerging Stars Fund crossed the milestone of ₹ 200 crore in AUM.

Outlook

As growth gathers momentum, and with favourable demographics, we expect higher savings tilted towards equity markets, especially via mutual funds. Dwindling interest of households in real estate is also expected to shift a significant portion of the incremental savings into the financial markets. As per data from CDSL & NSDL, there is already a ~16 per cent increase in the number of active demat accounts. The financial sector in India is looking robust.

Going forward, with improving income growth and favourable demographics, we can anticipate a surge in household savings moving towards the equity markets. This would continue to augur well for our industry and for your Company.

We believe growth in FY19 shall largely be driven by government spending and progress of the fiscal multiplier effect. Overall, we see real GDP growth rising to 7 per cent in FY19.

Before we sign off, we express deep gratitude to all our stakeholders and employees for their continued faith and support. Overall, we are quite confident and optimistic about the near and mid-term prospects of the Company and greater value creation for all stakeholders.

With Regards

Krishna Kumar Karwa
Prakash Kacholia
Managing Directors

Our Spectrum of Financial Services

Emkay's financial services are broadly focussed on four segments, namely, Institutional Equities, Asset / Portfolio Management Services, Wealth Management, ECM & Merchant Banking Services. Research is the common denominator that supports each of these businesses providing a significant and substantial competitive advantage.

Institutional Equities

Promising value to investors seeking investment opportunities in the Indian capital market, our equity business caters to both institutional and retail clients. Backed by one of the strongest equity research teams in the country, we assist in adding wealth-creating equities to our clients' portfolios. Identifying under-valued stocks through in-depth qualitative and quantitative analysis is the primary strength responsible for the Company's success. Our success is also built on the other four pillars of strategic thinking, long-term client relationships, speedy execution and use of robust technology.

During FY18, the institutional segment contributed 59 per cent of the total equity broking business. The total number of institutional clients increased to 324 during FY18 from 299 in the previous financial year.

The Institutional sales team was ranked 5th in India by Institutional Investor Survey 2017 and 7th by Asiamoney Brokers Poll, 2017.

Equity Asset Management

Emkay Investment Managers Ltd., is a registered Portfolio Manager and offers six types of Portfolio Management Services (PMS) catering to individual risk appetites, goals and investment preferences.

It offers clients a superior research-based portfolio that effectively manages risks and optimises returns. To the large corporate investors and high net worth individuals, highly customised and personalised advisory services are offered.

Our team comprises professional fund managers, research and wealth advisors and associates with a combined experience of 30+ years. Our expertise embraces the entire Indian equities market, from blue-chip large cap companies and well-performing mid-cap companies to emerging small caps too.

Our investment strategies have consistently outperformed the index over the years, creating substantial wealth for our clients.

During the year, Emkay Investment Managers launched the Emkay Emerging Stars Fund, its maiden Category III Alternative Investment Fund (AIF) with the primary objective of

generating long-term capital appreciation in Indian equity markets. The Fund is suitable for investors with an investment horizon of five years. In a short span of three months of its launch, the Fund crossed the milestone of ₹ 200+ crore of Assets under Management.

This success was followed by the launch of the second series of the Fund, and within a month, the two series together crossed commitments of ₹ 250 crore. Driven by sound fundamental investment strategies, these Funds should continue to reap capital appreciation and positive returns in an efficient and risk-adjusted manner.