

SMC GLOBAL SECURITIES LIMITED

17TH
ANNUAL
REPORT
2010-11



Moneywise. Be wise.

Winner of India's
Best Equity
Broker 2010
Best Currency
Broker 2011

Contents

Messages from the Management

Chairman's Message [102](#)

Vice-Chairman's Address [108](#)

Corporate Overview

The Company [114](#)

The Ethos [115](#)

The Offerings [116](#)

The Milestones [117](#)

Memberships & Registrations [118](#)

Reports

Directors' Report [128](#)

Corporate Governance Report [137](#)

Management Discussion and Analysis Report [158](#)

Financial Statements

Standalone [166](#)

Consolidated [1110](#)

Statement Pursuant to Section 212 (8) of [1146](#)
the Companies Act, 1956

17th Annual General Meeting

Day: Friday

Date: 30th day of September, 2011

Time: 11.00 AM

Venue: "URDU GHAR" 212, Rouse Avenue,

Deen Dayal Upadhyaya Marg, New Delhi-110002



Mr. Madhu Kannan (3rd from right), Managing Director & Chief Executive Office, Bombay Stock Exchange Ltd., presenting Best Equity Broker Award-2010 to (starting from left) Mr. Anurag Bansal, Whole-Time Director, SMC Global Securities Ltd., Mr. Subhash C Aggarwal, Chairman & MD, SMC Global Securities Ltd. & Mr. Ajay Garg, Whole-Time Director, SMC Global Securities Ltd. (extreme right)



Mr. Pranab Mukherjee (2nd from right), Hon'ble Union Finance Minister, Govt. of India, presenting the Best Currency Broker Award-2011 to (L-R) Mr. Anurag Bansal, Whole-Time Director, SMC Global Securities Ltd., Mr. Subhash C Aggarwal, Chairman & MD, SMC Global Securities Ltd. & Mr. Mahesh C Gupta, Vice-Chairman & MD, SMC Global Securities Ltd. (extreme right)

Chairman's Message

Mr. S.C. Aggarwal
Chairman & Managing Director



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Dear Shareholders,

As a premier financial services provider in India, your company SMC Global Securities Limited has a distinct track record in financial services space. Over the years, SMC has expanded its operations domestically as well as internationally. Today your company has a strong pan India presence with 2400+ offices, catering to all segments of an ever growing clientele. We are also amongst the first financial firms in India to expand operations in the lucrative gulf market, by acquiring license for broking and clearing member with Dubai Gold and Commodities exchange (DGCX). We are recognized as a leading financial conglomerate in India, with as many as seven subsidiaries in India and abroad. It is our persistent efforts over the years that catapulted your company to be awarded with India's Best Equity Broking House-2010 alongwith the appreciation as Broking House with Largest Distribution Network (Source:-BSE-D&B Equity Broking Awards 2010). Further SMC has been awarded as India's Best Currency Broker 2011 (Source: ICRA & Bloomberg-UTV Financial Leadership Awards, 2011) and it has also been ranked Sixth amongst distributors of IPOs in retail, (source -Prime Data Rankings, Jun. 2010). A blend of extensive experience, diverse talent and client focus has made us achieve this landmark.

PREVALENT ECONOMIC CONDITIONS AND ITS IMPACT ON SMC :-

From a macroeconomic perspective, the year 2010-11 was a year of great contrasts. Indian economy came out quite unscathed from the global financial turmoil. It has also emerged resilient and continued its robust growth momentum. During the year under review, the Indian economy posted an impressive growth of 8.6% YOY. This growth was driven by the rural sector which benefited from good monsoons, increased flow of bank credit and generous funding by the government on various employment and other schemes. The service sectors which has been a dominant part of India's GDP, also has maintained its strong growth momentum. On the flip side, inflation was the major concern for the policy makers for the year under review. The policy makers responded by tightening the monetary policies and tightening the interest rates very aggressively. I have no doubt in

the potential and robust India growth story in the long term. The key variables to watch out for in the short term would be global crude and commodity prices, local inflation and monetary policy stance, government decisions on infrastructure, reforms policies and monsoon.

During the year under review, the Indian capital markets showed Resilience to a number of negative news. The key benchmark indices Sensex and Nifty moved up but the market sentiment and environment remained volatile and choppy. This also led to continued fall in relative share of cash market turnover and delivery volumes. This understandably led to fall in weighted average brokerage yield of most players and operating margins came under a major squeeze. This can lead to a consolidation in the industry. The survivors should emerge stronger and benefit from the long term industry growth.

CUSTOMER CARE & INVESTOR AWARENESS

We are committed to adopt best-in-class Investor relation practices to enhance communication with the investing community so that we are trusted as responsive and transparent. We are a service-oriented organization. We endeavour to redefine 'service' by not only being proactive, but also being educative and incessantly striving to enhance and enrich customer experience.

Investor Awareness Programs are being regularly conducted by SMC at various places in the country to educate the investors and to create awareness among the investors regarding the capital market. Technology is the backbone of our business. To be competitive, we have to reach out to the customer wherever he or she is.

We reach our customers through internet, mobile and call centers.

THE ROAD AHEAD

Your Company is well placed to seize the long term opportunity in financial services space in India. India's national income is set to grow. India's growth story remains intact and its GDP is expected to reach US\$5 trillion by 2020. With the consequent growth in discretionary income and savings pool, there is

a favourable opportunity for the financial intermediation space over the medium to long term. The financial service sectors while has tremendous long term potential to grow, has a distinct characteristic of being cyclical. Therefore we see a sort of roller coaster ride. Long term players like your Company, see this as an opportunity rather than an obstacle. Invariably when head winds are strong, the weaker players fall off the roller coaster, paving way for the long term players to emerge strong.

Our focus remains strong in our value-driven research approach, increasing distribution reach across India and growing our related business segments, together with maintaining a risk-free balance sheet.

Due to these factors, we firmly believe that we are favourably poised to tap the resultant opportunities.

At the company level, the overall theme will revolve around our long-term strategy to have focus in emerging businesses and opportunities. The opportunities in wealth & advisory and insurance are huge. In FY11 we have done businesses of selling more than seventy thousand of policies from 100+ retail outlets of Honda Cars. Along with this we have also been mandated for the retail insurance business of a leading car Company. In a bid to further augment our reach to the new age consumers in the digital space, we are creating online distribution of

insurance policies by tie up with companies. As incomes rise, consumption soars, and the market explodes.

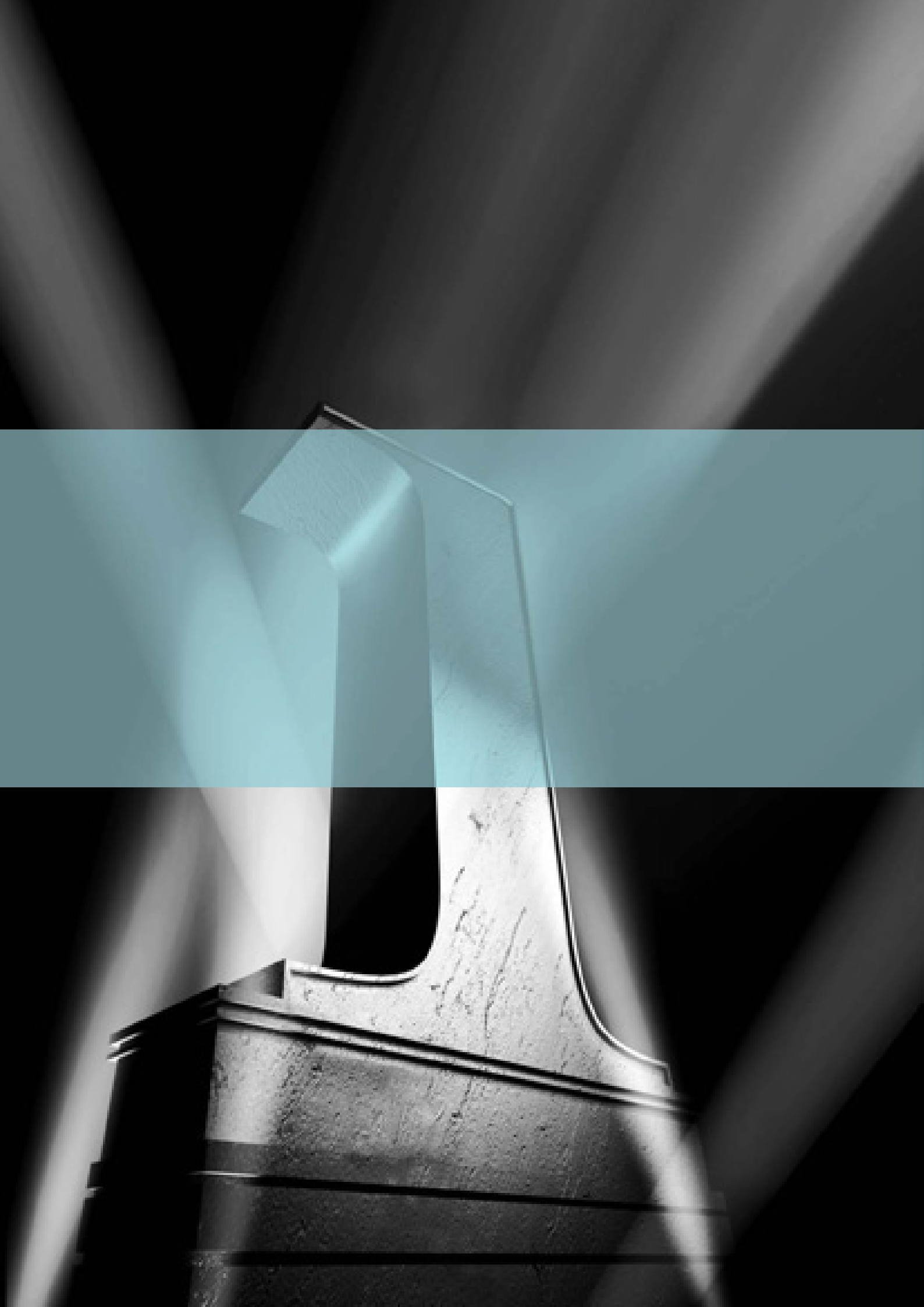
Your Company is committed to maintain cordial relations with all its stake holders for purpose of achieving better standards of Corporate Governance. We use investor Relations as bridge between the Company and Its investors. I would like to express my gratitude to shareholders, who have reposed their trust in us and given us constant support and it is our pledge that we would ensure to maintain the growth momentum to maximize their wealth.

With Warm Wishes

sd/-

S.C. Aggarwal

Chairman and Managing Director



India's Best Equity Broker 2010



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Vice-Chairman's Address

Mr. Mahesh C. Gupta
Vice-Chairman & Managing Director



Dear Shareholders,

It gives me immense pleasure to converse with you at the backdrop of Your Company's 17th Annual Report. At the outset, I would like to thank you for your continuous trust, support and patronage extended to the Company, which is recognized as a premier brand in the Indian Financial Services space. Recent recognitions awarded to SMC have added to its brand value for which each SMCians including all stakeholders needs to be given a due credit. We are working collectively to achieve new bench marks and setting up new parameters for our performance. We need your support for that and we are confident of it.

In the last few years, we expanded our portfolio of businesses significantly and diversified into six main lines of business, making SMC one of the most diversified financial services companies in the country. Today, the businesses of your Company consist of Equity Broking, Commodity Broking, Insurance Broking, Investment Banking, NBFC, Retail Distribution of IPOs and Mutual Fund, Clearing, Depository Participant, Arbitrage, Portfolio Management and Wealth Management Services.

PERFORMANCE ANALYSIS:

The consolidated revenue for the period FY 2010-11 stood at ₹ **29753.58 lacs**, which is higher by ₹ **3126.33 lacs** from last year, despite tough market conditions. Total cost stood at ₹ **32156.13 lacs**, which is higher by ₹ **3313.06 lacs** from last year, resulting into Net loss before tax of ₹ **2402.55 lacs**, which is higher by ₹ **186.72 lacs** as compared to last year.

FUTURE ROAD MAP

To grow in challenging environment like India, we need to maintain a continuity of strategy while continuing to grow more efficient. At SMC we have

constantly endeavoured to do this. Our long-term strategy remains constant - de-risk by moving into adjacent spaces, invest during hard times to build scale while continuing to focus on client needs. This ensures that when the cycle turns, we are ideally positioned to benefit from it. In FY11 we carried on in a similar vein. Insurance and wealth management advisory are two sunrise sectors which are poised to grow in coming time and in both these sectors we have necessary infrastructure to avail and capture

With combined wealth of strong NRI Diaspora estimated to over one trillion dollars and with increasing wealth management services, we are hopeful to generate a good business out of this emerging opportunity.

substantial business.

It is our constant endeavor to reach more and more people and offer them our state of art trading facilities. Foray into internet trading, tie-up with PNB and our

awareness campaign among masses are steps toward that aspiration. We have created the web infrastructure so that our existing customers as well as people who are interested in investing in capital markets could enjoy the hassle free trade at their will from anywhere.

Robust risk management is at the core of our very existence. With the help of modern technology and some hard nuts in the risk management room we have been able to keep the risks of our business to the bare minimum. Throughout its existence of over two decades, SMC has endeavored to provide best available services to its customers and maximize the wealth of the shareholders.

People, it is of ten said, are a Company's biggest resource. This is more relevant in a service industry like securities business. Our success lies in the fact that we have been able to hire, train and retain the desired people. Our team has just the right blend of youth and experience.

I express my gratitude to all the shareholders, for their continued support and trust in us.

With best regards

Sd/-

Mahesh C. Gupta

(Vice-Chairman & Managing Director)

SMC Global Securities Ltd.

BOARD OF DIRECTORS

MR. SUBHASH CHAND AGGARWAL
(Chairman & Managing Director)

MR. MAHESH C. GUPTA
(Vice-Chairman & Managing Director)

MR. AJAY GARG
(Whole-Time Director)

MR. PRADEEP AGGARWAL
(Whole-Time Director)

MR. ANURAG BANSAL
(Whole-Time Director)

MR. RAKESH GUPTA
(Whole-Time Director)

MR. F. JACOB CHERIAN
(Non-Executive Director)

MR. SATISH CHANDRA GUPTA
(Independent & Non-Executive Director)

MR. N .D. GUPTA
(Independent & Non-Executive Director)

MR. DEBA PRASAD ROY
(Independent & Non-Executive Director)

MR. P. K. BANSAL
(Independent & Non-Executive Director)

MR. K. M. AGARWAL
(Independent & Non-Executive Director)

MR. R. C. JINDAL
(Independent & Non-Executive Director)

COMPANY SECRETARY & COMPLIANCE OFFICER

MR. SUMAN KUMAR
E-mail: sumankumar@smcindiaonline.com

AUDITORS

ATUL & RAJINDER
Chartered Accountants

U. S. GAAP AUDITORS

AJSH & CO.
Chartered Accountants

REGISTERED OFFICE

11/6B, Shanti Chamber, Pusa Road,
New Delhi-110005.
Tel + 91-11-30111000, 40753333
Fax + 91-25754363/65
E-mail: smc@smcindiaonline.com
Website: www.smcindiaonline.com

REGISTRAR & SHARE TRANSFER AGENT

LINK INTIME INDIA PVT. LTD.
A-40, 2nd Floor,
Naraina Industrial Area,
Phase-II, Near Batra Banquet Hall,
New Delhi-110028.
Tel. 011-41410592-94
Fax.011-41410591
E-mail id: delhi@linkintime.co.in

BANKERS

HDFC Bank Ltd., Canara Bank, Citi Bank N.A.,
ICICI Bank Ltd., Punjab National Bank, AXIS Bank
Ltd., State Bank of India, State Bank of Bikaner and
Jaipur, Federal Bank Ltd., Bank of India, Yes Bank
Ltd., South Indian Bank Ltd., Kotak Mahindra Bank
Ltd., Allahabad Bank, Vijaya Bank.



India's Best Currency Broker 2011



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The Company



GROWING SINCE INCEPTION

SMC Group, founded in 1990, is India's award winning provider of financial services and investment solutions. A blend of extensive experience, diverse talent and client focus has made it Best Equity Broking House-2010 and Best Currency Broker-2011.

The group offers a wide range of financial services for diverse customer needs through a growing network of more than 2400 offices spread across 460+ cities.

These services are made available by a highly dedicated workforce of approx 5000 employees through more than 9000 trading terminals, one of the largest networks in India.

Reliability, customer focus and innovative services have made SMC one of the top investment solutions companies in the country, enjoying the trust of

The Ethos



DEDICATED TO YOUR GROWTH

CORE VALUES:

ETHICAL DEALS: Honesty is the only policy.

EXPERIENCE AND TRUST: Over 20 years of experience has made SMC earn the trust of more than 6,00,000 investors.

EXPERTISE: Know-how and skills to provide investors an edge.

PERSONALIZED SOLUTIONS: Every investor is unique. Every solution is unique.

OUR VISION:

To be a global major in providing complete investment solutions, with relentless focus on investor care, through superior efficiency and complete transparency.

OUR APPROACH:

VALUE FOR INVESTOR'S TRUST: SMC values the trust reposed in by the clients and is committed to uphold it at all cost.

INTEGRITY AND HONESTY: Integrity, honesty and transparency are the underlying principles in all our dealings.

PERSONALIZED ATTENTION: The most valued asset is our relationship with the clients, which has been built over the years by giving personalized attention.

RESEARCH BASED ADVISORY SERVICES: SMC offers proactive and timely world class research based information to its clients to enable them to take informed decisions.

The Offerings



ONE STOP INVESTMENT SOLUTIONS

- **BROKING:** Equity, Derivatives, Currency, Commodities, Commodities Spot Market, Online Trading, Mobile Trading, Commodity Trading in international market through DG CX
- **INVESTMENT BANKING:** IPOs, Follow on Public Offers, M&A, Private Equity, Debt Syndication, ESOP Valuation etc.
- **DISTRIBUTION OF FINANCIAL PRODUCTS:** Life & General Insurance Broking, Distribution of IPOs and Mutual Funds (web based capabilities), Mobilization of Company Fixed Deposits and Non-Convertible Debentures, Distribution of Bond Products-Capital Gain/Tax Saving Bonds, Government of India Bonds, etc.
- **DEPOSITORY AND CLEARING SERVICES:** Depository Services for Shares and Commodities, Clearing Services in NSE (F&O, Currency), BSE (F&O), MCX & NCDEX (Commodities), MCX-SX(Currency) and DG CX
- **WEALTH MANAGEMENT:** Wealth Advisory & Portfolio Management for HNIs and Corporates
- **NRI & INSTITUTIONAL BROKING:** Dedicated desk for NRI and Institutional clients.
- **RESEARCH:** Research support to clients through Intraday SMS and E-mails, Weekly research magazine - Wise Money - covering wide range of asset classes and Wise Fund Focus - a monthly magazine on mutual funds, Regular investor education programs
- **MARGIN FUNDING:** Expertise in financing short-term loan facility to buy securities from the capital market

The Milestones



CREDENTIALS YOU CAN RELY UPON

- Best Currency Broker-2011(Source: ICRA & Bloomberg-UTV Financial Leadership Awards, 2011)
- Best Equity Broking House-2010(Source: BSE-D&B Equity Broking Awards, 2010)
- Broking House with Largest Distribution Network (Source: BSE-D&B Equity Broking Awards, 2010)
- Fastest growing Retail Distribution Network in financial services (Source: Business Sphere, 2010)
- Major Volume Driver award for 3 consecutive years (Source: Bombay Stock Exchange, 2004-05, 05-06 & 06-07)
- Corporate Excellence Award 2008 from the Institute of Economic Studies
- Nominated among the top 3 in the CNBC Optimix Financial Services Award 2008 under the "National Level Retail Category"
- One of the largest proprietary desks for carrying risk-free arbitrage in equity and commodities
- Institute of Economic Studies (IES) has honored SMC Chairman with the 'Pride of India' and 'Udyog Rattan' awards. He is also the recipient of the 'Glory of India' award conferred by IIFS.

Memberships & Registrations



- Trading Member of NSE (Cash, Derivatives & Currency), BSE (Cash & Derivatives), NCDEX, ACE, MCX, ICEX, NMCE, DGCX (Dubai), MCX-SX, NSEL, USEIL and NCDEX Spot Exchange
- Clearing Member in NSE (Derivatives & Currency), BSE (Derivatives), NCDEX, MCX, NMCE, ICEX, ACE, MCX-SX and DGCX
- Depository Participant with CDSL and NSDL
- Category-I Merchant Banker, registered with SEBI
- Direct Insurance Broker for Life & General Insurance, registered with IRDA
- Distributor of IPOs & Mutual Funds, registered with AMFI
- Portfolio Management Services (PMS), registered with SEBI
- Non Banking Financial Company (NBFC), registered with RBI
- Association with London based ICON Capital, registered under FSA & NSA (London)



Directors & Key People of SMC Group



Mr. S. C. Aggarwal
(Chairman & Managing Director)



Mr. Mahesh C. Gupta
(Vice-Chairman & Managing Director)



Mr. D. K. Aggarwal
(Chairman & Managing Director)
SMC Comtrade Ltd.



Mr. Ajay Garg
(Whole-time Director)



Mr. Pradeep Aggarwal
(Whole-time Director)



Mr. Anurag Bansal
(Whole-time Director)



Mr. Rakesh Gupta
(Whole-time Director)



Mr. NARENDRA BALASIA
(Whole-time Director)
SMC Comtrade Ltd.



Mr. F. Jacob Cherian
(Non-Executive Director)
Chairman & CEO,
Millennium India Acquisition
Company Inc., USA



Mr. S. C. Gupta
(Independent &
Non-Executive Director)
Ex-CMD, PNB & IOB



Mr. N. D. Gupta
(Independent &
Non-Executive Director)
Ex-President, ICAI



Mr. D. P. Roy
Independent &
(Non-Executive Director)
Ex-Executive Chairman,
SBI Capital Markets Ltd.



Mr. P. K. Bansal
(Independent &
Non-Executive Director)



Mr. K. M. Agarwal
(Independent &
Non-Executive Director)



Mr. R. C. Jindal
(Independent &
Non-Executive Director)



Mr. Ravi Aggarwal
(Whole-time Director)
SMC Insurance
Brokers Pvt. Ltd.



Mr. Lalit Aggarwal
(Whole-time Director)
Moneywise Financial
Services Pvt. Ltd



Mr. Pravin Agarwal
(Whole-time Director)
SMC Insurance Brokers Pvt. Ltd.



Mrs. Shweta Aggarwal
(Director)
SMC Capitals Ltd.



Mr. Himanshu Gupta
(Sr. V. P. - Operations)



Ms. Aditi Aggarwal
(Sr. V. P. - Business
Development)



Mr. Jagannadham Thunuguntla
(Head - Research)



Mr. Suman Kumar
(Company Secretary
& Head-Legal)

Conferences & Seminars









Wisdom. Everyday.
Every Minute.



Moneywise. Be wise.

Directors' Report

Dear shareholders,

Your Directors are pleased to present the 17th Annual Report along with the Audited Accounts for the Financial Year ended on 31st March, 2011.

FINANCIAL RESULTS (STANDALONE)

| | Year ended March 31st, 2011 (Amount in ₹) | Year ended March 31st, 2010 (Amount in ₹) |
|--|---|---|
| Total Income | 2,081,720,773 | 2,106,644,577 |
| Net Profit Before Taxation | 61,701,040 | 62,548,133 |
| Less: Provision for Taxation | 22,440,524 | 31,620,434 |
| Net Profit after Taxation | 39,260,516 | 30,927,699 |
| Less: Adjustment for prior period Income Tax | 2,485,996 | 1,312,000 |
| Less: Adjustment for prior period expenses(Income) | (229,909) | (6,519) |
| Net Profit Available For Appropriations | 37,004,429 | 29,622,218 |
| APPROPRIATIONS | | |
| Amount transferred to General Reserve | - | - |
| Balance carried to Balance Sheet | 37,004,429 | 29,622,218 |

INFORMATION ON STATE OF AFFAIRS OF THE COMPANY

Information on the operational, financial performance, etc. of the Company is given in the Management Discussion and Analysis Report, which is annexed to this Report and has been prepared in accordance with Clause 49 of the Listing Agreement.

DIVIDEND

The Company has been continuing its massive expansion drive and would require substantial outflow of funds.

Further, after looking towards future opportunities and considering other factors, your Directors believe for the betterment of the Company and growth in terms of capital appreciation, fund should be re-invested into the Company and hence not declaring dividend.

FIXED DEPOSITS

As on 31st March, 2011 the company has neither any unclaimed nor any overdue amount of any deposit pursuant to the provisions of Non-Banking Financial Companies (Reserve Bank) Directions, 1997 and the

company has not accepted any deposits during the financial year.

CHANGE IN SHARE CAPITAL DURING THE FINANCIAL YEAR 2010-11

There is no change in share capital structure of the company during the financial Year 2010-11. However, the Company has obtained the consent of the shareholders in their meeting dated 20th December, 2010 for the allotment of 4,67,371 Equity Shares to SANLAM International Investment Partners Limited of face value of ₹ 10/- each at a premium of ₹ 992.95/- each and the same is pending for allotment.

DIRECTORS

Mr. Rakesh Gupta, Whole-time Director, who retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for the re-appointment.

Mr. Pradeep Aggarwal, Whole-time Director of the company, who retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for the re-appointment.

Mr. Pawan Kumar Bansal, Independent & Non Executive Director of the company, who retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for the re-appointment.

Mr. Satish Chandra Gupta, who was appointed as an Additional Director of the company on 30th May, 2011 and in respect of whom the company has received a notice in writing from a member signifying his intention to propose the candidature of Mr. Satish Chandra Gupta for the office of director in terms of section 257 of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions contained in Section 217(2AA)

of the Companies Act, 1956, your Directors, based on the representation received from the Operating Management and after due enquiry, confirm that:

- (i) In the preparation of the annual accounts for the financial year ended on 31st March, 2011, the applicable Accounting Standards have been followed and there are no material departures from the same;
- (ii) The selected accounting policies were applied consistently and the Directors 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 as at 31st March, 2011 and of the profit of the Company for that period;
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) The annual accounts have been prepared on a 'going concern' basis;

CORPORATE GOVERNANCE REPORT

Pursuant to Clause 49 of the Listing Agreement, the report on Corporate Governance together with the Auditors' Certificate on compliance in this regard and Managing Directors' declaration regarding compliance of Code of Conduct by Board Members and Senior Management Personnel is attached and forms part of this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report as required under the Listing Agreement(s) with the Stock Exchanges is annexed and forms part of the Directors' Report.

AUDITORS

M/s Atul & Rajinder, Chartered Accountants, who retire at the ensuing Annual General Meeting are being eligible, for re-appointment as Statutory Auditors of the Company. They have furnished a Certificate to the effect that their re-appointment if made, would be within the limits prescribed under section 224 (1B) of the Companies Act, 1956.

The Audit Committee and the Board of Directors recommended appointment of M/s Atul & Rajinder, Chartered Accountants, as Statutory Auditors of the Company for the financial year 2011-12.

LISTING AGREEMENT(S)

The securities of the Company are listed on Delhi Stock Exchange Ltd. (DSE), The Calcutta Stock Exchange Limited (CSE), Ludhiana Stock Exchange Ltd. (LSE), Ahmedabad Stock Exchange Ltd. (ASE) and The Gauhati Stock Exchange Limited (GSE). The Company has paid Annual Listing Fee of three stock exchanges and Listing Fee of GSE and ASE is pending due to non-receipt of bill from the respective exchanges.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

As on 31st March, 2011 following seven companies are the subsidiaries of the Company:

SMC Comtrade Ltd. (Commodity Broking)

SMC Insurance Brokers Private Ltd. (Direct Insurance Broker)

SMC Comex International DMCC (Commodity Broking)

SMC Investments and Advisors Ltd. (Formerly Sanlam Investments and Advisors (India) Ltd. prior to that SMC Wealth Management Services Ltd.) (Wealth Management & PMS)

Moneywise Financial Services Private Ltd. (Margin Funding)

SMC Capitals Ltd. (Category-I Merchant Banker)

SMC ARC Ltd. (Proposed ARC Business)

There has been no material change in the nature of business of the subsidiaries. The Company has prepared Consolidated Financial Statement in strict compliance with the accounting standards and listing agreement(s) executed with the stock exchanges where the shares of the Company are currently listed. In compliance with Clause 32 of the Listing Agreement, audited consolidated financial statements form part of this annual report.

As per Section 212 of the Companies Act, 1956, we are required to attach the Directors' Report, Balance Sheet and Profit and Loss Account of our subsidiaries to our annual report. The Ministry of Corporate Affairs, Government of India vide its General Circular No. 2/2011 dated 8th February, 2011 has provided an exemption to companies from complying with Section 212 provided such companies publish the audited consolidated financial statements in the annual report. As we have published the annual consolidated financial statements in the annual report 2010-11, therefore it does not contain the financial statements of our subsidiaries.

The statement pursuant to Section 212 of the Companies Act, 1956 read with General Circular No. 2/2011 dated 8th February, 2011 containing information on brief financial details of the each subsidiary for the Financial Year ended on 31st March, 2011 has been disclosed in this Annual Report.

The accounts of the subsidiary companies and the related detailed information will be made available to any shareholder of the holding as well as subsidiary companies seeking such information at any point of time and are also available for inspection by the members of the Company as well as subsidiary companies at the registered office of the Company and subsidiaries concerned.

DETAILS AND INFORMATION AS REQUIRED UNDER SECTION 217(1)(d) OF THE COMPANIES ACT, 1956

The Company has obtained the consent of the shareholders in their meeting dated 15th June, 2011 for the allotment of 3,67,687 Equity Shares to SANLAM International Investment Partners Limited of face value of ₹ 10/- each at a premium of ₹ 1105.10 each and the allotment of the same is pending.

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

There are no foreign exchange earnings during the year under review. However, foreign exchange outgo of ₹ 0.78 Lacs has been reported during the year on account of travelling expenses.

GROUP FOR INTER-SET TRANSFER OF SHARES

As required under Regulation 3(1) (e) (i) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997 persons constituting "Group" (coming within the definition of the "group" as defined under the Monopolies and Restrictive Trade Practices Act, 1969) for the purpose of availing exemption from applicability of the provisions of Regulation 10 to 12 of the aforesaid Regulations, are given in the Annexure A attached herewith and forms part of this Annual Report.

PARTICULARS OF EMPLOYEES

Statement of particulars of employees as required under section 217(2A) of the Companies Act, 1956 and the rules framed thereunder forms part of this Report. However, as per the provisions of Section 219 (1) (b) (iv) of the Companies Act, 1956, the reports and accounts are being sent to all the members and others entitled thereto excluding the statement of particulars of employees under section 217(2A) of the Companies Act, 1956. Any member

interested in obtaining a copy of the statement may write to the Company Secretary of the Company at the registered office of the Company.

ACKNOWLEDGMENT

Your Directors wish to express their grateful appreciation for the valuable support and co-operation received from sub-brokers, business associates, vendors, bankers, financial institutions, investors, shareholders, registrar and share transfer agent, media and their agencies.

The Board place on record its sincere appreciation towards the Company's valued customers in India and abroad for the support and confidence reposed by them in the organization and looks forward to the continuance of this supportive relationship in future.

Your Directors also place on record their deep sense of appreciation for the devoted services of the employees during the year under review.

For and on Behalf of the Board

sd/-

S. C. Aggarwal
(Chairman & Managing Director)

Place: New Delhi

Date: 10th August, 2011

Annexure A

(Forming part of the Directors' Report)

Group for inter-se transfer of shares under Clause 3(1)(e)(i) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997

| | |
|----|------------------------------|
| 1 | A to Z Consultants (P) Ltd. |
| 2 | A to Z Venture Capital Ltd. |
| 3 | Agbros Polymers Pvt. Ltd. |
| 4 | ASM Pipes Pvt. Ltd. |
| 5 | Jai Ambey Share Broking Ltd. |
| 6 | MAR Fashions Pvt. Ltd. |
| 7 | MVR Share Trading Pvt. Ltd. |
| 8 | Pulin Investments Pvt. Ltd. |
| 9 | Shivraj Exim Pvt. Ltd. |
| 10 | SMC Share Brokers Ltd. |
| 11 | Svan Securities Pvt. Ltd. |

Certification By Chief Executive Officer (CEO) And Sr. V. P. (Financial Accounting & Taxation) (PURSUANT TO CLAUSE 49 (V) OF THE LISTING AGREEMENT)

To
The Board of Directors
SMC Global Securities Limited,

We, S. C. Aggarwal, Chairman and Managing Director (CEO) and Vinod Kumar Jamar Senior Vice-President (Financial Accounting & Taxation) of the Company hereby certify that:

We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2011 and that to the best of our knowledge and belief:

These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have not found any significant deficiencies in the design or operation of such internal controls.

We have indicated to the Auditors and the Audit committee that there are:

No significant changes in internal control over financial reporting during the year;

No significant changes in accounting policies during the year; and

No instances of significant fraud have come to our notice, which involve the management or an employee of the Company having significant role in the Company's internal control system.

Place : New Delhi
Date : 30.05.2011

sd/-
S. C. Aggarwal
(Chairman & Managing Director)

sd/-
Vinod Kumar Jamar
{Senior V.P. (Financial
Accounting & Taxation)}



At SMC, Relationships Come First



Moneywise. Be wise.

Brand Activation



Corporate Governance Report

(PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)

1. GOVERNANCE PHILOSOPHY

SMC has been one of the leading Companies in India to have put in place a proper system of Corporate Governance. Its governance framework enjoins the highest standards of ethical and responsible conduct of business to create value for all stakeholders.

We believe that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the law coupled with adherence to the highest standards of transparency and business ethics.

The Company places great emphasis on values such as empowerment and integrity of its employees, transparency in decision making process and last but not the least, fair and ethical dealings with all. These practices being followed since the inception have contributed to the Company's sustained growth.

2. BOARD OF DIRECTORS

COMPOSITION OF THE BOARD:

The Company's policy is to have a proper blend of Executive and Non-Executive Directors to maintain independence of the Board and at the same time separate Board functions of governance, from management. Presently, the Board consists of thirteen Directors with an Executive Chairman, out of which seven are Non-executive Directors, four are Whole-time Directors and two are Managing Directors.

At present, composition of the Board is as under:

S. No. Name & Category of Directors

| | |
|-----|---|
| 1. | Mr. Subhash C. Aggarwal (Chairman & Managing Director) |
| 2. | Mr. Mahesh C. Gupta (Vice-Chairman & Managing Director) |
| 3. | Mr. Ajay Garg (Whole-Time Director) |
| 4. | Mr. Pradeep Aggarwal (Whole-Time Director) |
| 5. | Mr. Anurag Bansal (Whole-Time Director) |
| 6. | Mr. Rakesh Gupta (Whole-Time Director) |
| 7. | Mr. F. Jacob Cherian (Non-Executive Director) |
| 8. | Mr. Satish Chandra Gupta* (Independent & Non-Executive Director) |
| 9. | Mr. N .D. Gupta (Independent & Non-Executive Director) |
| 10. | Mr. Deba Prasad Roy (Independent & Non-Executive Director) |
| 11. | Mr. P. K. Bansal (Independent & Non-Executive Director) |
| 12. | Mr. K. M. Agarwal (Independent & Non-Executive Director) |
| 13. | Mr. R. C. Jindal (Independent & Non-Executive Director) |

*Appointed on the Board on 30th Day of May, 2011 as Independent & Non- Executive Director.

The Board functions either as a full Board or through its Committees. The Board and its Committees meet at regular intervals.

MEETINGS AND ATTENDANCE

Five Meetings of the Board of Directors were held during the financial year ended 31st March, 2011. The meetings were held on 27th May, 2010, 11th August, 2010,

28th October, 2010, 07th December, 2010 and 31st January, 2011.

a) Attendance of Directors at Board Meeting during the Financial Year 2010-11, last Annual General Meeting (AGM) and number of other Directorship and Chairmanship / Membership of Committees of each in various companies:

| Name of the Director | Designation | Attendance | | No. of Directorships in other Companies## | Committee Memberships (including this company)### | |
|----------------------|--------------------------------------|------------|------|---|---|--------|
| | | Board | AGM# | | Chairman | Member |
| Mr. S. C. Aggarwal | Chairman & Managing Director | 5 | Y | 3 | NIL | NIL |
| Mr. Mahesh C. Gupta | Vice-Chairman & Managing Director | 5 | Y | 2 | NIL | NIL |
| Mr. Pradeep Aggarwal | Whole-time Director | 4 & 1* | N | 1 | NIL | NIL |
| Mr. Rakesh Gupta | Whole-time Director | 2 | Y | NIL | NIL | NIL |
| Mr. Ajay Garg | Whole-time Director | 5 | Y | NIL | NIL | NIL |
| Mr. Anurag Bansal | Whole-time Director | 5* | N | 2 | NIL | NIL |
| Mr. K. M. Agarwal | Independent & Non-Executive Director | 4 | N | 1 | NIL | 2 |
| Mr. N. D. Gupta | Independent & Non-Executive Director | 3 | N | 3 | 1 | NIL |
| Mr. P. K. Bansal | Independent & Non-Executive Director | 4 | Y | 4 | 1 | 1 |
| Mr. R. C. Jindal | Independent & Non-Executive Director | 3 | Y | 1 | NIL | 1 |
| Mr. Deba Prasad Roy | Independent & Non-Executive Director | 4 | N | 6 | NIL | NIL |
| Mr. Finney Cherian | Non-Executive Director | 0 | N | NIL | NIL | NIL |

* denotes present through video conferencing

Y stands for Yes, N stands for No.

Excludes directorship in Foreign Companies, Private Limited Companies and Alternate Directorships.

Only the following Board Committees have been

considered for this purpose: Audit Committee and Shareholders' / Investors' Grievance Committee.

(b) Details of Board Meetings held during the year 1st April, 2010 to 31st March, 2011 and the number of Directors present:

| Date of BM | Total Strength of the Board | No. of Directors Present |
|---------------------|-----------------------------|--------------------------|
| 27th May, 2010 | 12 | 8 |
| 11th August, 2010 | 12 | 8 |
| 28th October, 2010 | 12 | 9 |
| 07th December, 2010 | 12 | 6 |
| 31st January, 2011 | 12 | 8 |

3 BOARD COMMITTEES

As on 31st March, 2011, Company has the following five Committees:

- i) Audit Committee
- ii) Remuneration Committee
- iii) Shareholders' / Investors' Grievances Committee
- iv) Operational Decision Making Committee (ODM Committee)

v) Borrowings, Investments & Loans Committee (BIL Committee)

3 (i) AUDIT COMMITTEE

It comprises of three Independent & Non-Executive Directors. The composition of Audit Committee as on 31st March, 2011 was as under:

| Name | Designation | Category |
|------------------|-------------|--------------------------------------|
| Mr. N.D. Gupta | Chairman | Independent & Non Executive Director |
| Mr. K.M. Agarwal | Member | Independent & Non Executive Director |
| Mr. P. K. Bansal | Member | Independent & Non Executive Director |

The terms of reference stipulated by the Board to the Audit Committee in terms of clause 49 of the Listing Agreement are as follows:

THE AUDIT COMMITTEE SHALL HAVE THE FOLLOWING POWERS

A. To investigate any activity within its terms of reference.

B. To seek information from any employee.

C. To obtain outside legal or other professional advice.

D. To secure attendance of outsiders with relevant expertise, if it considers necessary.

ROLE OF THE AUDIT COMMITTEE INCLUDES THE FOLLOWING:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the Statutory Auditors and fixation of audit fees.
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
4. Reviewing, with management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on exercise of judgement by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- 5A. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up thereon.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussions with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.

12A. Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background etc. of the candidate.

MEETINGS OF THE AUDIT COMMITTEE

Four Meetings of the Audit Committee were held during the financial year on dates mentioned below:

27th May, 2010, 11th August, 2010, 28th October, 2010 and 31st January, 2011.

13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The attendance of each of member director at the Audit Committee Meetings are as per table given below:

| Date | Name of the Directors | | |
|--|-----------------------|-------------------|------------------|
| | Mr. N. D. Gupta | Mr. K. M. Agarwal | Mr. P. K. Bansal |
| 27th May, 2010 | Y | Y | Y |
| 11th August, 2010 | Y | N | Y |
| 28th October, 2010 | Y | Y | N |
| 31st January, 2011 | N | Y | Y |
| No. of Audit Committee Meetings during the Financial Year | 4 | 4 | 4 |
| Attended | 3 | 3 | 3 |
| Absent | 1 | 1 | 1 |
| % of Attendance | 75% | 75% | 75% |

Managing Director, CFO, Internal Auditor along with the Statutory Auditors were invited and attended the meetings of the Audit Committee. The Company Secretary is the Secretary of the Committee.

3(ii) REMUNERATION COMMITTEE:

It comprises of three Independent & Non-Executive Directors. The composition of remuneration Committee as on 31st March, 2011 was as under:

| Name | Designation | Category |
|------------------|-------------|--------------------------------------|
| Mr. R. C. Jindal | Chairman | Independent & Non Executive Director |
| Mr. P. K. Bansal | Member | Independent & Non Executive Director |
| Mr. N. D. Gupta | Member | Independent & Non Executive Director |

Mr. Suman Kumar, Company Secretary has been designated as Secretary of the Remuneration Committee. The Remuneration Committee has been authorized to determine the Company's policy on remuneration of directors including compensation payment and other related issues.

The terms of reference include the matters specified under Clause 49 of the listing Agreement.

During the financial year ended 31st March, 2011 no meetings of the Committees were held.

REMUNERATION POLICY

The Remuneration Committee reviews and makes recommendations on annual salaries, perquisites and other employment conditions of Executive and Non-Executive Directors and senior employees.

The remuneration policy is directed towards rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing Industry practice.

Remuneration decided by committee are Fair, Transparent and Simple to Administer.

REMUNERATION OF DIRECTORS (for the year ended 31st March, 2011)

| Name of the Directors | Relationship with Other Directors | Sitting Fees (In ₹) | Commission on Profit (In ₹) | Remuneration and Other Allowances (In ₹) | Performance Linked Incentives (In ₹) | Monetary Value of Perquisites (In ₹) |
|-----------------------|-----------------------------------|---------------------|-----------------------------|--|--------------------------------------|--------------------------------------|
| Mr. S.C. Aggarwal | None | Nil | Nil | 62.57 Lacs | Nil | Nil |
| Mr. Mahesh C. Gupta | None | Nil | Nil | 62.57 Lacs | Nil | Nil |
| Mr. Rakesh Gupta | None | Nil | Nil | 41.90 Lacs | Nil | Nil |
| Mr. Pradeep Aggarwal | None | Nil | Nil | 41.66 Lacs | Nil | Nil |
| Mr. Ajay Garg | None | Nil | Nil | 28.04 Lacs | Nil | Nil |
| Mr. Anurag Bansal | None | Nil | Nil | 32.29 Lacs | Nil | Nil |
| Mr. N. D. Gupta | None | 18,000 | Nil | Nil | Nil | Nil |
| Mr. R. C. Jindal | None | 15,000 | Nil | Nil | Nil | Nil |
| Mr. K. M. Agarwal | None | 23,000 | Nil | Nil | Nil | Nil |
| Mr. P. K. Bansal | None | 23,000 | Nil | Nil | Nil | Nil |
| Mr. Deba Prasad Roy | None | 40,000 | Nil | Nil | Nil | Nil |
| Mr. Finney Cherian | None | Nil | Nil | Nil | Nil | Nil |

Notes:

1. Remuneration includes salary, allowances and monetary value of perquisites as per the Income Tax Act, 1961, excluding company's contribution to Provident Fund.
2. None of the directors is the relative of any other Director of the company as defined under Section 6 of the Companies Act, 1956.

3(iii) SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

It comprises of three Independent & Non- Executive

Directors. The composition of Shareholders'/ Investors' Grievance Committee as on 31st March, 2011 was as under:

| Name | Designation | Category |
|-------------------|-------------|--------------------------------------|
| Mr. P. K. Bansal | Chairman | Independent & Non Executive Director |
| Mr. R. C. Jindal | Member | Independent & Non Executive Director |
| Mr. K. M. Agarwal | Member | Independent & Non Executive Director |

This Committee looks into various investors' related issues, including redressal of complaints of shareholders/ investors relating to:

Transfer of shares

Non-receipt of Balance Sheet

Non-receipt of dividends, etc.

Issue of duplicate share certificate

Other queries

The Board of Directors has delegated the power of approving transfer and transmission of shares and other matters like consolidation of share certificates, issue of duplicate share certificates, dematerialization / rematerialization of shares, to registrar and share transfer agents of the company. The RTA approves all these matters regularly.

During the financial year 2010-11, the Company received no complaints. Hence, no complaints/ queries were

pending as on 31st March, 2011. No share transfer request was pending as on 31st March, 2011. A regular system of monitoring and redressal of the pending complaints /queries is being followed by the Company.

The terms of reference of the Committee cover the matters specified under Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. Suman Kumar, Company Secretary of the Company is acting as Compliance Officer.

During the financial year 2010-11, the Committee met on 27th May, 2010, 11th August, 2010, 28th October, 2010 and 31st January, 2011.

The attendance of each of member director at the Shareholders'/Investors' Grievance Committee Meetings are as per table given below:

| Date | Name of the Directors | | |
|---|-----------------------|------------------|-------------------|
| | Mr. P. K. Bansal | Mr. R. C. Jindal | Mr. K. M. Agarwal |
| 27th May, 2010 | Y | N | Y |
| 11th August, 2010 | Y | Y | N |
| 28th October, 2010 | N | Y | Y |
| 31st January, 2011 | Y | Y | Y |
| Total No. of Shareholders'/Investers' Grievance Committee Meetings during the Financial Year | 4 | 4 | 4 |
| Attended | 3 | 3 | 3 |
| Absent | 1 | 1 | 1 |
| % of Attendance | 75% | 75% | 75% |

3(iv) OPERATIONAL DECISION MAKING COMMITTEE (ODM COMMITTEE)

ODM Committee is constituted for the purpose of various operational and routine matters arising in the day to day affairs of the Company. The minutes of every ODM

Committee meeting is ratified and taken on record by the Board of Directors of the Company in its immediate following meeting.

Composition of ODM committee as on 31st March, 2011 is as under:

| Name | Designation | Category |
|---------------------|-------------|-----------------------------------|
| Mr. S. C. Aggarwal | Chairman | Chairman & Managing Director |
| Mr. Mahesh C. Gupta | Member | Vice-Chairman & Managing Director |

This Committee looks into various operational and routine matters under the supervision, control and directions of the Board between two Board meetings relating to:

- To open/close current account(s)/ demat account(s)/ trading account(s) and all the operations related therewith and authorization to operate.
- To apply for internet banking/ corporate internet banking/ payment gateway(s) from various banks.

- To apply for electricity connection(s)/ telephone connection(s).
- Any other work relating to the routine operations of the company which is not specified herewith.
- Mr. Suman Kumar, Company Secretary has been designated as Secretary of the ODM Committee.

3(v) BORROWINGS, INVESTMENTS & LOANS COMMITTEE (BIL COMMITTEE)

BIL Committee is constituted for the purpose of handling various matters of the Company with respect to borrowings, investments and loans. The minutes of every

BIL committee meeting is ratified and taken on record by the Board of Directors of the Company in its immediate following meeting.

Composition of BIL Committee as on 31st March, 2011 is as under:

| Name | Designation | Category |
|---------------------|-------------|-----------------------------------|
| Mr. S. C. Aggarwal | Chairman | Chairman & Managing Director |
| Mr. Mahesh C. Gupta | Member | Vice-Chairman & Managing Director |

This Committee looks into various matters of the Company with respect to borrowings, investments and loans under the supervision, control and directions of the Board between two Board meetings relating to:

- To avail bank guarantee, overdraft facility, borrowings and other credit facilities from the bankers;
- To borrow money;
- To acquire, by way of subscription, purchase or otherwise the securities of any other body corporate or to otherwise invest the funds of the company;

- To make any loan(s);
- To provide corporate guarantee/ other guarantee, security in favour of bankers for the facilities availed by its group companies/ subsidiary companies/ business associates;
- Mr. Suman Kumar, Company Secretary has been designated as Secretary of the BIL Committee.

4. GENERAL BODY MEETINGS:

The details of last three Annual General Meetings are as under:

| Year | Location | Date | Day | Time | Detail of Special Resolution/s Passed |
|---------|--|--------------------|-----------|------------|---|
| 2007-08 | "Shah Auditorium", Shree Delhi Gujrati Samaj Marg, Civil Lines, Delhi-110054 | 29th October, 2008 | Wednesday | 10.00 A.M. | <ol style="list-style-type: none"> Increase in Limit of Inter-Corporate Loans and Investments. Issue of Equity Shares under section 81(1A) of the Companies Act, 1956, through Private Placement on Preferential Basis. Issue of Convertible Share Warrants under section 81(1A) of the Companies Act, 1956 through Private Placement on Preferential Basis. |

| Year | Location | Date | Day | Time | Detail of Special Resolution/s Passed |
|---------|--|----------------------|-----------|------------|---|
| 2008-09 | "GANDHI MEMORIAL HALL" Pearey Lal Bhawan Association, 2, Bahadur Shah Zafar Marg, New Delhi-110002 | 30th September, 2009 | Wednesday | 11.30 A.M. | <ol style="list-style-type: none"> 1. Approval for enhancement of the limit of remuneration payable to Mr. Subhash Chand Aggarwal, Chairman & Managing Director of the Company. 2. Approval for enhancement of the limit of remuneration payable to Mr. Mahesh C. Gupta, Vice-Chairman & Managing Director of the Company. 3. Approval for enhancement of the limit of remuneration payable to Mr. Pradeep Aggarwal, Whole-time Director of the Company. 4. Approval for enhancement of the limit of remuneration payable to Mr. Rakesh Gupta, Whole-time Director of the Company. 5. Appointment of Mr. Ajay Garg as Whole time Director of the Company. 6. Appointment of Mr. Anurag Bansal as Whole time Director of the company. 7. Increase in the number of directors under section 259 of the Companies Act, 1956. 8. Alteration of the Articles of Association of the company. 9. Approval to Ms. Shweta Aggarwal under section 314 of the Companies Act, 1956, to hold an office or place of profit. 10. Approval to Mr. Devender Kumar under section 314 of the Companies Act, 1956, to hold an office or place of profit. 11. Approval to Mrs. Archana Aggarwal under section 314 of the Companies Act, 1956, to hold an office or place of profit. 12. Approval to Mrs. Priyanka Gupta under section 314 of the Companies Act, 1956, to hold an office or place of profit. 13. Approval to Mr. Ravinder Kumar under section 314 of the Companies Act, 1956, to hold an office or place of profit. 14. Approval to Mr. Lalit Kumar under section 314 of the Companies Act, 1956, to hold an office or place of profit. |

| Year | Location | Date | Day | Time | Detail of Special Resolution/s Passed |
|---------|--|----------------------------|-----------|---------------|--|
| 2009-10 | "URDU GHAR" 212, Rouse Avenue, Deen Dayal Upadhyaya Marg, New Delhi-110002 | 29th September, 2010 | Wednesday | 11.00 A.M. | 1. Re-Appointment of Mr. Subhash Chand Aggarwal as Managing Director of the Company. |

POSTAL BALLOT:

The Company has passed following three resolutions as special resolutions on 29th September, 2010, through postal ballot under section 192A of the Companies Act, 1956 read with the Companies (passing of the resolution by postal ballot) Rules, 2001.

1. Increase in the limit of Inter-corporate loans and investments under section 372A of the Companies Act, 1956.
2. Alteration of Object clause of the Memorandum of Association of the company for permitting the

company to undertake the Depository Participant business.

3. Substitution of Article 158 of the Articles of Association of the company.

PERSON WHO CONDUCTED THE POSTAL BALLOT EXERCISE:

The board of directors of the Company at its meeting held on 11th day of August, 2010 had appointed Ms. Kavita Goel, Practicing Company Secretary as scrutinizer for conducting the postal ballot voting process in a fair and transparent manner.

VOTING PATTERN:

The detailed summary of voting pattern for Postal Ballot process is as under:

| Particulars | No. of Ballot Forms received | No. of corresponding Equity Shares | % age of total votes recieved |
|--|------------------------------|------------------------------------|-------------------------------|
| A. Total Postal Ballot Forms received | 73 | 8,135,907 | 100 |
| B. Less: Invalid Postal Ballot Forms | 5 | 701 | 0.0086 |
| C. Net Valid Postal Ballot Forms | 68 | 8,135,206 | 99.9914 |
| Postal Ballot Forms with assent for the resolution | | | |
| Increase in the limit of Inter-corporate loans and investments under section 372A of the Companies Act, 1956. | 57 | 8,123,062 | 99.8507 |
| Alteration of Object clause of the Memorandum of Association of the company for permitting the company to undertake the Depository Participant business. | 59 | 8,123,462 | 99.8556 |
| Substitution of Article 158 of the Articles of Association of the company. | 58 | 8,123,262 | 99.8532 |

POSTAL BALLOT PROCEDURE:

The board of directors of the Company at its meeting held on 11th day of August, 2010 had Approve the Notice for Postal Ballot process along with the Explanatory Statement and format of Postal Ballot form, appointed Ms. Kavita Goel, Practicing Company Secretary as Scrutinizer for conducting the postal ballot voting process in a fair and transparent manner and approve the Calendar of Events.

The Company had completed on 23rd day of August, 2010 the dispatch of Postal Ballot forms alongwith postage prepaid business reply envelop to its members whose name(s) appeared on the Register of members as on 13th Day of August, 2010.

The last date of receipt of Postal Ballot forms was 27th Day of September, 2010.

Released an advertisement in the newspaper giving the Date of completion of dispatch of the Notice along with Postal Ballot forms and Last date for receipt of Postal Ballot forms from the members.

The Postal Ballot forms had been kept under safe custody in sealed Postal Ballot boxes before commencement of scrutiny.

All Postal Ballot forms received upto the close of working hours on 27th Day of September, 2010, the last date fixed for receipt of the Postal Ballot forms, had been considered in scrutiny.

The Scrutinizer after due verification of Postal Ballot forms, submitted his report to the Chairman of the Company on 28th Day of September, 2010.

The results of the Postal Ballot were announced on 29th Day of September, 2010.

Accordingly, the special resolutions as set out in the Notice had been duly approved by the requisite majority of the Shareholders of the Company.

5. DISCLOSURES:

- i. The Company has not entered into any transaction of a material nature with the Promoters, Directors or the Management, their subsidiaries or relatives etc. that may have any potential conflict with the interest of the Company at large.
- ii. No penalties and strictures were imposed on the Company on account of disciplinary action taken either by Stock Exchange(s), where the securities of the Company are listed or SEBI or any statutory authority, on any matter related to Capital Market, during the last three years.
- iii. No Whistle Blower policy has been adopted by the Company.
- iv. The company has complied with all the mandatory requirements of the clause 49 and also adopted clause (2) of Annexure ID of the Clause 49, on the Remuneration Committee.

6. MEANS OF COMMUNICATION:

Publication of Quarterly Financial Results of Company in newspaper:

The half yearly/quarterly financial results are regularly submitted to the stock exchanges and also regularly published in English Newspapers Economic Times and also in Newspapers of vernacular language Navbharat Times (Hindi) as required by the Listing Agreement of the Stock Exchange(s). The annual report is circulated to the shareholders. Quarterly as well as annual results of the Company are regularly uploaded on the website of the Company i.e. www.smcindiaonline.com.

7. GENERAL SHAREHOLDER INFORMATION:

Registered office of the Company:
11/6B, Shanti Chamber, Pusa Road,
New Delhi-110005.
Tel.: 91-11-30111000, 40753333
Fax: 91-11-25754365
E-mail: **smc@smcindiaonline.com**
Website: www.smcindiaonline.com

Delhi Office :
8B, 9B, 17, Netaji Subhash Marg, Darya Ganj,
New Delhi-110002.
Tel.: 91-11-30111333, 66221100
Fax: 91-11-23263297, 23258027

Mumbai Office :
Dheeraj Sagar Building, 1st Floor, Opp.
Goregaon Sports Club, Link Road, Malad(West)
Mumbai-400064.
Tel: 91-22-67341600
Fax: 91-22-28805606

Kolkata Office :
18, Rabindra Sarani, "Poddar Court", Gate No.4,
4th Floor, Kolkata-700001.
Tel.: 91-33-39847000
Fax: 91-33-39847004

Chennai Office :
2A, 2nd Floor, Mookambika Complex No. 4,
Lady Desikachari Road, Mylapore, Chennai-600004
Tel: 91-44-42108069, 91-44-42088256
Fax: 91-44-24661798

Dubai Office :
312, Belshalat Building, Plot No. 318-709,
Al Karama, Opp. Sunrise Super Market,
P.O. Box - 117210, Central Post Office,
Dubai, U. A. E.
Tel: +97143963120, +971502612483

Fax: +97143963122

E-mail: **pankaj@smccomex.com**

Annual General Meeting

Date : 30th September, 2011
Day : Friday
Time : 11:00 AM
Venue : Urdu Ghar, 212, Rouse Avenue,
Deen Dayal Upadhyaya Marg,
New Delhi-110002
Financial Year : 1st April, 2010 to 31st March,
2011
Date of Book Closure : 26th Day of September, 2011 to
30th Day of September, 2011
(Both days inclusive)
Listing on Stock Exchange(s) : Delhi Stock Exchange Ltd.
The Calcutta Stock Exchange Ltd.
Ludhiana Stock Exchange Ltd.
Ahmedabad Stock Exchange Ltd.
The Gauhati Stock Exchange Ltd.
Scrip Code : DSE 19509
: CSE 2918610029186
: LSE SMCG
: ASE 55500
: GSE/L684
ISIN No. : INE103C01010
Share Transfer Agent : Link Intime India Private Limited.
A-40, 2nd Floor, Naraina Industrial
Area, Phase II, Near Batra Banquet
Hall, New Delhi-110028
Tel: 91-11-41410592-94
Fax: 91-11-41410591
Email: **delhi@linkintime.co.in**
Demat Details : 75.31% shares of the company
have been in dematerialized form
as on 30th June, 2011.

Depositories : National Securities Depository Ltd.
Trade World, 'A' Wing,
4th & 5th Floor, Kamala Mills
Compound, Lower Parel,
Mumbai-400013.

Central Depository Services
(India) Ltd.
Phiroze Jeejeebhoy Towers,
16th Floor, Dalal Street,
Mumbai -400001

Shareholding : Promoters 65.56 % and Non
Pattern Promoters 34.44 % as on 30th
June, 2011

Market Price : No trading has been observed on
Data DSE/CSE/ASE/LSE/GSE in our
scrip, where the equity shares
of our Company are listed.

SHAREHOLDING OF NON- EXECUTIVE DIRECTORS

None of the Independent and Non-Executive Directors of our company holds any shares of the company.

Share Transfer System

The Board of Directors has delegated the power of approving transfer and transmission of shares and other matters like consolidation of share certificates, issue of duplicate share certificates, dematerialization/rematerialization of shares, to registrar and share transfer agents of the company. All these matters are approved by the RTA regularly. Shareholders may correspond to the:

Registrar and Share Transfer Agent:

Link Intime India Private Limited.
A-40, 2nd Floor, Naraina Industrial Area, Phase II,
Near Batra Banquet Hall, New Delhi-110028

Tel: 91-11-41410592-94

Fax: 91-11-41410591

E-mail: delhi@linkintime.co.in

Company:

SMC Global Securities Limited
11/6B, Shanti Chamber, Pusa Road,
New Delhi - 110005.
Tel.: 91-11-30111000, 40753333
Fax: 91-11-25754365

DISCLOSURE AS PER SUB PARAGRAPH (C) OF SECTION II OF PART II OF SCHEDULE XIII:

RE-APPOINTMENT OF MR. MAHESH C. GUPTA AS MANAGING DIRECTOR OF THE COMPANY

Presently the appointment is proposed on monthly remuneration of ₹ 500,000/- (Rupees Five Lacs Only) which can further be increased upto ₹ 800,000/- (Rupees Eight Lacs Only) per month on the recommendation of the Remuneration Committee and approval from the Board of Directors of the Company.

INCREASE IN THE CEILING OF REMUNERATION OF MR. RAKESH GUPTA, WHOLE TIME DIRECTOR OF THE COMPANY.

Presently the monthly remuneration is increased from ₹ 3.25 Lacs to ₹ 4.56 Lacs. Further, remuneration can be increased within the limit of upto ₹ 600,000/- (Rupees Six Lacs Only) per month on the recommendation of the Remuneration Committee and approval from the Board of Directors of the Company.

**DECLARATION
(Under Clause 49 I (D) (ii) of Corporate Governance)**

We hereby declare and confirm that the Board has laid down a code of conduct for all Board members and senior management of the company and the same has been posted by us on the Website of the company i.e. www.smcindiaonline.com

We further declare and confirm that the code has been circulated to all members of the Board and senior management personnel and they have affirmed compliance with the code of conduct.

For SMC Global Securities Ltd.

sd/-

**S. C. Aggarwal
(Chairman & Managing Director)**

Date: 10th August, 2011

Place: New Delhi

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of SMC Global Securities Limited.

We have examined the compliance of conditions of Corporate Governance by SMC Global Securities Ltd. (the Company) for the year ended on 31st March, 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our knowledge and according to the informations and explanations given to us, we certify that the Company has complied with mandatory conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

No investor grievances are pending as on 31st March, 2011.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Atul & Rajinder
F.R.N. 005402N
Chartered Accountants

sd/-
Rajinder Malhotra
Proprietor
(M. No. F83680)

Date: 10th August, 2011

Place: New Delhi

The People









The Market is Now Mobile



Management Discussion & Analysis Report

MACRO-ECONOMIC ENVIRONMENT

Economy: Review and outlook

This has been a classic year of economic recovery for India. The economy remained on the path of rapid resurgence and has virtually returned to the high growth path, as it was before the global financial crisis and economic meltdown. The current macro-economic scenario in India is characterized by an emerging dichotomy of a sustained momentum in domestic consumption and weakening pace of investment activity. In the early phase of economic recovery in FY10, investments grew sharply, largely reflecting the inventory re-stocking cycle. However, the momentum seems to be tapering as is reflected in the more recent quarterly GDP and monthly IIP data. India's growth story this year has been remarkable by any standard. According to the advance estimates provided by the Central Statistics Office (CSO), GDP at factor cost at constant prices is expected to register a growth of 8.6 percent in the year 2010-11. It is the much improved performance of the agriculture sector in 2010-11 that is going to provide an uptick to overall GDP growth. Inflationary pressures seem to be arising from a mix of supply and demand-side factors with high fiscal spending contributing considerably to demand-side pressures. A monetary tightening in order to reign in demand side pressures needs to be complemented by fiscal measures to address the issue of rising inflation. The government and the central bank are taking various measures which appear to be moderating the inflation fears. The liquidity issues, which were there earlier in the year, have started to go away. The initial forecast of an average monsoon is also a comfort. Considering all these factors, we feel that even as the India investment story has slowed marginally in the short-term, the long-term Indian consumption story is still strong.

Indian Capital Market

The Indian capital markets witnessed robust activity in the earlier part of FY11. The markets were also positively influenced by some reasonably priced large public sector issues like Coal India and MOIL. However, subsequently negative sentiments took the wind out of the markets. The equity markets continued to be affected by a lack of interest by retail investors, volatile FII flows and concerns on corporate earnings. High interest rates also affected capital raising activity through bonds. The commodity markets were also volatile in view of pressure on global commodity prices. We see the concerns persisting in the early part of the year ahead of us. However, with an expected boost in the infrastructure expenditure and with the industries already facing capacity crunch, we expect investment activity to revive in the latter half of the coming year. For a variety of reasons, there has been a lag in the development of debt markets when compared to equity markets. In recent times, the RBI and SEBI have taken a number of steps to develop the corporate bond market. It is expected that further reforms in insurance and pension segments of the financial sector along with fiscal consolidation will spur demand for corporate bonds. Moreover, the advent of Treasury Bill interest rates futures, introduction of corporate bonds repo-ability and credit default swaps coupled with other reforms is expected to galvanize the debt markets. As India has a huge need for infrastructure development, the expansion of corporate bond market becomes imperative and is expected to become a major source of capital in future when structural reforms are in place.

OPPORTUNITIES AND THREATS

Opportunities

- Economy is growing at healthy rate leading to investment/capital requirement

- Growing Financial Services industry's share of wallet for disposable income.
- Huge market opportunity for wealth management service providers as Indian wealth management business is transforming from mere wealth safeguarding to growing wealth.
- Large masses are awaiting the penetration of insurance
- Regulatory reforms would aid greater participation by all class of investors
- Leveraging technology to enable best practices and processes.

Threats

- Execution risk

- Slowdown in global liquidity flows
- Increased intensity of competition from local and global players
- Unfavorable economic conditions

SMC OVERVIEW

A well diversified financial services company

SMC Global securities Limited was incorporated in 1994, has emerged as one of India's leading diversified financial services companies. As on 31st July 2011, we have more than 2400 offices in 460+ cities across India. It was Group's stress to have presence across pan India. The details are in following chart;

| Location | Branch / Location count in FY2010-11 | Branch / Location count in FY 2009-10 | Branch / Location count in FY 2008-09 |
|----------------|--------------------------------------|---------------------------------------|---------------------------------------|
| Northern India | 824 | 720 | 591 |
| Western India | 533 | 375 | 303 |
| Southern India | 218 | 196 | 170 |
| Eastern India | 728 | 571 | 369 |
| Central Region | 116 | 85 | 70 |
| Total | 2419 | 1947 | 1503 |

Since inception, SMC has successfully followed a strategy of diversifying into newer asset classes, newer client segments. This strategy has supported the operations of SMC across cycles by bringing stability to its performance. This strategy is complemented by the following SMC strengths i.e, Growth with a long-term view, Diversified revenue streams, adequate Risk Management measures, motivated and quality People, Professional culture and strong brand value. As a result, SMC has emerged as a truly diversified leading financial services organization with a large range of products.

SEGMENT-WISE PERFORMANCE HIGHLIGHTS

BROKING BUSINESS

Equity Broking:

We are one of the leading brokerage house in India and are significant player in both cash & derivatives segment of the leading exchanges in India (BSE & NSE including F&O) SMC's market share was approx 5.25 % of total turnover of NSE & BSE in FY 10-11. We have been successful in generating a turnover of ₹ **17900 billion**.

Currency Broking:

SMC Global Securities Limited is a member of currency segment of two currency exchanges in India i.e. MCX-SX, NSE. Recently we have also taken the currency membership of USE(United Stock Exchange). SMC has been chosen as India's Best Currency Broker-2011 (Source: ICRA & Bloomberg-UTV Financial Leadership Awards, 2011). In FY 2011, SMC has cloaked total volume of ₹ 3670 billion collectively in NSE currency & MCX-Sx.

Commodity Broking:

SMC Comtrade Ltd., 100% subsidiary of SMC Global Securities Limited, is a member of all major commodities exchanges in India i.e. Multi Commodity Exchange of India Ltd. (MCX), National Commodities and Derivates Exchange Ltd. (NCDEX), National Multi Commodity Exchange of India Ltd (NMCE), Indian Commodity Exchange Limited (ICEX), NCDEX Spot Exchange, National Spot Exchange Limited (NSEL) & ACE Commodity and derivative Exchange Limited. SMC Comtrade Limited also has international presence through its 100% subsidiary, SMC Comex International DMCC, which is a member of Dubai Gold and Commodity Exchange (DGCX). During the financial year 2010-11, total turnover of SMC Comtrade Ltd. on all the commodity exchanges in India, was ₹ 5350 billion (these turnover includes of all the commodity exchanges where 95% turnover clocked in is of two major exchanges MCX and NCDEX only) which is more than 100% YoY growth. Moreover what is more significant, being a leading volume driver in commodity segment, our total market share on all the commodity exchanges grew from 3.49% to 4.75%.

Institutional Broking:

The company offers Institutional Broking services in cash and derivatives segment to a large institutional clientele in India and abroad. These include mutual funds, banks, financial institutions, insurance companies and FII's.

FINANCIAL PRODUCTS DISTRIBUTION:

Buoyant capital market and favorable regulatory changes like introduction of ASBA as a payment mode for retail, IPO grading system and increasing retail allocation in public offerings encouraged retail participation in the IPOs. **SMC has a wide network of around 12000 distributors across the country to leverage on this opportunity. For the FY 10-11, SMC has been ranked sixth amongst distributors of IPOs in retail as per Prime Database. SMC mobilized ₹ 41929.57 Millions in FY 10-11 capturing 5.14% market share in retail syndication business. SMC mobilized 511, 117 applications in retail category during this fiscal. We have built a cumulative Asset under Advise in mutual fund distribution of ₹ 6420 Million.**

Investment Banking:

SMC Capitals Limited is SMC Group's investment banking arm. It is a full service investment banking company and category 1 merchant bank offering lead management and advisory services across Equity Capital Markets, Debt Capital Markets, Private Equity, Mergers & Acquisitions (M&A) and structured finance. During financial year ending March 2011, SMC Capitals partnered with Morgan Stanley India as its exclusive retail book running partner for the prestigious and highly successful Coal India IPO. SMC Capitals has also received an in-principle mandate to be book running partner of UBS, for the Hindustan Copper FPO offering, expected to be filed with the regulators soon. These coveted investment banking partnerships with UBS and Morgan Stanley play to our strength as one of the largest diversified retail financial services platforms in India. The ₹ 1200 Million IPO of Max Flex & Imaging systems, in which SMC Capitals is a Book Running Lead Manager (BRLM), is waiting in the wings for the appropriate market conditions to launch. We have also been mandated Co-BRLM for SKIL Infrastructure Ltd's proposed ₹ 12500 Million IPO and

played the role of syndicate manager for the IPO of L&T Finance Holdings Ltd, the subsidiary of India's largest engineering company, L&T Finance. In the Debt Capital Markets segment, we have made a beginning by successfully getting the mandate for Co-Arranger for the ₹ **750 Million** public issuance of Non-Convertible Debentures (NCD) for Manappuram Finance Ltd and have consummated a ₹ 500 million private equity transaction for Dee Development Engineers Ltd. In addition, SMC Capitals has handled two External Commercial borrowing (ECB) debt placements for a fly-ash management company and a reputed pharmaceutical firm based in Delhi. The team is presently in various stages of advising companies on fundraising via debt, private equity and M&A worth approximately ₹ **22400 Million**. We have hired qualitative man power to penetrate the investment banking businesses.

FINANCING BUSINESS:

Moneywise Financial Services Pvt. Ltd., a wholly owned subsidiary of the Company, offers funding in Capital market against Cash & Collateral (The Collateral includes stocks in equity & commodity). We also provide funding against Margin in IPOs, NCDs etc.

It's loan book for period ended at 31st March 2011 stood at ₹ **515.80 Million**. We follow a low risk multi strategy approach with an aim to achieve absolute return and optimize our yields while maintain an adequate safety of our capital.

INSURANCE BROKING:

SMC Insurance Brokers Pvt. Ltd, a 100% subsidiary of SMC Comtrade Ltd, is a Direct Insurance Broker registered with Insurance Regulatory and Development Authority (IRDA) and provides a complete array of Life Insurance and General Insurance solutions. In General Insurance category, we at SMC have sold over 1.5 lakh

policies last fiscal , and in the Life Insurance category added 20000 approx customers, capable of generating recurring renewal business. For the fiscal year 2010-11 in Honda Assure – Exclusive tie-up between Honda SIEL Cars India and SMC Insurance we have sold more than 70 Thousand policies from 100+ retail outlets of Honda Cars. Along with this we at SMC Insurance have also been mandated for the retail insurance business of Lease Plan India Pvt Ltd (A Volkswagen Group Company) India leading leasing company. SMC insurance broker has also been chosen as the preferred online insurance consultant & provider by “Carnation Auto Limited” India's leading multi brand service network. In a bid to further augment our reach to the new age consumers in the digital space we at SMC are creating online distribution of insurance policies by tie up with companies like www.rupeepower.com

WEALTH MANAGEMENT

During 2010-11 the business was further consolidated through stabilization of operations at all the four regional offices at New Delhi, Mumbai, Bangalore and Kolkata. During 2010-11 the business was further consolidated through stabilization of operations at all the four regional offices at New Delhi, Mumbai, Bangalore and Kolkata. SMC Wealth Management business in India has grown assets under management and administration to approximately ₹ **5135 Million (USD 114.10 million)** as on 31st March, 2011 from previous year ₹ **2458 Million (USD 54.68 million)** which resulted into more than 100% growth. Although the year 2010-11 was very challenging due to uncertainties in the global economies and markets, highly competitive market environment and sliding down of fees and commissions/ brokerages on various products/services, the management focused on acquisition of new clients and assets under management/ administration.

RISKS AND CONCERNS

The company is primarily exposed to credit risk, interest rate risk, liquidity risk and operational risks. Internally, we are adequately equipped to manage these risks under the supervision of Audit Committee.

INTERNAL CONTROL SYSTEMS

The company is primarily exposed to credit risk, interest rate risk, liquidity risk and operational risks. The company's internal control systems are adequate and provide, among other things, reasonable assurance of recording transactions of operations in all material respects and of providing protection against significant misuse or loss of company assets. Internal audit is conducted to assess the adequacy of the internal controls procedures and processes, and their reports are reviewed by the Audit Committee of the Board. Policy and process corrections are undertaken based on inputs from the internal auditors. The Recent years developments have, heightened concern and focus on risk management, and it has become increasingly clear that a need exists for a robust framework to effectively identify, assess and manage risk. Over and above, our Board continues to play a critical role in guiding our Risk Management policies. We continue to have a comprehensive Business Continuity Plan which is periodically tested..

INVESTOR RELATIONS:

We consider investor relations to be an important aspect of our business as we believe in building transparent and open relationships with our stakeholders. As a listed company, we are now laying even greater emphasis on our investor relations program to provide our investors, analysts and other stakeholders with a complete and accurate picture of the company's past and current performance and the prospects and strategies for the future. In this regard, we have put in place the required

infrastructure and personnel to incorporate best-in-class IR practices which promote steady communication with investors and analysts so that we are acknowledged as a responsive and transparent organization

HUMAN RESOURCES:

We believe that an engaged employee is a more productive and empowered employee. Our people are our most important asset and we value their talent, integrity and dedication. The financial services industry is an ever evolving industry with its dynamism and volatility. In such an environment, SMC recognizes the significance of change and therefore attaches an emphasis to build its talent to manage change effectively. We have approx 5000 strong SMCians who are well equipped and geared for future challenges. The fast changing regulatory environment and the challenge of making customers aware of their financial need & priorities necessitates the company to have a committed and professional workforce with high degree of motivation and uncompromising integrity. All employees are encouraged and incentivized to get them self certified in relevant industry standard certifications such as NCFM, AMFI etc. Majority of the employees have obtained such certificates as a basic and pre-requisite to client handling. We have hired 2204 qualitative manpower with experience in the relevant segment during the Financial Year 2010-11 in our Company excluding hiring of manpower in our group companies.

OUTLOOK

We continue to remain optimistic about the long-term India story and the opportunities that it will offer across sectors. The financial services sector is expected to grow rapidly in an expanding economic environment. However, in the short-term from time-to-time there will be challenges that will temper the outlook in the interim term. At SMC, over the

last few years, we have consciously built an operating model that is well diversified across capital markets activities having unique strengths in each of our business segments and most importantly, the ability to withstand difficult market cycles. We continue to invest across all our key operations to create opportunities in varied market conditions. It is our intention to expand our portfolio of services, invest in people, enhance our infrastructure, and create greater competence across our businesses and continuously upgrade technology to emerge bigger and stronger every year. However, with emerging markets outperforming the developed economies in the recent past, we should start seeing encouraging results in the short-to-medium term.

CAUTIONARY STATEMENT

Statements in the management discussion and analysis, describing the company's objectives, projections, estimates and expectations may be forward looking statements within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied. SMC is not under any obligation to publicly amend, modify or revise any forward looking statement on the basis of any subsequent developments, information or events. Statements in the management discussion and analysis, describing the company's objectives, projections, estimates etc.



Comprehensive Solutions For Your Peace of Mind



IRDA REGISTERED INSURANCE BROKER

Auditors' Report

To,

**THE MEMBERS OF
SMC GLOBAL SECURITIES LIMITED**

We have audited the attached Balance Sheet of **SMC Global Securities Limited** as at **31st March, 2011** and also the Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company.

Further to our comments in the Annexure referred to above, we report that:

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- iii) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account;
- iv) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- v) On the basis of written representations received from the directors, as on **31st March, 2011** and taken on record by the Board of Directors, we report that none of the directors is disqualified as on **31st March, 2011** from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at **31st March, 2011**;
- b) in the case of the Profit & Loss Account, of the **Profit** for the year ended on that date ; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**FOR ATUL & RAJINDER
F. R. N. : 005402N
CHARTERED ACCOUNTANTS**

**sd/-
RAJINDER MALHOTRA
PROPRIETOR
M. NO. : F 083680**

**PLACE : NEW DELHI
DATE : 30.05.2011**

Annexure

Referred to in paragraph 3 of our report of even date

1.
 - a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
 - (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
2.
 - (a) The securities held as stock-in-trade have been verified from the statement of holding from the depository participants and by physical verification of the share certificates in case of stock held in physical form, by the management during the year/at the year end. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion, the procedures of physical verification of stock-in-trade followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the records of the Company relating to securities held as stock-in-trade, in our opinion, the Company is maintaining proper records of stock-in-trade. There are no material discrepancies noticed between the book records and the statement of holding provided by the depository participants, physically verified shares in physical form.
3. The Company has not granted/taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub clause (b), (c), (d), (f) and (g) of clause (iii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company for the current year.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of stock-in-trade, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come

across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.

5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act 1956 have been entered in the register required to be maintained under that section.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
 7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
 8. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.
 9. (a) According to the information and explanation given to us and records of the company examined by us, in our opinion the company is generally regular in depositing undisputed statutory dues including Provident Fund, investor education and protection fund, employees state insurance, income-tax, sales-tax, wealth-tax, service-tax, custom duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.
 - (b) 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, sale tax, wealth-tax, service-tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.
10. The Company has no accumulated losses as at March 31, 2011 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
 11. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or banks.
 12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/ societies are not applicable to the Company.
 14. In our opinion, the Company has maintained proper records of transactions and contracts relating to dealing or trading in shares, securities, debentures and other investments during the year and timely

entries have been made therein. Further, such securities held as stock-in-trade have been held by the Company in its own name or in the name of its nominees except to the extent of the exemption granted under Section 49 of the Act.

15. In our opinion and according to the information and explanations given to us, the company has given corporate guarantee for loan taken by its subsidiary and other group company, the terms and conditions of such loan/guarantee are not prejudicial to the interest of the company.
16. In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
19. The Company has not issued any debentures during the year and there are no debentures outstanding as at the balance sheet date.
20. The Company has not raised any money by public issues during the year.
21. *We have been informed that a manager/employee of company's depository operations had misappropriated securities of amount of Rs. 24 lacs from client accounts during the year under audit. Investigations are in progress and the manager has been dismissed. The company has withheld his terminal benefits and the company is also adequately covered by comprehensive crimes and liability policy with the insurers.*

FOR ATUL & RAJINDER
F. R. N. : 005402N
CHARTERED ACCOUNTANTS

sd/-
RAJINDER MALHOTRA
PROPRIETOR
M. NO. : F 083680

PLACE : NEW DELHI
DATE : 30.05.2011

Standalone Balance Sheet

AS AT 31st MARCH, 2011

(Amount in ₹)

| DESCRIPTIONS | SCHEDULE | AS AT 31.03.2011 | AS AT 31.03.2010 |
|---|--------------|----------------------|----------------------|
| SOURCES OF FUND | | | |
| SHAREHOLDERS' FUND | | | |
| Share Capital | 1 | 104,783,870 | 104,783,870 |
| Convertible Equity Share Warrant (Refer Note No.III of Schedule 14B) | | - | 123,998,200 |
| Reserves & Surplus | 2 | 4,102,454,735 | 3,941,452,106 |
| LOAN FUND | 3 | 1,452,607,463 | 1,021,409,197 |
| DEFERRED TAX LIABILITY | | 16,421,254 | 21,349,544 |
| | TOTAL | 5,676,267,322 | 5,212,992,917 |
| APPLICATION OF FUNDS | | | |
| FIXED ASSETS | | | |
| Gross Block | 4 | 563,110,694 | 530,466,605 |
| Less: Depreciation | | 255,429,812 | 187,964,423 |
| NET BLOCK | | 307,680,882 | 342,502,182 |
| INVESTMENTS | 5 | 1,574,977,217 | 1,252,316,464 |
| CURRENT ASSETS, LOANS & ADVANCES | 6 | | |
| Inventories | | 1,016,921,064 | 1,672,885,260 |
| Sundry Debtors | | 1,332,759,252 | 1,675,544,171 |
| Cash & Bank Balance | | 1,733,028,025 | 1,162,415,539 |

(Amount in ₹)

| DESCRIPTIONS | SCHEDULE | AS AT 31.03.2011 | AS AT 31.03.2010 |
|--|--------------|----------------------|----------------------|
| Loans and Advances | | 1,834,147,335 | 1,271,458,244 |
| | | 5,916,855,676 | 5,782,303,214 |
| Less: Current Liabilities and Provisions | 7 | 2,133,281,164 | 2,184,037,897 |
| NET CURRENT ASSETS | | 3,783,574,512 | 3,598,265,317 |
| DEFERRED REVENUE EXPENDITURE | | 10,034,711 | 19,908,955 |
| | TOTAL | 5,676,267,322 | 5,212,992,917 |

In terms of our Audit Report of even date attached

FOR ATUL & RAJINDER
F. R. N. : 005402N
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

sd/-
RAJINDER MALHOTRA
PROPRIETOR
M. No. : F 083680

sd/-
S. C. AGGARWAL
(CHAIRMAN & MANAGING
DIRECTOR)

sd/-
MAHESH C. GUPTA
(VICE-CHAIRMAN & MANAGING
DIRECTOR)

sd/-
AJAY GARG
(DIRECTOR)

sd/-
SUMAN KUMAR
(COMPANY SECRETARY)

PLACE : NEW DELHI
DATE : 30th MAY, 2011

Standalone Profit & Loss Account

FOR THE YEAR ENDED ON 31st MARCH, 2011

(Amount in ₹)

| DESCRIPTIONS | SCHEDULE | FOR THE YEAR ENDED ON 31.03.2011 | FOR THE YEAR ENDED ON 31.03.2010 |
|---|--------------|-------------------------------------|-------------------------------------|
| INCOMES | | | |
| Income From Operations | 8 | 1,966,194,447 | 2,040,957,166 |
| Other Income | 9 | 115,526,326 | 65,687,411 |
| | TOTAL | 2,081,720,773 | 2,106,644,577 |
| EXPENDITURE | | | |
| Stock Exchange & Other Trading Expenses | 10 | 931,509,728 | 1,118,715,969 |
| Personnel Expenses | 11 | 537,608,858 | 478,776,114 |
| Interest and Bank Charges | 12 | 177,309,181 | 93,828,665 |
| Administration And Other Charges | 13 | 290,654,207 | 270,478,035 |
| Depreciation | 4 | 73,063,515 | 72,423,418 |
| Deferred Revenue Expenditure Written Off | | 9,874,244 | 9,874,243 |
| | TOTAL | 2,020,019,733 | 2,044,096,444 |
| Net Profit for The Year | | 61,701,040 | 62,548,133 |
| Less : Provision for Taxation | | | |
| Current Tax | | 27,338,036 | 24,521,100 |
| Deferred Tax | | (4,928,290) | 7,069,209 |
| Wealth Tax | | 30,778 | 30,125 |
| Net Profit after Tax | | 39,260,516 | 30,927,699 |
| Less: Adjustment for Prior Period Income Tax | | 2,485,996 | 1,312,000 |
| Less: Adjustment for Prior Period Expenses/(Income) | | (229,909) | (6,519) |
| Net Profit Available for Appropriations | | 37,004,429 | 29,622,218 |

(Amount in ₹)

| DESCRIPTIONS | SCHEDULE | FOR THE YEAR ENDED ON 31.03.2011 | FOR THE YEAR ENDED ON 31.03.2010 |
|---|--------------|-------------------------------------|-------------------------------------|
| APPROPRIATIONS : | | | |
| Balance Carried to Balance Sheet | | 37,004,429 | - |
| | TOTAL | 37,004,429 | 29,622,218 |
| EARNING PER SHARE (₹) | | | |
| Basic Earning Per Equity Share (Average Base) | | 3.53 | 2.84 |
| Diluted Earning Per Equity Share (Average Base) | | 3.53 | 2.75 |

Significant Accounting Policies and Notes to Accounts 14

In terms of our Audit Report of even date attached

FOR ATUL & RAJINDER

F. R. N. : 005402N

CHARTERED ACCOUNTANTS

sd/-
RAJINDER MALHOTRA
PROPRIETOR
M. No. : F 083680

FOR AND ON BEHALF OF THE BOARD

sd/-
S. C. AGGARWAL
(CHAIRMAN & MANAGING
DIRECTOR)

sd/-
MAHESH C. GUPTA
(VICE-CHAIRMAN & MANAGING
DIRECTOR)

sd/-
AJAY GARG
(DIRECTOR)

sd/-
SUMAN KUMAR
(COMPANY SECRETARY)

PLACE : NEW DELHI
DATE : 30th MAY, 2011

Standalone Cash Flow Statement

FOR THE YEAR ENDED ON 31st MARCH, 2011

(Amount in ₹)

| PARTICULARS | FOR THE YEAR ENDED ON 31.03.2011 | FOR THE YEAR ENDED ON 31.03.2010 |
|--|-------------------------------------|-------------------------------------|
| A Cash Flow From Operational Activities | | |
| Profit before Tax | 61,701,040 | 62,548,133 |
| Add: | | |
| Depreciation | 73,063,515 | 72,423,418 |
| Deferred revenue expenses written off | 9,874,244 | 9,874,243 |
| Provision for Doubtful Debts | 14,331,885 | 5,000,000 |
| Interest Expenses on Secured Loans | 150,901,813 | 75,268,434 |
| Provision for Gratuity | 1,438,667 | 7,396,650 |
| Provision for Leave Encashment | 767,699 | - |
| Prior period Income | 229,909 | 6,519 |
| Less: | | |
| Interest Income | 118,785,699 | 130,252,175 |
| Operating Profit before Working Capital Changes | 193,523,073 | 102,265,222 |
| Adjustments for: | | |
| Change in Stock in Trade | 655,964,196 | (634,582,915) |
| Change in Sundry Debtors | 328,453,034 | (528,758,947) |
| Change in Loans and Advances | (562,689,091) | 87,825,804 |
| Change In Deferred Tax Liability | (4,928,290) | 7,069,209 |
| Change In Current Liabilities | (52,963,100) | 443,974,966 |
| Cash Generated from Operations | 363,836,749 | (624,471,883) |
| Direct Taxes Paid | (24,926,520) | (32,932,434) |
| Net Cash From Operating Activities | 532,433,302 | (555,139,095) |
| B Cash Flow from Investing Activities | | |
| Purchase of Fixed Assets (net basis) | (38,242,215) | (141,291,893) |
| Interest received | 118,785,699 | 130,252,175 |
| (Increase)/decrease in Investments | (322,660,753) | (827,995,321) |
| Net Cash Used in Investing Activities | (242,117,269) | (839,035,039) |

(Amount in ₹)

| PARTICULARS | FOR THE YEAR ENDED ON 31.03.2011 | FOR THE YEAR ENDED ON 31.03.2010 |
|--|-------------------------------------|-------------------------------------|
| C Cash Flow From Financing Activities | | |
| Proceeds from Issue of Share Capital (including premium) | - | 434,000,683 |
| Interest on Secured Loans | (150,901,813) | (75,268,434) |
| Proceeds from Secured Loan from Banks (Net) | 431,198,266 | 733,252,055 |
| Net Cash Used in Financing Activities | 280,296,453 | 1,091,984,304 |
| Net Increase in cash and cash Equivalents (A+B+C) | 570,612,486 | (302,189,830) |
| | 570,612,486 | (302,189,830) |
| Cash and Cash Equivalent at the beginning of the year | 1,162,415,539 | 1,464,605,369 |
| Cash and Cash Equivalent at the end of the year | 1,733,028,025 | 1,162,415,539 |

Notes:

- 1 The above Cash flow statement has been prepared under the indirect method set out in AS-3 issued by the Institute of Chartered Accountants of India.
- 2 Figures in brackets indicate cash outgo.
- 3 Cash and cash equivalents at the end of the year include ₹ 16786.42 lacs (Previous Year : ₹ 10607.38 lacs) held as fixed deposits with scheduled banks which have been pledged with the banks and/or with the exchanges/clearing corporation and/or sales tax and other authorities. Refer Note No. VI on Schedule 14 B.
- 4 The significant accounting policies and notes to the accounts-Schedule 14 forms an integral part of the Cash Flow Statement.
- 5 Previous year figures have been regrouped and recast wherever necessary to confirm to the current year classification.

In terms of our Audit Report of even date attached**FOR ATUL & RAJINDER****F. R. N. : 005402N****CHARTERED ACCOUNTANTS**

sd/-
RAJINDER MALHOTRA
 PROPRIETOR
 M. No. : F 083680

FOR AND ON BEHALF OF THE BOARD

sd/-
S. C. AGGARWAL
 (CHAIRMAN & MANAGING
 DIRECTOR)

sd/-
MAHESH C. GUPTA
 (VICE-CHAIRMAN & MANAGING
 DIRECTOR)

sd/-
AJAY GARG
 (DIRECTOR)

sd/-
SUMAN KUMAR
 (COMPANY SECRETARY)

PLACE : NEW DELHI**DATE : 30.05.2011**

Schedule - 1

SHARE CAPITAL

(Amount in ₹)

| DESCRIPTIONS | AS AT 31.03.2011 | AS AT 31.03.2010 |
|---|--------------------|--------------------|
| AUTHORISED | | |
| 28,010,000 Equity Shares of ₹ 10/- each | 280,100,000 | 280,100,000 |
| 50,00,000 Preference Shares of ₹ 10/- each | 50,000,000 | 50,000,000 |
| | 330,100,000 | 330,100,000 |
| ISSUED, SUBSCRIBED AND PAID UP: | | |
| 10,478,387 (Previous Year 10,478,387) Equity Shares of ₹10/- each fully paid up in cash | 104,783,870 | 104,783,870 |
| TOTAL | 104,783,870 | 104,783,870 |

Schedule - 2

(Amount in ₹)

| DESCRIPTIONS | AS AT 31.03.2011 | AS AT 31.03.2010 |
|---|----------------------|----------------------|
| SHARE PREMIUM A/C | | |
| As Per last Balance Sheet | 2,687,177,503 | 2,378,285,030 |
| Amount received during the year | - | 308,892,473 |
| Sub-Total | 2,687,177,503 | 2,687,177,503 |
| CAPITAL RESERVE (ON AMALGAMATION): | | |
| As Per last Balance Sheet | 104,102,620 | 104,102,620 |
| Sub-Total | 104,102,620 | 104,102,620 |
| CAPITAL RESERVE (ON FORFEITURE): | | |
| Amount received during the year | 123,998,200 | - |
| Sub-Total | 123,998,200 | - |

Schedule - 2

RESERVE AND SURPLUS

(Amount in ₹)

| DESCRIPTIONS | AS AT 31.03.2011 | AS AT 31.03.2010 |
|-------------------------------------|----------------------|----------------------|
| GENERAL RESERVES: | | |
| As Per last Balance Sheet | 609,011,539 | 609,011,539 |
| Sub-Total | 609,011,539 | 609,011,539 |
| PROFIT AND LOSS ACCOUNT | | |
| As per Last Balace Sheet | 541,160,444 | 511,538,226 |
| Balance transferred during the year | 37,004,429 | 29,622,218 |
| Sub-Total | 578,164,873 | 541,160,444 |
| TOTAL | 4,102,454,735 | 3,941,452,106 |

Schedule - 3

LOAN FUND

(Amount in ₹)

| DESCRIPTIONS | AS AT 31.03.2011 | AS AT 31.03.2010 |
|---|------------------|------------------|
| Secured Loan | | |
| Loan from Bank Against FDR | 660,000,000 | 242,500,000 |
| Loan from Bank Against Shares | 266,364,870 | 778,712,991 |
| Loan from Bank Against Vehicles | 1,242,593 | 196,206 |
| Unsecured Loan | | |
| Term loan from ICICI Bank (Against Personal Gurantee of Directors) | 525,000,000 | - |

Schedule - 4

FIXED ASSETS

(Amount in ₹)

| PARTICULARS | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | | |
|--------------------------|---------------------|--------------------|----------------------|---------------------|--------------------|-------------------|----------------------------|--------------------|---------------------|---------------------|
| | AS ON 01.04.2010 | ADDITIONS | SALE / ADJUSTMENT | AS ON 31.03.2011 | UPTO 01.04.2010 | FOR THE YEAR | ADJUSTMENT /WRITTEN OFF | UPTO 31.03.2011 | AS ON 31.03.2011 | AS ON 01.04.2010 |
| Tangible Assets | | | | | | | | | | |
| Land | 10,022,300 | - | - | 10,022,300 | - | - | - | - | 10,022,300 | 10,022,300 |
| Office Building | 59,696,140 | - | 8,553,122 | 51,143,018 | 7,025,201 | 2,446,879 | 796,115 | 8,675,965 | 42,467,053 | 52,670,939 |
| Office Equipment | 95,524,878 | 8,929,112 | 3,221,950 | 101,232,040 | 22,142,456 | 10,846,348 | 987,221 | 32,001,583 | 69,230,457 | 73,382,422 |
| Furniture & Fixtures | 117,368,153 | 14,886,027 | 2,364,609 | 129,889,571 | 29,360,428 | 16,820,376 | 990,771 | 45,190,033 | 84,699,538 | 88,007,725 |
| Computer Hardware | 145,298,089 | 17,095,198 | 2,114,030 | 160,279,257 | 82,293,994 | 28,634,875 | 1,496,860 | 109,432,009 | 50,847,248 | 63,004,095 |
| Vehicle | 11,946,350 | 2,692,953 | 1,605,413 | 13,033,890 | 7,856,548 | 1,496,528 | 1,327,159 | 8,025,917 | 5,007,973 | 4,089,801 |
| VSAT | 36,172,540 | 492,196 | - | 36,664,736 | 15,789,435 | 2,884,575 | - | 18,674,010 | 17,990,726 | 20,383,105 |
| Intangible Assets | | | | | | | | | | |
| Computer Software | 44,418,155 | 6,407,727 | - | 50,825,882 | 23,485,152 | 9,930,418 | - | 33,415,570 | 17,410,312 | 20,933,003 |
| Trade Mark Logo | 20,000 | - | - | 20,000 | 11,209 | 3,516 | - | 14,725 | 5,275 | 8,791 |
| Goodwill | 10,000,000 | - | - | 10,000,000 | - | - | - | - | 10,000,000 | 10,000,000 |
| CURRENT YEAR | 530,466,605 | 50,503,213 | 17,859,124 | 563,110,694 | 187,964,423 | 73,063,515 | 5,588,126 | 255,429,812 | 307,680,882 | 342,502,181 |
| PREVIOUS YEAR | 390,886,103 | 144,725,641 | 5,145,139 | 530,466,605 | 117,252,397 | 72,423,418 | 1,711,392 | 187,964,423 | 342,502,182 | 273,633,706 |

Schedule - 5

INVESTMENTS (AT COST)

(Amount in ₹)

| NAME OF COMPANIES | FACE VALUE | AS AT 31.03.2011 | | AS AT 31.03.2010 | |
|---|------------|------------------|-------------------|------------------|-------------------|
| | | NOS. | AMOUNT | NOS. | AMOUNT |
| INVESTMENT IN SHARES: | | | | | |
| (Fully paid up and valued at cost) | | | | | |
| QUOTED (Trade Investment) | | | | | |
| Dairy Den (Anmol Dairy Limited) | 2 | - | - | 1 | 700 |
| Hamilton Shoes Limited | 10 | - | - | 400 | 4,020 |
| Inter State Finance Limited | 10 | - | - | 2,100 | 12,600 |
| Jay Rapid Roller Limited | 10 | - | - | 4,400 | 157,528 |
| K.R. Rubberite Ltd. | 10 | - | - | 2,700 | 54,000 |
| Majestic Industries Limited | 10 | - | - | 1,100 | 64,000 |
| Malanpur Steelhdc | 10 | - | - | 233 | 4,442 |
| Paam Drugs Limited | 10 | - | - | 1,300 | 47,125 |
| Rajasthan Ball & Bearings Ltd. | 10 | - | - | 500 | 2,500 |
| Shilpax Laboratories Limited | 10 | - | - | 500 | 15,025 |
| Somdatt Finance Corp. Limited | 10 | - | - | 1,600 | 56,480 |
| Ssl (India) Ltd. | 10 | - | - | 5,000 | 62,500 |
| Suraj Securities Limited | 10 | - | - | 900 | 42,345 |
| T.N. Steel Limited | 10 | - | - | 100 | 1,500 |
| Wilway Fort (India) Limited | 10 | - | - | 100 | 1,500 |
| NHPC Limited | 10 | 534,059 | 22,965,842 | 534,059 | 22,965,842 |
| Manganese Ore India Limited | 10 | 24,136 | 13,751,342 | - | - |
| Shipping Corporation of India Limited | 10 | 305,721 | 43,175,056 | - | - |
| Punjab & Sind Bank Limited | 10 | 10,569 | 1,560,620 | - | - |
| Sub- Total | | 874,485 | 81,452,860 | 554,993 | 23,492,107 |

(Amount in ₹)

| NAME OF COMPANIES | FACE VALUE | AS AT 31.03.2011 | | AS AT 31.03.2010 | |
|---|------------|-------------------|----------------------|-------------------|----------------------|
| | | NOS. | AMOUNT | NOS. | AMOUNT |
| UNQUOTED (Non Trade Investments) | | | | | |
| Ludhiana Stock Exchange Association Ltd. | 1 | 2,000 | 54,000 | 2,000 | 54,000 |
| Trackon Telematics Pvt.Ltd. | 10 | 49,000 | 21,567,350 | 49,000 | 21,567,350 |
| Priknit Retails Ltd. | 10 | 250,000 | 25,000,000 | 250,000 | 25,000,000 |
| The Great Logistic & Parking Ser. Pvt. Ltd. | 10 | 100,000 | 4,700,000 | - | - |
| Sanlam Trustee Company (India) Ltd. | 10 | 390,000 | 3,900,000 | 390,000 | 3,900,000 |
| Sanlam Investment Management (India) Ltd. | 10 | 15,990,000 | 159,900,000 | 15,990,000 | 159,900,000 |
| INVESTMENTS IN SUBSIDIARIES: | | | | | |
| SMC Comtrade Ltd. | 10 | 4,500,000 | 435,400,000 | 2,000,000 | 185,400,000 |
| Moneywise Financial Services (P) Ltd. | 10 | 13,364,650 | 452,293,000 | 13,364,650 | 452,293,000 |
| SMC Capitals Ltd. | 10 | 5,041,660 | 65,709,967 | 4,541,660 | 55,709,967 |
| Sanlam Investment & Advisors (India) Ltd. | 10 | 7,500,001 | 300,000,040 | 7,500,001 | 300,000,040 |
| SMC ARC Ltd. | 10 | 2,500,000 | 25,000,000 | 2,500,000 | 25,000,000 |
| Sub-total | | 49,687,311 | 1,493,524,357 | 46,587,311 | 1,228,824,357 |
| TOTAL | | 50,561,796 | 1,574,977,217 | 47,142,304 | 1,252,316,464 |

Note :

1. Aggregate Market Value of Quoted Investment is ₹ 6,27,62,118 (Previous Year is ₹ 1,62,77,121)
2. Aggregate Book Value of Quoted Investment is ₹ 8,14,52,860 (Previous Year is ₹ 2,34,92,107)
3. Aggregate Book Value of Unquoted Investment is ₹ 1,49,35,24,357 (Previous Year is ₹ 1,22,88,24,357)

Schedule - 6

CURRENT ASSETS, LOANS & ADVANCES

(Amount in ₹)

| DESCRIPTIONS | AS AT 31.03.2011 | AS AT 31.03.2010 |
|---|----------------------|----------------------|
| CURRENT ASSETS | | |
| Stock in Trade: (Verified, valued and as certified by management) | 1,016,921,064 | 1,672,885,260 |
| Sub-Total | 1,016,921,064 | 1,672,885,260 |
| Sundry Debtors (Unsecured) | | |
| a: More than six months | | |
| - Considered Good | 308,229,412 | 311,631,303 |
| - Considered Doubtful | 133,786 | 3,325,871 |
| b: Others | | |
| - Considered Good | 1,024,529,840 | 1,363,912,868 |
| Less : Provision for doubtful debt | 133,786 | 3,325,871 |
| Sub-Total | 1,332,759,252 | 1,675,544,171 |
| Cash and Bank Balances: | | |
| Cash in Hand | 1,395,459 | 3,683,180 |
| Foreign Currency in Hand | 14,828 | - |
| Balance with Scheduled Banks | | |
| i) in Current Accounts | 33,772,219 | 30,472,114 |
| ii) in Fixed Deposit Accounts | 1,697,845,519 | 1,128,260,245 |
| Sub-Total | 1,733,028,025 | 1,162,415,539 |
| LOAN AND ADVANCES | | |
| Security and Deposits | 199,549,144 | 56,559,839 |
| Advances Recoverable in Cash or in Kind or for Value to be Received | 1,634,598,191 | 1,214,898,405 |
| Sub-Total | 1,834,147,335 | 1,271,458,244 |
| Total | 5,916,855,676 | 5,782,303,214 |

Schedule - 7

CURRENT LIABILITIES AND PROVISIONS

(Amount in ₹)

| DESCRIPTIONS | AS AT 31.03.2011 | AS AT 31.03.2010 |
|--|----------------------|----------------------|
| CURRENT LIABILITIES | | |
| Expenses Payable | 191,111,652 | 122,139,101 |
| Book Overdraft from Banks | 146,524,208 | 116,628,777 |
| Security & Deposits Received | 31,511,300 | 25,973,925 |
| Sundry Creditors | 817,603,063 | 916,455,480 |
| Margin Received from Clients | 907,252,641 | 970,430,282 |
| Other Liabilities | 21,522,356 | 15,999,377 |
| Sub-Total | 2,115,525,220 | 2,167,626,942 |
| PROVISIONS | | |
| Provisions for Gratuity | 19,247,082 | 17,808,415 |
| Provisions for Leave Encashment | 767,699 | - |
| Provisions for Income tax (Net of Advance Tax and TDS ₹. 2,96,27,651 (P.Y ₹ 2,59,48,685)) | (2,289,615) | (1,427,585) |
| Provisions for Wealth Tax | 30,778 | 30,125 |
| Sub-Total | 17,755,944 | 16,410,955 |
| Total | 2,133,281,164 | 2,184,037,897 |

Schedule - 8

INCOME FROM OPERATIONS

(Amount in ₹)

| DESCRIPTIONS | FOR THE YEAR ENDED ON 31.03.2011 | FOR THE YEAR ENDED ON 31.03.2010 |
|--|-------------------------------------|-------------------------------------|
| Income From Proprietary Trading | 766,400,084 | 850,187,863 |
| Income From Equity Brokerage | 957,871,082 | 958,357,293 |
| Income From Distribution of Financial Products | 66,040,531 | 47,625,675 |
| Income From Depository Business | 57,097,051 | 54,534,160 |
| Treasury Income | 118,785,699 | 130,252,175 |
| TOTAL | 1,966,194,447 | 2,040,957,166 |

Schedule - 9

OTHER INCOME

(Amount in ₹)

| DESCRIPTIONS | FOR THE YEAR ENDED ON 31.03.2011 | FOR THE YEAR ENDED ON 31.03.2010 |
|---|-------------------------------------|-------------------------------------|
| Delay Payment Charges | 91,656,622 | 53,744,424 |
| Income from Reverse Book Building | 2,422,218 | 1,355,947 |
| Interest on Income Tax Refund | 7,364,939 | 3,472,266 |
| Profit on Sale of Investments | - | 1,954,789 |
| Liability No Longer Required Written Back | 608,740 | 1,675,176 |
| Miscellaneous Income | 13,473,807 | 3,484,809 |
| TOTAL | 115,526,326 | 65,687,411 |

Schedule - 10

STOCK EXCHANGE AND OTHER TRADING EXPENSES

(Amount in ₹)

| DESCRIPTIONS | FOR THE YEAR ENDED ON 31.03.2011 | FOR THE YEAR ENDED ON 31.03.2010 |
|--------------------------------------|-------------------------------------|-------------------------------------|
| Client Introduction Charges | 425,933,357 | 439,309,475 |
| Exchange & Other Regulatory Charges | 151,838,367 | 158,607,652 |
| Membership Fees & Subscription | 1,361,776 | 1,332,281 |
| VPN, Leaseline, Internet & VSAT Exp. | 6,415,479 | 18,426,906 |
| Stamp Duty Paid | 29,636,195 | 7,800,199 |
| Securities Transaction Tax | 315,404,162 | 492,291,734 |
| Demat Charges | 920,392 | 947,722 |
| TOTAL | 931,509,728 | 1,118,715,969 |

Schedule - 11

PERSONNEL EXPENSES

(Amount in ₹)

| DESCRIPTIONS | FOR THE YEAR ENDED ON 31.03.2011 | FOR THE YEAR ENDED ON 31.03.2010 |
|---------------------------------------|-------------------------------------|-------------------------------------|
| Salaries, Bonus & Allowances | 484,556,536 | 437,436,065 |
| Directors Remuneration | 26,904,218 | 20,311,246 |
| Staff Welfare Expenses | 6,543,999 | 7,539,892 |
| Staff Training & Development Expenses | 2,642,525 | 1,308,123 |
| Employer contribution to P.F. | 9,808,328 | 8,205,319 |
| Employer contribution to E.S.I. | 7,153,252 | 3,975,469 |

Schedule - 12

INTEREST AND BANK CHARGES

(Amount in ₹)

| DESCRIPTIONS | FOR THE YEAR ENDED ON 31.03.2011 | FOR THE YEAR ENDED ON 31.03.2010 |
|---------------|-------------------------------------|-------------------------------------|
| Bank Charges | 26,407,368 | 18,559,015 |
| Interest paid | 150,901,813 | 75,269,650 |
| TOTAL | 177,309,181 | 93,828,665 |

Schedule - 13

ADMINISTRATION AND OTHER GENERAL EXPENSES

(Amount in ₹)

| DESCRIPTIONS | FOR THE YEAR ENDED ON 31.03.2011 | FOR THE YEAR ENDED ON 31.03.2010 |
|---------------------------------------|-------------------------------------|-------------------------------------|
| AGM Expenses | 39,285 | 38,072 |
| Advertisement | 32,575,860 | 20,824,275 |
| Business Promotion | 37,841,866 | 39,081,954 |
| Provision For Bad Debts | 14,331,885 | 5,000,000 |
| Computer Repair & Maintenance | 11,965,658 | 10,370,051 |
| Conveyance & Traveling Expenses | 11,444,626 | 10,112,456 |
| Commission Paid | 266,850 | 765,309 |
| Director Sitting Fee | 119,000 | 135,000 |
| Donations | 6,707,257 | 1,518,003 |
| Electricity & Water Charges | 23,311,332 | 22,728,950 |
| Insurance | 1,054,815 | 1,090,888 |
| Legal & Professional Charges | 10,623,016 | 22,241,138 |
| Stock Exchange Listing Fee | 189,675 | 257,526 |
| Office Repair & Maintenance | 27,638,631 | 26,745,544 |
| Printing and Stationery | 10,250,193 | 9,104,092 |
| Rent, Rates & Taxes | 65,573,199 | 55,445,942 |
| Share Broker Stamps Expenses | 4,952,154 | 6,257,011 |
| Communication Expenses | 28,982,400 | 36,138,606 |
| Vehicle Running & Maintenance | 2,586,505 | 1,981,655 |
| Foreign Exchange Currency Fluctuation | - | 441,562 |
| Auditor's remuneration: | | |
| As Statutory Auditor | 150,000 | 150,000 |
| As Tax Auditor | 50,000 | 50,000 |
| TOTAL | 290,654,207 | 270,478,035 |

Schedule 14

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

I) BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention following the going concern concept and on accrual basis of accounting, in conformity with the accounting principles generally accepted in India and comply with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956.

II) USE OF ESTIMATES

The presentation of Financial Statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which results are known/materialized.

III) FIXED ASSETS

In accordance with AS-10 'Accounting for Fixed Assets', fixed assets (including computer software) are stated at cost of acquisition including taxes, duties, identifiable direct expenses and expenses on

installation, and are net of CENVAT Credit claimed thereon.

Additions to the fixed assets have been accounted for on the date of installation and its use irrespective of date of invoice.

IV) DEPRECIATION

In accordance with AS-6 'Depreciation', depreciation on fixed assets (including computer software) is computed on Written down value method in accordance with the rates prescribed in schedule-XIV of the Companies Act, 1956 and is on the pro-rata basis with respect to the date of addition/installation/its put to use. No depreciation has been provided on Goodwill.

Depreciation on Assets of value not exceeding ₹ 5000/- is being provided at the normal rate prescribed in the schedule.

V) INVESTMENTS

In accordance with AS-13 'Accounting for Investments', investments are classified into long-term investments and current investments. Long term investments are stated at cost and provision, wherever required, has been made to recognize any

decline other than temporary in the value of such investments. Current investments if any are carried at lower of the cost and fair value and provision, wherever required, has been made to recognize any decline in carrying value.

VI) INVENTORIES

- a) Inventories of stocks and shares are valued at market value.
- b) Closing stock of shares includes stocks Pledged against secured loan from banks and kept as margin/securities with stock exchange.

VII) REVENUE RECOGNITION (AS-9)

- a) Revenue on account of trading in securities is recognized on the basis of each trade executed at the stock exchange during the financial year.
- b) In respect of non delivery based transactions such as derivatives, the profit & loss is accounted for at the completion of each settlement, however in case of an open settlement the net result of transactions which are squared up on FIFO Basis is recognized as Profit/Loss in the account.
- c) Revenue from broking activities is accounted for on the trade date of transaction.
- d) Income from interest on fixed deposits is recognized on accrual basis.
- e) Dividend from investment is accounted for as income when the right to receive dividend is established.

- f) Depository income is accounted for on receipt basis.
- g) In respect of other heads of income the company follows the practice of recognizing income on accrual basis.
- h) Revenue excludes service tax.

VIII) FOREIGN CURRENCY TRANSACTIONS

Revenue and expenses are recorded at the exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currencies are restated at the exchange rate prevailing on the balance sheet date. Exchange differences arising on settlement of the transaction and on account of restatement of monetary items are recognized in the Profit and Loss Account.

IX) EMPLOYEE BENEFITS

- a) Provident Fund is a defined contribution scheme and the contribution as required by the statute are charged to the Profit and Loss Account as incurred.
- b) Gratuity Liability is a defined obligation and is partly funded. The Company accounts for liability for future gratuity benefits based on an actuarial valuation as at the Balance Sheet date.
- c) The undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered by an employee is recognized during the period when the employee renders the services.

- d) Un availed Leave Liability is a defined obligation and is not funded. The company accounts for liability for future benefits based on actuarial valuation as at the Balance Sheet date.

X) LEASES

Lease Rentals in respect of operating lease arrangements are charged to the Profit & Loss Account in accordance with the Accounting Standard – 19 on Accounting for Leases issued by the Institute of Chartered Accountants of India.

XI) MISCELLANEOUS EXPENDITURE

Deferred revenue expenditures are being written off in equal installment over a period of 5 years.

XII) PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes to the Accounts. Contingent Assets are neither recognized nor disclosed in the financial statements.

XIII) BORROWING COSTS

In accordance with AS-16 on "Borrowing Cost", borrowing costs that are attributable to acquisition, construction or production of qualifying assets, are capitalized as part of the cost of such qualifying assets. A qualifying asset is an asset that necessarily

takes a substantial period of time to get ready for intended use. All other borrowing costs are charged to the profit and loss account.

XIV) IMPAIRMENT OF ASSET

Wherever events or changes in circumstances indicate that the carrying value of fixed assets may be impaired, such assets are being subject to a test of recoverability based on discounted cash flows expected from use or disposal thereof. If the assets are impaired, the company recognizes an impairment loss as a difference between the carrying value and fair value net of cost of sale in accordance with AS-28 'Impairment of Assets'. None of the company's fixed assets are considered for impairment as on the balance sheet date.

XV) TAXATION

- a) Provision of current Income Tax has been measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.
- b) Wealth tax has been calculated as per applicable tax regulations applicable during the year.
- c) The company has provided for deferred tax charge/credit, that reflects the tax differences because of timing differences between accounting income and taxation income for the year. The deferred tax charge or credit and corresponding deferred tax liability or asset are recognized using the tax rates laid down by the

law, that has been enacted or substantially enacted by the balance sheet date, in accordance with AS-22 'Accounting for Taxes on Income'.

XVI) OTHER ACCOUNTING POLICIES

Accounting policies not referred to otherwise are consistent with generally accepted accounting principles.

B. NOTES ON ACCOUNTS

I) CONTINGENT LIABILITIES

(₹ in Lacs)

| Particulars | Current Year | Previous Year |
|--|--------------|---------------|
| Corporate guarantee executed by the Company | 4,700.00 | 2,707.50 |
| Bank Guarantee issued by the Bankers | | |
| - in favour of Stock Exchange etc. | 14,635.00 | 13,560.00 |
| (Against the above guarantee, FDR of ₹ 6,780.00 lacs (PY ₹ 6,186.25 lacs) is kept as margin. | | |
| ESI demand in dispute | 31.24 | NIL |

II) EARNING AND EXPENDITURE IN FOREIGN CURRENCY

(₹ in Lacs)

| Particulars | Current Year | Previous Year |
|------------------------------------|--------------|---------------|
| a) Earning in Foreign Currency | NIL | NIL |
| b) Expenditure in Foreign Currency | | |
| - Foreign Travelling | 0.78 | 3.75 |

III) Convertible Equity Share Warrant which were issued during previous year to SANLAM International Investment Partners Limited for amounting ₹ 467,371 @ ₹ 265.31 each having option of conversion in to equity shares of ₹ 10 each were forfeited during the year due to expiry of last date of further payment of ₹ 2,387 each and hence the forfeited amount of ₹ 12,39,98,200 has been transferred to capital reserve.

IV) In the opinion of the board of Directors and to the best of their knowledge and belief the realizable value of Current Assets, Loans and Advances in ordinary course of business is not less than the value stated in the Balance Sheet.

V) Income from operation besides income from arbitrage and trading in shares & securities, includes brokerage (gross) on share trading on account of its constituents ₹ 95,78,71,082 (P.Y. ₹ 95,83,57,293)

TDS ₹ 19,08,348 (P. Y. ₹ 22,87,037) and interest (gross) on FDR kept as margin with stock exchanges or banks ₹ 11,87,15,003 (P.Y. ₹ 13,02,05,999) TDS ₹ 1,26,95,812 (P.Y. ₹ 1,56,27,241).

VI) Fixed Deposit with Schedule Banks includes ₹ 10,171.42 lacs (P.Y. ₹ 7,496.75 lacs) under lien in favour of the bank as margin deposit for the guarantees issued/credit facilities or otherwise and ₹ 6,615.00 lacs (P.Y. ₹ 3,110.63 lacs) pledge with stock exchanges as margin.

VII) Sundry Debtors includes amount recoverable from the constituents which have been shown on gross of credit balances, if any, due to the constituents.

VIII) Provision for doubtful debts of ₹ 1,33,786 (Previous

Year ₹ 33,25,871) is net of bad debts written off ₹ 1,75,23,970 (Previous Year ₹ 1,13,20,207). No provision has been made in respect of certain overdue sundry debtors amounting to ₹ 30,82,29,412 (P. Y. ₹ 31,16,31,303) since the company has taken suitable measures to recover the said dues including filling of legal cases wherever considered appropriate.

IX) (a) Included in Current Assets, Loans and Advances are:

Dues recoverable from the companies under the same management within the meaning of sub section (1B) of section 370 of the Companies Act, 1956

(Amount in ₹)

| Name of the company | Included in | | Total Amount | Maximum Balance outstanding |
|--|----------------|------------------|----------------|-----------------------------|
| | Sundry Debtors | Loans & Advances | | |
| MoneyWise Financial Services Pvt. Ltd., a subsidiary | 13,18,16,443 | Nil | 13,18,16,443 | 54,39,01,458 |
| | (Nil) | (49,26,014) | (49,26,014) | (49,26,014) |
| SMC Comtrade Ltd., a subsidiary | 9,28,97,639 | Nil | 9,28,97,639 | 55,18,67,710 |
| | (42,05,57,007) | (1,18,045) | (42,06,75,052) | (43,25,32,510) |
| Sanlam Investments and Advisors (India) Ltd., a subsidiary | Nil | 33,837 | 33,837 | 66,02,139 |
| | (4,11,211) | (43,12,820) | (47,24,031) | (74,14,655) |
| SMC Capitals Ltd., a subsidiary | Nil | Nil | Nil | Nil |
| | (Nil) | (7,413) | (7,413) | (36,45,045) |

Previous year figures are shown in bracket.

(b) Dues payable to subsidiaries of the company.

(Amount in ₹)

| Name of the company | Included In Sundry Creditors/ Current Liabilities |
|--|--|
| Moneywise Financial Services Pvt. Ltd. | Nil |
| | (5,51,24,635) |
| Sanlam Investments and Advisors (India) Ltd.. | 10,08,513 |
| | (10,24,941) |
| Security Received from Sanlam Investments and Advisors (India) Ltd.. | 27,00,000 |
| | (Nil) |
| SMC ARC Ltd. | 7,36,131 |
| | (1,24,97,450) |
| SMC Capitals Ltd | 75,256 |
| | (Nil) |
| Security Received from SMC Capitals Ltd.. | 27,00,000 |
| | (Nil) |

x) SEGMENT ACCOUNTING

a. Business Segment

- i) The business segment has been considered as the primary segment.
- ii) The Group's primary business segments are reflected based on principal business activities, the nature of service, the differing risks and returns, the organization structure and the internal financial reporting system.
- iii) The Company's primary business comprises of dealing in shares, securities and derivatives either on its own or on behalf of its constituents and other related ancillary services.

Accordingly the primary business segment has been identified as below:

- Capital Markets: comprises of brokerage income earned on secondary market transactions done on behalf of clients, services rendered as depository participant and proprietary trading in securities and derivatives.

b. Geographical Segment

The Company operates in one Geographical Segment namely "within India" and hence no separate information for geographic segment wise disclosure is required

XI) RELATED PARTY DISCLOSURES

The following are the details of transactions with related parties as defined in the **Accounting Standard - 18** of Related Party Disclosures issued by the Institute of Chartered Accountants of India.

1) Name of Related Parties and description of relationship:**A. Key Management Personnel**

- a) Sh. S.C Aggarwal
(Chairman & Managing Director)
- b) Sh. Mahesh C. Gupta
(Vice-Chairman & Managing Director)
- c) Sh. Ajay Garg
(Whole time Director)
- d) Sh. Rakesh Gupta
(Whole time Director)
- e) Sh. Pradeep Kumar
(Whole time Director)
- f) Sh. Anurag Bansal
(Whole time Director)
- g) Sh. Finney Cherian
(Director)

B. Companies where control exists:

- a) SMC Comtrade Limited
(Subsidiary)
- b) SMC Insurance Brokers Private Limited
(Subsidiary)
- c) SMC ARC Limited
(Subsidiary)
- d) Sanlam Investment & Advisors (India) Ltd.
(Subsidiary)
- e) Moneywise Financial Services Private Limited
(Subsidiary)
- f) SMC Capitals Limited
(Subsidiary)
- g) SMC Comex International DMCC
(Subsidiary)

C. Associate Companies with whom transactions have taken place during the year:

- a) Sanlam Trustee Company (India) Limited
- b) Sanlam Investment Management (India) Limited

2) Significant Transactions with Related Parties

(Amount in ₹)

| Particulars of Transactions | Key Management Personnel | | Companies where control exists | | Associate Companies | |
|---|--------------------------|---------------|--------------------------------|---------------|---------------------|---------------|
| | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| Investments | | | | | | |
| - SMC Comtrade Ltd | | | 25,00,00,000 | - | | |
| - SMC ARC Ltd | | | - | 2,50,00,000 | | |
| - Sanlam Investments and Advisors (India) Ltd.. | | | - | 22,99,72,040 | | |
| - Moneywise Financial Services Pvt. Ltd. | | | - | 25,00,00,000 | | |
| - SMC Capital Limited | | | 1,00,00,000 | 2,00,00,000 | | |
| - Sanlam Trustee Company (India) Limited | | | | | Nil | 39,00,000 |
| - Sanlam Investment Management (India) Limited | | | | | Nil | 15,99,00,000 |
| | | | | | | |
| Expenses | | | | | | |
| Director Remuneration | | | | | | |
| Sh. S. C. Aggarwal | 62,57,333 | 51,72,000 | | | | |
| Sh. M. C. Gupta | 62,57,333 | 51,72,000 | | | | |
| Sh. Rakesh Gupta | 41,89,667 | 29,33,489 | | | | |
| Sh. Pradeep Kumar | 41,66,258 | 26,71,277 | | | | |
| Sh. Anurag Bansal | 32,29,467 | 22,04,400 | | | | |
| Sh. Ajay Garg | 28,04,160 | 21,58,080 | | | | |
| | | | | | | |
| Brokerage Received | | | | | | |
| Moneywise Financial Services Private Ltd. | | | 62,225 | 21,06,966 | | |
| SMC ARC | | | 2,05,062 | - | | |
| | | | | | | |
| Income From Operation | | | | | | |
| Demat Charges | | | | | | |
| SMC Comtrade Limited | | | 67,42,927 | 36,81,479 | | |
| Moneywise Financial services Pvt Ltd | | | 4,619 | - | | |
| Sanlam Investment & Advisors (India) Ltd. | | | 1,112 | - | | |

(Amount in ₹)

| Particulars of Transactions | Key Management Personnel | | Companies where control exists | | Associate Companies | |
|---|--------------------------|---------------|--------------------------------|---------------|---------------------|---------------|
| | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| Commission on Fund Mobilization | | | | | | |
| SMC Capital Limited | | | 34,57,624 | 19,69,910 | | |
| Client Introduction Charges Paid | | | | | | |
| Sanlam Investments and Advisors (India) Ltd. | | | 1,55,93,706 | 28,88,826 | | |
| Net Reimbursement of expenses received | | | | | | |
| Sanlam Investments and Advisors (India) Ltd. | | | 90,01,383 | 7,37,045 | | |
| SMC ARC Limited | | | 14,00,858 | Nil | | |
| Sanlam Trustee Company (India) Limited | | | | | Nil | 5,11,461 |
| Sanlam Investment Management (India) Limited | | | | | Nil | 4,87,76,881 |

(Amount in ₹)

| Balance Outstanding | Receivable | | Payable | |
|--|--------------|---------------|--------------|---------------|
| | Current Year | Previous Year | Current Year | Previous Year |
| SMC ARC Ltd. | Nil | Nil | 7,36,131 | 1,24,97,450 |
| Sanlam Investments and Advisors (India) Ltd. | 33,837 | 40,41,448 | 8,37,340 | Nil |
| Moneywise Financial Service Pvt. Ltd. | 13,18,16,443 | 49,26,014 | Nil | Nil |
| SMC Capital Limited | Nil | Nil | 75,256 | Nil |
| SMC Comtrade Limited | 9,28,97,644 | 42,06,75,052 | Nil | Nil |
| Sanlam Investment Management (India) Limited | 3,672 | 1,14,39,704 | Nil | Nil |

Notes :

The Company being a broking concern, the transaction in the normal course of business has not been disclosed as the same have been transacted at prevailing market prices.

XII) EARNING PER SHARE

In accordance with AS-20 "Earning per Share", issued by the Institute of Chartered Accountants of India, the basic & diluted earning per share is being calculated as under:

(Amount in ₹)

| Particulars | Current Year | Previous Year |
|---|--------------|---------------|
| Net Profit (Loss) attributable to Equity Shareholders | 3,70,04,429 | 2,96,22,219 |
| Weighted Average No. of Equity Shares | | |
| - For basic EPS | 1,04,78,387 | 1,04,42,503 |
| - For Diluted EPS | 1,04,78,387 | 1,07,58,783 |
| Nominal Value per share | Rs. 10 | Rs. 10 |
| Basic EPS | 3.53 | 2.84 |
| Diluted EPS | 3.53 | 2.75 |

XIII) MANAGERIAL REMUNERATION

Managerial Remuneration under section 198 of the Companies Act, 1956 of India (including under Personnel Expenses in Schedule 11)

(Amount in ₹)

| Particulars | Current Year | Previous Year |
|--------------------|--------------|---------------|
| Sh. S. C. Aggarwal | 62,57,333 | 51,72,000 |
| Sh. M. C. Gupta | 62,57,333 | 51,72,000 |
| Sh. Rakesh Gupta | 41,89,667 | 29,33,489 |
| Sh. Pradeep Kumar | 41,66,258 | 26,71,277 |
| Sh. Anurag Bansal | 32,29,467 | 22,04,400 |
| Sh. Ajay Garg | 28,04,160 | 21,58,080 |

XIV) DEFERRED TAX

A. Component of net deferred tax assets/liability is as under:

(Amount in ₹)

| Particulars | Current Year | Previous Year |
|--|----------------------|----------------------|
| Deferred Tax Assets: | | |
| Provision for doubtful debts | 43,407 | 11,04,771 |
| Provision for gratuity | 62,44,716 | 59,15,505 |
| Deferred Revenue Expenditure | | |
| A | 62,88,123 | 70,20,276 |
| Deferred Tax Liabilities: | | |
| Difference in Depreciation | 1,94,53,615 | 2,17,56,573 |
| Deferred Revenue Expenditure | 32,55,762 | 66,13,257 |
| B | 2,27,09,377 | 2,83,69,830 |
| Net Deferred Tax Assets/(Liabilities) (A-B) | (1,64,21,254) | (2,13,49,544) |

B. The deferred tax Asset for the year of ₹ 49,28,290 has been recognized in the Profit & Loss Account.

XV) Based on the information available with the Company, there are no dues to Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2011. Further during the year the suppliers have been paid within the stipulated time period.

XVI) The company has taken a policy of gratuity fund from Reliance life insurance Company limited, and the details of gross liability, contributions, value of funds and provisions are as under:

(Amount in ₹)

| Particulars | Current Year | Previous Year |
|---|--------------|---------------|
| Gross Liability | 1,92,47,082 | 1,78,08,415 |
| Contribution | - | 5,00,000 |
| Value of funds | 39,95,551 | 41,88,438 |
| Provisions debited to Profit and Loss Account | 14,38,667 | 78,96,184 |

- XVII) Information pursuant to part IV of Schedule VI is attached and marked as Annexure A. comparable with those of the current year and the figures has been rounded of to the nearest rupee.
- XVIII) Statement of Stock in Trade as at the Balance sheet dated is annexed and marked as "Annexure - B" XX) Schedule 1 to 14 form an integral part of accounts, balance sheet and profit & loss account.
- XIX) Previous year's figures have been rearranged and re-grouped wherever found necessary to make

In terms of our Audit Report of even date attached

FOR ATUL & RAJINDER

F. R. N. : 005402N

CHARTERED ACCOUNTANTS

sd/-

RAJINDER MALHOTRA

PROPRIETOR

M. No. : F 083680

FOR AND ON BEHALF OF THE BOARD

sd/-

**S. C. AGGARWAL
(CHAIRMAN & MANAGING
DIRECTOR)**

sd/-

**MAHESH C. GUPTA
(VICE-CHAIRMAN & MANAGING
DIRECTOR)**

sd/-

**AJAY GARG
(DIRECTOR)**

sd/-

**SUMAN KUMAR
(COMPANY SECRETARY)**

PLACE : NEW DELHI

DATE : 30th MAY, 2011

"Annexure - A"

STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

| | | |
|------------|---|------------------------|
| I | Registration Details | |
| a | Registration No | 63609 |
| b | State Code | 55 |
| c | Balance Sheet Date | 31.03.2011 |
| II | Capital Raised During The Period | (Amt. in ₹ 000) |
| a | Public Issue | 0 |
| b | Rights Issue | 0 |
| c | Bonus Issue | 0 |
| d | Private Placement | 0 |
| III | Position of Mobilization & Deployment of funds | |
| a | Total Liabilities | 56,76,267 |
| b | Total Assets | 56,76,267 |
| c | Sources of Funds | |
| - | Paid up Capital | 1,04,784 |
| - | Convertible Equity Share Warrant | 0 |
| - | Reserves & Surplus | 41,02,455 |
| - | Secured Loans | 14,52,607 |
| - | Deferred Tax Liability | 16,421 |
| | TOTAL | 56,76,267 |
| d | Application of funds | |
| - | Net Fixed Assets | 3,07,681 |
| - | Investments | 15,74,977 |
| - | Net Current Assets | 37,83,574 |
| - | Deferred Revenue Expenditure | 10,035 |
| | TOTAL | 56,76,267 |
| IV | Performance of company | |
| a | Gross Turnover | 20,81,721 |

| | | |
|---|--|-----------|
| b | Total Expenditure | 20,20,020 |
| c | Profit before tax | 61,701 |
| d | Provision for tax (including Deferred Tax) | 22,440 |
| e | Profit after Tax | 39,261 |
| f | Prior Period (Income)/Expenses | 2,256 |
| g | Profit Available for Appropriation | 37,005 |
| h | Earning per share | 3.53 |
| | | |

V. Generic Name of three principal products/services of Co.

(As per monetary terms)

Product Description: Stock and Share Brokers

Item Code No. (ITC Code)

In terms of our Audit Report of even date attached

FOR ATUL & RAJINDER
F. R. N. : 005402N
CHARTERED ACCOUNTANTS

sd/-
RAJINDER MALHOTRA
PROPRIETOR
M. No. : F 083680

PLACE : NEW DELHI
DATE : 30.05.2011

FOR AND ON BEHALF OF THE BOARD

sd/-
S. C. AGGARWAL
(CHAIRMAN & MANAGING
DIRECTOR)

sd/-
AJAY GARG
(DIRECTOR)

sd/-
MAHESH C. GUPTA
(VICE-CHAIRMAN & MANAGING
DIRECTOR)

sd/-
SUMAN KUMAR
(COMPANY SECRETARY)

"Annexure - B"

(Amount in ₹)

| S.No. | Scrip Name | Year ended on 31-03-2011 | | Year ended on 31-03-2010 | |
|-------|--|--------------------------|------------------|--------------------------|------------------|
| | | Qty | Value(Amt. in ₹) | Qty | Value(Amt. in ₹) |
| 1 | ABB Ltd | - | - | 1,000 | 830,200 |
| 2 | HDFC Ltd | 35,500 | 24,810,950 | 18,595 | 50,445,446 |
| 3 | Bajaj Hindustan Ltd. | 10,000 | 712,000 | 12,825 | 1,739,711 |
| 4 | Century Textiles & Industries Ltd. | 500 | 175,025 | 34,768 | 17,696,912 |
| 5 | Bharat Earth Movers Ltd. | 3,000 | 2,056,800 | 1,875 | 1,972,594 |
| 6 | Bharat Electronics Ltd. | 1,034 | 1,735,828 | 554 | 1,213,509 |
| 7 | Bhushan Steel & Strips Ltd. | 2,000 | 875,700 | 43,000 | 72,224,950 |
| 8 | Cipla Ltd | 16,000 | 5,136,800 | 27,500 | 9,270,250 |
| 9 | Crompton Greaves Ltd. | - | - | 3,500 | 913,850 |
| 10 | Dabur India Ltd | - | - | 10,800 | 1,712,880 |
| 11 | Bharat Heavy Electricals Ltd. | 7,096 | 14,623,792 | 6,150 | 14,670,518 |
| 12 | Hindustan Petroleum Corporation Ltd. | 1,000 | 356,950 | 2,600 | 827,970 |
| 13 | IFCI Ltd | 52,000 | 2,737,800 | 15,760 | 785,636 |
| 14 | Reliance Capital Ltd. | 9,076 | 5,276,333 | 66,540 | 50,214,411 |
| 15 | State Bank of India | 28,443 | 78,727,380 | 28,382 | 59,006,178 |
| 16 | SAIL | 26,485 | 4,495,829 | 14,635 | 3,685,093 |
| 17 | Titan Industries Ltd. | 3,625 | 13,814,331 | 412 | 758,451 |
| 18 | Dr Reddys Laboratories Ltd. | 6,227 | 10,203,251 | 800 | 1,021,440 |
| 19 | Essar Oil Ltd | 22,450 | 2,795,025 | 19,768 | 2,734,903 |
| 20 | GTL Ltd | - | - | 100 | 41,055 |
| 21 | Godrej Industries Ltd. | - | - | 1,300 | 182,390 |
| 22 | HDFC Bank Ltd. | 13,197 | 30,919,911 | 21,922 | 42,364,265 |
| 23 | Hero Honda Motors Ltd. | 2,625 | 4,164,694 | 3,600 | 6,993,180 |
| 24 | Hindustan Oil Exploration Company Ltd. | 15,267 | 3,066,377 | 5,267 | 1,208,250 |
| 25 | Hindustan Zinc Ltd. | 40,000 | 5,502,000 | 10,500 | 12,633,075 |
| 26 | Infosys Technologies Ltd. | 15,625 | 50,574,219 | 36,650 | 95,843,415 |
| 27 | JCT Electronics Ltd. | 16,000 | 23,520 | 16,000 | 30,240 |
| 28 | JSW Steel Ltd. | 21,000 | 19,242,300 | 107,944 | 133,407,990 |
| 29 | Kotak Mahindra Bank Ltd. | 7,000 | 3,197,950 | 32,450 | 24,306,673 |
| 30 | LIC Housing Finance Ltd. | 42,000 | 9,468,900 | 6,750 | 5,886,000 |
| 31 | Lupin Ltd | 4 | 1,661 | 700 | 1,137,185 |
| 32 | Sesa Goa Ltd | 12,000 | 3,484,800 | 1,520 | 716,072 |
| 33 | Grasim Industries Ltd. | 1,750 | 4,307,188 | 1,232 | 3,466,540 |
| 34 | Oil & Natural Gas Corporation Ltd. | 95,000 | 27,559,500 | 22,050 | 24,221,925 |
| 35 | Oriental Bank of Commerce | 3,500 | 1,354,325 | 13,200 | 4,235,220 |
| 36 | Orkay Silk | 23,450 | - | 23,450 | - |
| 37 | Padmini Technologies Ltd. | 50 | - | 50 | - |
| 38 | Reliance Industries Ltd. | 24,783 | 25,967,627 | 128,654 | 138,258,021 |

(Amount in ₹)

| S.No. | Scrip Name | Year ended on 31-03-2011 | | Year ended on 31-03-2010 | |
|-------|--------------------------------------|--------------------------|------------------|--------------------------|------------------|
| | | Qty | Value(Amt. in ₹) | Qty | Value(Amt. in ₹) |
| 39 | Peacock Industries Ltd. | 200 | 532 | 200 | 572 |
| 40 | Ranbaxy Laboratories Ltd. | 500 | 222,025 | 24,800 | 11,777,520 |
| 41 | Rolta India Ltd | 10,000 | 1,388,000 | 5,570 | 998,423 |
| 42 | Jindal Saw Ltd | 14,000 | 2,858,800 | 80,000 | 16,984,000 |
| 43 | Reliance Infrastructure Ltd. | 2,250 | 1,547,550 | 80,339 | 80,206,441 |
| 44 | Tata Power Company Ltd. | 1,701 | 2,262,925 | 2,000 | 2,745,200 |
| 45 | ACC Ltd | 2,250 | 2,419,200 | 13,933 | 13,242,620 |
| 46 | Hindalco Industries Ltd | 22,005 | 4,591,343 | 21,113 | 3,836,232 |
| 47 | Tata Steel Ltd. | 8,801 | 5,461,021 | 5,649 | 3,573,840 |
| 48 | Tata Communications Ltd. | 23,811 | 5,688,448 | 33,070 | 9,272,828 |
| 49 | Larsen & Toubro Ltd. | 15,948 | 26,366,031 | 38,048 | 61,879,365 |
| 50 | Mahindra & Mahindra Ltd. | 32,000 | 22,355,200 | 2,496 | 1,360,819 |
| 51 | Bosch Ltd | - | - | 300 | 1,440,180 |
| 52 | Siemens Ltd | - | - | 3,009 | 2,228,315 |
| 53 | Tata Motors Ltd | 500 | 623,750 | 250 | 188,925 |
| 54 | Voltas Ltd | - | - | 2,700 | 478,710 |
| 55 | Hindustan Unilever Ltd. | 1 | 285 | 1 | 239 |
| 56 | Indian Hotels Company Ltd. | 1,513 | 127,395 | 5,311 | 544,643 |
| 57 | ITC Ltd | 51,000 | 9,253,950 | 6,750 | 1,776,263 |
| 58 | Apollo Tyres Ltd. | - | - | 17,000 | 1,206,150 |
| 59 | Sterlite Industries India Ltd. | 54,000 | 9,363,600 | 17,081 | 14,476,148 |
| 60 | Zee Entertainment Enterprises Ltd. | 1,270 | 157,099 | 635 | 170,561 |
| 61 | Gabriel India Ltd. | 15,000 | 621,750 | 15,000 | 543,000 |
| 62 | Wipro Ltd. | 22,000 | 10,522,600 | 2,142 | 1,513,966 |
| 63 | Unitech Ltd. | 19,650 | 794,843 | 91,650 | 6,727,110 |
| 64 | Vatsa Corp Ltd. | 1,000 | - | 1,000 | - |
| 65 | Jai Rapid Roller Ltd. | 100 | - | 100 | - |
| 66 | Financial Technologies India Ltd. | 250 | 216,725 | 50 | 78,488 |
| 67 | India Cements Ltd. | 12,000 | 1,147,200 | 11,600 | 1,528,880 |
| 68 | Laurel Organics Ltd. | 100 | - | 100 | - |
| 69 | Aftek Ltd. | 20,902 | 257,931 | 20,902 | 346,973 |
| 70 | IVRCL Infrastructures & Project Ltd. | 6,000 | 489,600 | 6,002 | 992,731 |
| 71 | Indian Oil Corporation Ltd. | 2,000 | 668,500 | 8,400 | 2,492,700 |
| 72 | Manna Glass Tech Industries Ltd. | 10,000 | - | 10,000 | - |
| 73 | Khandwala Securities Ltd. | 319,499 | 5,862,807 | 402,416 | 9,255,568 |
| 74 | Dena Bank | 30,000 | 3,127,500 | 10,500 | 823,725 |
| 75 | Welspun Corp Ltd. | 18,938 | 3,908,803 | 69,338 | 18,946,609 |

(Amount in ₹)

| S.No. | Scrip Name | Year ended on 31-03-2011 | | Year ended on 31-03-2010 | |
|-------|---|--------------------------|------------------|--------------------------|------------------|
| | | Qty | Value(Amt. in ₹) | Qty | Value(Amt. in ₹) |
| 76 | Bank of India | 500 | 239,050 | 7,600 | 2,589,700 |
| 77 | Gail India Ltd | 41,130 | 19,125,450 | 12,405 | 5,083,569 |
| 78 | ICICI Bank Ltd | 21,000 | 23,367,750 | 22,400 | 21,340,480 |
| 79 | Gayatri Sugars Ltd. | 113,350 | 338,917 | 113,350 | 479,471 |
| 80 | AXIS Bank Ltd | 21,500 | 30,178,475 | 65,200 | 76,225,320 |
| 81 | Polaris Software Lab Ltd. | 22,000 | 4,154,700 | 19,600 | 3,223,220 |
| 82 | HCL Technologies Ltd. | 500 | 238,250 | 3,300 | 1,180,740 |
| 83 | Jindal Steel & Power Ltd. | 21,500 | 15,019,900 | 62,400 | 43,820,400 |
| 84 | BLB Ltd | 76,159 | 740,265 | 28,537 | 372,408 |
| 85 | Television Eighteen India Ltd. | - | - | 29,902 | 2,259,096 |
| 86 | HB Portfolio Ltd. | 100 | 3,120 | 100 | 4,530 |
| 87 | Triveni Engineering & Industries Ltd. | 2,000 | 192,000 | 15,403 | 2,104,820 |
| 88 | Opto Circuits India Ltd. | 3,000 | 827,250 | 2,040 | 442,476 |
| 89 | Reliance MediaWorks Ltd. | 24,100 | 3,635,485 | 5,400 | 1,167,210 |
| 90 | United Spirits Ltd. | 2,500 | 2,626,375 | 9,500 | 12,558,050 |
| 91 | Solvay Pharma India Ltd. | - | - | 1,000 | 2,891,000 |
| 92 | Punjab National Bank | 550 | 671,083 | 10,800 | 10,945,260 |
| 93 | Oracle Financial Service Software Ltd. | 250 | 496,025 | 90 | 207,045 |
| 94 | Canara Bank | 24,026 | 15,043,880 | 8,799 | 3,610,670 |
| 95 | Divis Laboratories Ltd. | 141 | 95,302 | 4,960 | 3,368,088 |
| 96 | Maruti Suzuki India Ltd. | 6,999 | 8,843,586 | 33,200 | 47,016,180 |
| 97 | Patni Computer System Ltd. | - | - | 9,363 | 5,010,609 |
| 98 | Biocon Ltd | 4,000 | 1,375,800 | 34,200 | 9,724,770 |
| 99 | Jaiprakash Associates Ltd. | 18,046 | 1,669,255 | 116,517 | 17,436,769 |
| 100 | Tata Consultancy Services Ltd. | 41,750 | 49,369,375 | 189,006 | 147,575,885 |
| 101 | National Thermal Power Corporation Ltd. | 22,000 | 4,246,000 | 17,875 | 3,700,125 |
| 102 | Deccan Chronicle Holding Ltd. | 12,000 | 963,000 | 3,400 | 524,110 |
| 103 | Jaiprakash Power Ventures Ltd. | 4 | 169 | 4 | 270 |
| 104 | India Infoline Ltd. | - | - | 22,496 | 2,565,669 |
| 105 | Mcleod Russel India Ltd. | 3,000 | 756,600 | 2 | 542 |
| 106 | IDFC Ltd. | 68,000 | 10,529,800 | 129,800 | 20,910,780 |
| 107 | Suzlon Energy Ltd. | 4,000 | 178,600 | 129,000 | 9,275,100 |
| 108 | Shree Renuka Sugars Ltd. | 48,000 | 3,340,800 | 55,000 | 3,921,500 |
| 109 | Tulip IT Services Ltd. | 4,000 | 563,200 | 1,500 | 1,259,400 |
| 110 | Punj Lloyd Ltd. | 14,100 | 912,270 | 84,100 | 14,919,340 |
| 111 | Educomp Solutions Ltd. | 10,600 | 4,457,300 | 100 | 74,785 |
| 112 | Gujarat State Petronet Ltd. | - | - | 6,100 | 533,750 |
| 113 | GVK Power & Infrastructure Ltd. | 400 | 10,380 | 400 | 17,920 |
| 114 | Reliance Natural Resources Ltd. | - | - | 46,638 | 2,903,216 |

(Amount in ₹)

| S.No. | Scrip Name | Year ended on 31-03-2011 | | Year ended on 31-03-2010 | |
|-------|--|--------------------------|------------------|--------------------------|------------------|
| | | Qty | Value(Amt. in ₹) | Qty | Value(Amt. in ₹) |
| 115 | Reliance Communication Ltd. | 33,000 | 3,554,100 | 32,200 | 5,496,540 |
| 116 | GMR Infrastructure Ltd. | 4,000 | 162,800 | 5,000 | 313,500 |
| 117 | Tech Mahindra Ltd. | 545 | 368,338 | 17,620 | 15,038,670 |
| 118 | Lanco Infratech Ltd. | 56,000 | 2,220,400 | 51,623 | 2,699,883 |
| 119 | Great Offshore Ltd. | - | - | 8,000 | 3,273,200 |
| 120 | Cairn India Ltd | 148,000 | 51,985,000 | 38,750 | 11,830,375 |
| 121 | Power Finance Corporation Ltd. | 4,001 | 1,001,250 | 2,400 | 619,800 |
| 122 | Idea Cellular Ltd. | 75,000 | 5,062,500 | 35,100 | 2,297,295 |
| 123 | Indiabulls Real Estate Ltd. | 10,000 | 1,244,500 | 6,500 | 991,250 |
| 124 | Fortis Healthcare Ltd. | 6,468 | 978,285 | 11,934 | 2,186,309 |
| 125 | DLF Ltd | - | - | 57,600 | 17,792,640 |
| 126 | Housing Development & Infrastrucure Ltd. | 17,400 | 3,056,310 | 100,625 | 28,798,875 |
| 127 | Mundra Port & Special Economic Zone Ltd. | 9,999 | 1,364,364 | 300 | 237,075 |
| 128 | Reliance Power Ltd. | 6,037 | 782,999 | 37,999 | 5,680,851 |
| 129 | Som Datt Finance Corporation Ltd. | 4,100 | 36,080 | 4,100 | 38,499 |
| 130 | Sterling Biotech Ltd. | - | - | 2,500 | 269,875 |
| 131 | Western India Industries Ltd. | 50 | - | 50 | - |
| 132 | Dewan Steel Ltd. | 3,100 | - | 3,100 | - |
| 133 | Neyveli Lignite Corporation Ltd. | - | - | 4,425 | 640,961 |
| 134 | Halonix Ltd. | - | - | 81,025 | 6,611,640 |
| 135 | Amtek Auto Ltd | 8,150 | 1,229,835 | 8,150 | 1,581,100 |
| 136 | Areva T&D India Ltd. | - | - | 2,250 | 685,575 |
| 137 | Aban Offshore Ltd. | 12,000 | 7,393,800 | 1,215 | 1,415,657 |
| 138 | Speciality Petrolubes Ltd. | 100 | - | 100 | - |
| 139 | Orchid Chemicals & Pharmaceuticals Ltd. | 42,000 | 12,618,900 | 21,000 | 3,239,250 |
| 140 | Mphasis Ltd | 12,530 | 5,206,842 | 3,415 | 2,118,495 |
| 141 | Bombay Rayon Fashions Ltd. | 3,000 | 778,200 | 5,750 | 1,244,300 |
| 142 | CESC Ltd | 1,500 | 466,575 | - | - |
| 143 | Chennai Petroleum Corporation Ltd. | 2,000 | 446,000 | - | - |
| 144 | IDBI Ltd. | 104,000 | 14,814,800 | - | - |
| 145 | Jain Irrigation Systems Ltd. | 2,500 | 446,375 | - | - |
| 146 | Max India Ltd | 8,000 | 1,277,200 | - | - |
| 147 | Nagarjuna Construction Company Ltd. | 12,000 | 1,214,400 | - | - |
| 148 | Piramal Healthcare Ltd. | 42,650 | 17,780,785 | - | - |
| 149 | Aditya Birla Nuvo Ltd. | 750 | 610,538 | - | - |
| 150 | Ispat Industries Ltd. | 20,000 | 446,000 | - | - |
| 151 | Ruchi Soya Industries Ltd. | 24,000 | 2,541,600 | - | - |
| 152 | Sundram Fasteners Ltd. | 5,000 | 255,250 | - | - |

(Amount in ₹)

| S.No. | Scrip Name | Year ended on 31-03-2011 | | Year ended on 31-03-2010 | |
|-------|---------------------------------------|--------------------------|------------------|--------------------------|------------------|
| | | Qty | Value(Amt. in ₹) | Qty | Value(Amt. in ₹) |
| 153 | Federal Bank Ltd. | 1,999 | 837,381 | - | - |
| 154 | Ashok Leyland Ltd. | 16,000 | 910,400 | - | - |
| 155 | Escorts Ltd. | 3,000 | 424,050 | - | - |
| 156 | Great Eastern Shipping Company Ltd. | 3,000 | 788,400 | - | - |
| 157 | Tata Chemicals Ltd. | 500 | 169,175 | - | - |
| 158 | Asian Paints Ltd. | 1,500 | 3,790,425 | - | - |
| 159 | Mangalam Cement Ltd. | 10,000 | 1,120,500 | - | - |
| 160 | Orient Abrasives Ltd. | 75,000 | 2,775,000 | - | - |
| 161 | United Phosphorus Ltd. | 2,000 | 300,800 | - | - |
| 162 | Adani Enterprises Ltd. | 8,445 | 5,582,145 | - | - |
| 163 | S.Kumars Nationwide Ltd. | 4,000 | 219,000 | - | - |
| 164 | Murudeshwar Ceramics Ltd. | 452 | 8,317 | - | - |
| 165 | Havells India Ltd. | 8,000 | 2,969,200 | - | - |
| 166 | Bharat Petroleum Corporation Ltd. | 14,500 | 8,863,850 | - | - |
| 167 | Alok Industries Ltd. | 10,000 | 221,500 | - | - |
| 168 | Shipping Corporation of India Ltd. | 8,000 | 863,200 | - | - |
| 169 | Sintex Industries Ltd. | 2,000 | 303,200 | - | - |
| 170 | Aurobindo Pharma Ltd. | 3,750 | 734,625 | - | - |
| 171 | NMDC Ltd. | 4,000 | 1,133,800 | - | - |
| 172 | Moongipa Capital Finance Ltd. | 100 | 3,665 | - | - |
| 173 | Patel Engineering Ltd. | 2,000 | 280,700 | - | - |
| 174 | Hexaware Technologies Ltd. | 32,000 | 2,110,400 | - | - |
| 175 | Bank of Baroda | 8,000 | 7,705,200 | - | - |
| 176 | Indusind Bank Ltd. | 18,000 | 4,746,600 | - | - |
| 177 | Kale Consultants Ltd. | 15,000 | 1,420,500 | - | - |
| 178 | Alstom Projects India Ltd. | 500 | 293,375 | - | - |
| 179 | TVS Motor Company Ltd. | 16,000 | 960,000 | - | - |
| 180 | Sterlite Technologies Ltd. | 4,000 | 233,800 | - | - |
| 181 | Indian Overseas Ltd. | 6,000 | 861,600 | - | - |
| 182 | Vijaya Bank | 20,000 | 1,587,000 | - | - |
| 183 | Pantaloon Retail India Ltd | 26,500 | 6,868,800 | - | - |
| 184 | Andhra Bank | 14,000 | 2,113,300 | - | - |
| 185 | Bata India Ltd | 4,000 | 1,561,400 | - | - |
| 186 | Nagarjuna Fertilizers & Chemicals Ltd | 8,000 | 225,600 | - | - |
| 187 | Bajaj Auto Ltd. | 4,750 | 6,934,050 | 5,800 | 11,664,380 |
| 188 | NHPC Ltd. | 200,000 | 5,070,000 | 200,000 | 6,100,000 |
| 189 | Reliance Media Ltd. | - | - | 7,197 | 470,684 |
| 190 | The Karnataka Bank Limited | 4,886 | 525,245 | 556 | - |
| 191 | FORTISWARR | - | - | 234 | 10,174 |

(Amount in ₹)

| S.No. | Scrip Name | Year ended on 31-03-2011 | | Year ended on 31-03-2010 | |
|-------|--|--------------------------|----------------------|--------------------------|----------------------|
| | | Qty | Value(Amt. in ₹) | Qty | Value(Amt. in ₹) |
| 192 | ARCH PHARMA | 1 | - | 1 | - |
| 193 | Gujarat Ambuja Exports Ltd. | 100 | - | 100 | - |
| 194 | Reliance Enterprises Ltd. | 15 | - | 15 | - |
| 195 | Shyam Telelink Ltd. | 35,730 | - | 35,730 | - |
| 196 | SRF (DEB) | 50 | - | 50 | - |
| 197 | Srishti Videocorp Ltd. | 1,200 | - | 1,200 | - |
| 198 | Shri Dewan Steels Ltd. | 100 | - | 100 | - |
| 199 | Bombay Dyeing & Manu. Company Ltd. | 2,500 | 915,750 | - | - |
| 200 | Bharti AirTel Ltd. | 20,000 | 7,150,000 | - | - |
| 201 | UCO Bank Ltd | 8,000 | 856,800 | - | - |
| 202 | Indraprastha Gas Ltd. | 5,000 | 1,492,500 | - | - |
| 203 | PTC India Ltd | 2,000 | 166,600 | - | - |
| 204 | Jet Airways India Ltd. | 5,000 | 2,235,750 | - | - |
| 205 | 3 I INFOTECH | 8,000 | 350,400 | - | - |
| 206 | Yes Bank Ltd | 59,000 | 18,284,100 | - | - |
| 207 | ABG Shipyard Ltd. | 3,992 | 1,444,904 | - | - |
| 208 | Everest Kanto Cylinder Ltd. | 6,000 | 465,300 | - | - |
| 209 | DCB Ltd. | 12,000 | 550,200 | - | - |
| 210 | Indian Bank | 4,000 | 929,800 | - | - |
| 211 | MIC Electronics Ltd. | 50,001 | 1,202,524 | - | - |
| 212 | BGR Energy Systems Ltd. | 2,250 | 1,073,588 | - | - |
| 213 | Power Grid Corporation Ltd. | 28,000 | 2,850,400 | - | - |
| 214 | OnMobile Global Ltd. | 17,000 | 4,145,450 | - | - |
| 215 | IRB Infrastructure Ltd. | 3,000 | 634,950 | - | - |
| 216 | Rural Electrification Corporation Ltd. | 21,000 | 5,337,150 | - | - |
| 217 | Adani Power Ltd. | 6,000 | 676,800 | - | - |
| 218 | Pipavav Shipyard Ltd | 31,400 | 2,480,600 | - | - |
| 219 | Surya Roshni Ltd | 9,323 | 893,143 | - | - |
| 220 | SJVN Ltd. | 2,478,610 | 54,777,281 | - | - |
| 221 | Zee Learn Ltd. | 158 | 3,674 | - | - |
| 222 | Tata Motors Ltd. | 2,000 | 1,391,000 | - | - |
| 223 | Petronet LNG Ltd. | 4,000 | 485,400 | - | - |
| 224 | SREI Infrastructure Ltd. | 10,800 | 480,060 | - | - |
| 225 | India Glycols Ltd. | - | - | - | - |
| 226 | Sun Pharmaceutical Industries Ltd. | 15,625 | 6,903,125 | - | - |
| | Total | 5,997,698 | 1,016,921,064 | 3,847,459 | 1,672,885,260 |





Elevate
To Level Next.



Auditors' Report

CONSOLIDATED FINANCIAL STATEMENTS OF SMC GLOBAL SECURITIES LIMITED

To,

THE BOARD OF DIRECTORS OF SMC GLOBAL SECURITIES LIMITED

1. We have audited the attached consolidated balance sheet of SMC Global Securities Limited (the "Company") and its subsidiaries, hereinafter referred to as the "Group" (refer Note 1 of Schedule 14B to the attached consolidated financial statements) as at March 31, 2011, the related consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of four subsidiaries and one step down subsidiary included in the consolidated financial statements, which constitute total assets of ₹ 1,14,62,58,805 and net assets of ₹ 90,71,00,321 as at March 31, 2011, total revenue (including other income) of ₹ 17,12,71,732 net loss of ₹ 25,99,76,601 and net cash inflows amounting to ₹ 19,92,17,304 for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.
4. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21-Consolidated Financial Statements, notified under sub-section 3C of Section 211 of the Companies Act, 1956.
5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to above, and to the best of our information and according to the explanations given to us, in our opinion, the attached consolidated financial statements subject to para 4 above give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2011;
- (b) in the case of the consolidated Profit and Loss Account, of the loss of the Group for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

**FOR ATUL & RAJINDER
F. R. N.: 005402N
CHARTERED ACCOUNTANTS**

**sd/-
RAJINDER MALHOTRA
PROPRIETOR
M. NO. : F 083680**

**PLACE : NEW DELHI
DATE : 30.05.2011**

Consolidated Balance Sheet

(Amount in ₹)

| DESCRIPTIONS | SCHEDULE | AS AT 31.03.2011 | AS AT 31.03.2010 |
|---|--------------|----------------------|----------------------|
| SOURCES OF FUNDS: | | | |
| SHAREHOLDERS' FUNDS | | | |
| Share capital | 1 | 104,783,870 | 104,783,870 |
| Share Application Money | | 6,000,000 | 10,536,000 |
| Convertible Equity Share Warrant (Refer Note No V of Schedule 14B) | | - | 123,998,200 |
| Reserves and Surplus | 2 | 3,932,532,813 | 3,959,547,865 |
| LOAN FUNDS | | | |
| Secured Loans | 3 | 1,456,088,517 | 1,023,854,811 |
| MINORITY INTEREST | | 142,696,242 | 264,865,014 |
| | TOTAL | 5,642,101,442 | 5,487,585,760 |
| APPLICATION OF FUNDS: | | | |
| FIXED ASSETS | | | |
| Gross Block | 4 | 777,762,023 | 707,204,389 |
| Less: Depreciation | | 327,319,710 | 230,120,589 |
| NET BLOCK | | 450,442,313 | 477,083,800 |
| DEFERRED TAX ASSETS | | 107,967,154 | 99,601,902 |
| INVESTMENTS | 5 | 431,176,464 | 615,234,111 |

(Amount in ₹)

| DESCRIPTIONS | SCHEDULE | AS AT 31.03.2011 | AS AT 31.03.2010 |
|---|--------------|----------------------|----------------------|
| CURRENT ASSETS, LOANS & ADVANCES | 6 | | |
| Inventories | | 1,297,194,436 | 2,203,871,070 |
| Sundry Debtors | | 1,417,050,410 | 1,467,553,099 |
| Cash & Bank Balance | | 2,229,306,762 | 1,409,208,374 |
| Loans and Advances | | 2,439,904,435 | 1,723,145,740 |
| | | 7,383,456,043 | 6,803,778,283 |
| Less: Current Liabilities and Provisions | 7 | 2,741,149,773 | 2,528,617,511 |
| NET CURRENT ASSETS | | 4,642,306,270 | 4,275,160,772 |
| DEFERRED REVENUE EXPENDITURE | | 10,209,241 | 20,505,175 |
| | TOTAL | 5,642,101,442 | 5,487,585,760 |

Significant Accounting Policies and Notes on Accounts 14

In terms of our Audit Report of even date attached

FOR ATUL & RAJINDER

F. R. N. : 005402N

CHARTERED ACCOUNTANTS

sd/-
RAJINDER MALHOTRA
 PROPRIETOR
 M. No. : F 083680

FOR AND ON BEHALF OF THE BOARD

sd/-
S. C. AGGARWAL
 (CHAIRMAN & MANAGING
 DIRECTOR)

sd/-
MAHESH C. GUPTA
 (VICE-CHAIRMAN & MANAGING
 DIRECTOR)

sd/-
AJAY GARG
 (DIRECTOR)

sd/-
SUMAN KUMAR
 (COMPANY SECRETARY)

PLACE : NEW DELHI
 DATE : 30th MAY, 2011

Consolidated Profit & Loss Account

FOR THE YEAR ENDED ON 31st MARCH, 2011

(Amount in ₹)

| DESCRIPTIONS | SCHEDULE | FOR THE YEAR ENDED 31.03.2011 | FOR THE YEAR ENDED 31.03.2010 |
|---|--------------|----------------------------------|----------------------------------|
| INCOME | | | |
| Income from operations | 8 | 2,817,507,804 | 2,574,555,282 |
| Other Income | 9 | 157,850,115 | 88,169,465 |
| | TOTAL | 2,975,357,919 | 2,662,724,747 |
| EXPENDITURE | | | |
| Exchanges and Other Operating Expenses | 10 | 1,097,149,851 | 1,218,858,288 |
| Personnel Expenses | 11 | 1,117,042,690 | 905,673,094 |
| Interest and Bank Charges | 12 | 187,866,402 | 99,143,813 |
| Administration and Other General Expenses | 13 | 699,805,236 | 553,445,329 |
| Depreciation | 4 | 103,452,617 | 97,050,814 |
| Deferred Revenue Expenditure Written Off | | 10,295,934 | 10,136,144 |
| | TOTAL | 3,215,612,730 | 2,884,307,482 |
| Net Loss for the year | | (240,254,811) | (221,582,735) |
| Less : Provision for Taxation | | | |
| Current Tax | | 38,624,886 | 30,373,081 |
| Deferred Tax | | (39,468,522) | (81,473,983) |
| Wealth Tax | | 40,501 | 33,443 |
| Net Loss after Tax | | (239,451,676) | (170,515,276) |

(Amount in ₹)

| DESCRIPTIONS | SCHEDULE | FOR THE YEAR ENDED 31.03.2011 | FOR THE YEAR ENDED 31.03.2010 |
|---|--------------|----------------------------------|----------------------------------|
| Less: Adjustment for prior period Taxes | | 33,589,275 | 1,465,084 |
| Less: Adjustment for prior period expenses/(income) | | (49,133) | 457,390 |
| Net Loss available for appropriations | | (272,991,818) | (172,437,750) |
| APPROPRIATIONS : | | | |
| Minority Interest | | (122,168,771) | (19,075,760) |
| Amount transferred to Statutory Reserve | | 678,579 | - |
| Balance Carried to Balance Sheet | | (151,501,626) | (153,361,990) |
| | TOTAL | (272,991,818) | (172,437,750) |
| EARNING PER SHARE (₹) | | | |
| Basic Earning per Equity share | | (14.46) | (14.69) |
| Diluted Earning Per Equity Share | | (14.46) | (14.25) |

Significant Accounting Policies and Notes on Accounts 14

In terms of our Audit Report of even date attached

FOR ATUL & RAJINDER
F. R. N. : 005402N
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

sd/-
RAJINDER MALHOTRA
PROPRIETOR
M. No. : F 083680

sd/-
S. C. AGGARWAL
(CHAIRMAN & MANAGING
DIRECTOR)

sd/-
MAHESH C. GUPTA
(VICE-CHAIRMAN & MANAGING
DIRECTOR)

sd/-
AJAY GARG
(DIRECTOR)

sd/-
SUMAN KUMAR
(COMPANY SECRETARY)

PLACE : NEW DELHI
DATE : 30.05.2011

Consolidated Cash Flow Statement

FOR THE YEAR ENDED ON 31st MARCH, 2011

(Amount in ₹)

| DESCRIPTIONS | FOR THE YEAR ENDED 31.03.2011 | FOR THE YEAR ENDED 31.03.2010 |
|--|----------------------------------|----------------------------------|
| A Cash Flow From Operational Activities: | | |
| Loss before Tax | (240,254,811) | (221,582,735) |
| Add: | | |
| Depreciation | 103,452,617 | 97,050,814 |
| Deferred revenue expenses written off | 10,295,934 | 10,136,144 |
| Minority Interest | 122,168,771 | 19,075,760 |
| Provision for Doubtful Debts | 18,781,885 | 7,076,154 |
| Interest Expenses | 158,062,110 | 77,420,938 |
| Provision for Gratuity | 3,951,972 | 9,485,623 |
| Prior period Income/(Expenses) | 49,133 | (457,390) |
| Less: | | |
| Interest Income | 94,028,388 | 55,075,967 |
| Operating Profit before Working Capital Changes | 82,479,223 | (56,870,659) |
| Adjustments for : | | |
| Change in Stock in Trade | 906,676,634 | (1,146,969,252) |
| Change in Sundry Debtors | 31,720,804 | 551,831,910 |
| Change in Loans and Advances | (716,758,695) | (2,082,471) |
| Change In Deferred Tax Asset | (8,365,252) | (81,994,957) |
| Change In Current Liabilities | 208,580,290 | (282,158,134) |
| Cash Generated from Operations | 421,853,781 | (961,372,904) |
| Direct Taxes Paid (net of refunds) | (32,786,140) | 49,602,374 |
| Net Cash Used in Operating Activities | 471,546,864 | (968,641,189) |
| B Cash Flow from Investing Activities: | | |
| Purchase of Fixed Assets (net basis) | (76,811,131) | (222,109,523) |
| Interest received | 94,028,388 | 55,075,967 |
| Foreign Currency Fluctuation Reserve | (190,205) | (3,687,376) |
| Change in Capital Reserve on consolidation | - | 34,012,687 |

(Amount in ₹)

| DESCRIPTIONS | FOR THE YEAR ENDED 31.03.2011 | FOR THE YEAR ENDED 31.03.2010 |
|--|-------------------------------|-------------------------------|
| (Increase)/decrease in Investments | 184,057,647 | (482,446,968) |
| Net Cash Used in Investing Activities | 201,084,699 | (619,155,213) |
| C Cash Flow From Financing Activities: | | |
| Proceeds from Issue of Share Capital (including premium) | - | 434,000,683 |
| Proceed from share application money | (4,536,000) | 10,536,000 |
| Interest on Secured Loans | (158,062,110) | (77,420,938) |
| Proceeds from Secured Loan from Banks (Net) | 432,233,706 | 734,764,675 |
| Change in Minority Interest | (122,168,771) | 223,219,850 |
| Net Cash From Financing Activities | 147,466,825 | 1,325,100,270 |
| Net Increase in cash and cash Equivalents (A+B+C) | 820,098,388 | (262,696,132) |
| Cash and Cash Equivalent at the beginning of the year | 1,409,208,374 | 1,671,904,506 |

Notes :

- The above Cash flow statement has been prepared under the indirect method setout in AS-3 issued by the Institute of Chartered Accountants of India.
- Cash and cash equivalents at the end of the year include ₹ 19,223.61 lacs (Previous Year : ₹ 11,168.68 lacs) held as fixed deposits with scheduled banks which have been pledged with the banks and/or with the exchanges/clearing corporation and/or sales tax and other authorities. Refer Note No. VII on Schedule 14 B.
- The significant accounting policies and notes to the accounts - Schedule 14 forms an integral part of the Cash Flow Statement.
- Previous year figures have been regrouped and recast wherever necessary to confirm to the current year classification.

In terms of our Audit Report of even date attached

FOR ATUL & RAJINDER
F. R. N. : 005402N
CHARTERED ACCOUNTANTS

sd/-
RAJINDER MALHOTRA
PROPRIETOR
M. No. : F 083680

FOR AND ON BEHALF OF THE BOARD

sd/-
S. C. AGGARWAL
(CHAIRMAN & MANAGING
DIRECTOR)

sd/-
AJAY GARG
(DIRECTOR)

sd/-
MAHESH C. GUPTA
(VICE-CHAIRMAN & MANAGING
DIRECTOR)

sd/-
SUMAN KUMAR
(COMPANY SECRETARY)

PLACE : NEW DELHI
DATE : 30.05.2011

Schedule - 1

SHARE CAPITAL

(Amount in ₹)

| DESCRIPTIONS | AS AT 31.03.2011 | AS AT 31.03.2010 |
|---|--------------------|--------------------|
| AUTHORISED | | |
| 28,010,000 Equity Shares of ₹ 10/- each (Previous Year 28,010,000 Equity Shares of ₹ 10/- each) | 280,100,000 | 280,100,000 |
| 50,00,000 Preference Shares of ₹ 10/- each (Previous Year 50,00,000 Preference Shares of ₹ 10/- each) | 50,000,000 | 50,000,000 |
| | 330,100,000 | 330,100,000 |
| ISSUED, SUBSCRIBED AND PAID UP: | | |
| 10,478,387 equity shares (Previous year 10,478,387 equity shares) of ₹ 10/- each fully paid up in cash | 104,783,870 | 104,783,870 |
| TOTAL | 104,783,870 | 104,783,870 |

Schedule - 2

RESERVE AND SURPLUS

(Amount in ₹)

| DESCRIPTIONS | AS AT 31.03.2011 | AS AT 31.03.2010 |
|--|----------------------|----------------------|
| CAPITAL RESERVE | | |
| On Consolidation: | | |
| As per last year | 249,494,642 | 215,481,955 |
| Adjustment during the Year | - | 34,012,687 |
| On Amalgamation: | | |
| As per last year | 104,102,620 | 104,102,620 |
| On Forfeiture: | | |
| Addition during the Year # | 123,998,200 | - |
| Sub Total | 477,595,462 | 353,597,262 |
| RESERVE FUND U/S 45-IC OF RBI ACT, 1934 | | |
| As per last year | 75,909 | 75,909 |
| Addition during the Year | 678,579 | - |
| Sub Total | 754,488 | 75,909 |
| SHARE PREMIUM ACCOUNT | | |
| As Per last Balance Sheet | 2,687,885,503 | 2,378,993,030 |
| Amount received during the year | - | 308,892,473 |
| Sub Total | 2,687,885,503 | 2,687,885,503 |
| GENERAL RESERVES : | | |
| As Per last Balance Sheet | 626,297,127 | 626,297,127 |
| Sub Total | 626,297,127 | 626,297,127 |
| PROFIT AND LOSS ACCOUNT | | |
| As per Last Balace Sheet | 282,145,189 | 435,507,179 |
| Balance transferred during the year | (151,501,626) | (153,361,990) |
| Sub Total | 130,643,563 | 282,145,189 |

Schedule - 2

RESERVE AND SURPLUS

(Amount in ₹)

| DESCRIPTIONS | AS AT 31.03.2011 | AS AT 31.03.2010 |
|---|----------------------|----------------------|
| FOREIGN CURRENCY FLUCTUATION RESERVE | | |
| As per last year Balance Sheet | 9,546,875 | 13,234,251 |
| Adjustment during the Year | (190,205) | (3,687,376) |
| Sub Total | 9,356,670 | 9,546,875 |
| TOTAL | 3,932,532,813 | 3,959,547,865 |

(Refer Note No. V of Schedule 14B)

Schedule - 3

SECURED LOANS

(Amount in ₹)

| DESCRIPTIONS | AS AT 31.03.2011 | AS AT 31.03.2010 |
|---|----------------------|----------------------|
| Loan from Bank secured against FDR | 660,000,000 | 242,500,000 |
| Loan from Banks secured against Shares | 266,364,870 | 686,212,992 |
| Loan from NBFC Companies secured against Shares | - | 92,500,000 |
| Loan from Bank secured against Vehicles | 4,723,647 | 2,641,819 |
| Term loan from ICICI Bank* | 525,000,000 | - |
| *(Against Personal Gurantee of Directors) | | |
| TOTAL | 1,456,088,517 | 1,023,854,811 |

Schedule - 4

FIXED ASSETS

(Amount in ₹)

| DESCRIPTIONS | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | | |
|-----------------------------|---------------------|--------------------|---------------------|---------------------|--------------------|--------------------|----------------------------|--------------------|---------------------|---------------------|
| | AS AT 01.04.2010 | ADDITIONS | SALE/ ADJUSTMENT | AS AT 31.03.2011 | UPTO 01.04.2010 | FOR THE YEAR | ADJUSTMENT/ WRITTEN OFF | UPTO 31.03.2011 | AS AT 31.03.2011 | AS AT 01.04.2010 |
| Tangible | | | | | | | | | | |
| Land | 10,022,300 | - | - | 10,022,300 | - | - | - | - | 10,022,300 | 10,022,300 |
| Office Building | 67,121,403 | - | 8,553,122 | 58,568,281 | 7,355,201 | 2,801,642 | 796,115 | 9,360,728 | 49,207,553 | 59,766,202 |
| Office Equipment | 116,908,884 | 14,071,657 | 3,345,535 | 127,635,006 | 23,400,389 | 14,796,833 | 1,005,147 | 37,192,075 | 90,442,931 | 93,508,495 |
| Furniture & Fixtures | 153,717,970 | 19,909,917 | 10,914,863 | 162,713,024 | 31,910,139 | 19,546,186 | 1,596,522 | 49,859,803 | 112,853,221 | 121,807,831 |
| Lease hold Improvements | - | 7,865,980 | (7,207,436) | 15,073,416 | - | 1,985,921 | (407,304) | 2,393,225 | 12,680,191 | - |
| Computer Hardware | 207,748,256 | 29,321,251 | 2,886,451 | 234,183,056 | 103,534,313 | 41,857,302 | 1,935,857 | 143,455,758 | 90,727,298 | 104,213,943 |
| Vehicle | 26,748,077 | 5,641,317 | 1,605,413 | 30,783,981 | 12,090,780 | 4,028,373 | 1,327,159 | 14,791,994 | 15,991,987 | 14,657,297 |
| VSAT | 36,172,540 | 492,196 | - | 36,664,736 | 15,789,435 | 2,884,575 | - | 18,674,010 | 17,990,726 | 20,383,105 |
| Temporary Infrastructure | 3,818,799 | 2,250 | - | 3,821,049 | 3,818,799 | 2,250 | - | 3,821,049 | - | - |
| Intangible | | | | | | | | | | |
| Trade Mark Logo | 20,000 | - | - | 20,000 | 11,209 | 3,516 | - | 14,725 | 5,275 | 8,791 |
| Computer Software | 74,926,160 | 13,351,014 | - | 88,277,174 | 32,210,324 | 15,546,019 | - | 47,756,343 | 40,520,831 | 42,715,836 |
| Goodwill | 10,000,000 | - | - | 10,000,000 | - | - | - | - | 10,000,000 | 10,000,000 |
| CURRENT YEAR | 707,204,389 | 90,655,582 | 20,097,948 | 777,762,023 | 230,120,589 | 103,452,617 | 6,253,496 | 327,319,710 | 450,442,313 | 477,083,800 |
| PREVIOUS YEAR | 488,322,656 | 229,536,368 | 10,654,635 | 707,204,389 | 136,297,565 | 97,050,814 | 3,227,790 | 230,120,589 | 477,083,800 | 352,025,092 |

Schedule - 5

INVESTMENTS

(Amount in ₹)

| DESCRIPTIONS | FACE VALUE | AS AT 31.03.2011 | | AS AT 31.03.2010 | |
|---|------------|------------------|--------------------|------------------|-------------------|
| | | NOS. | AMOUNT | NOS. | AMOUNT |
| LONG TERM INVESTMENTS | | | | | |
| (Fully paid up and valued at cost) | | | | | |
| (Non Trade Unless Otherwise Stated) : | | | | | |
| QUOTED INVESTMENTS : | | | | | |
| Dairy Den (Anmol Dairy Limited) | 2 | - | - | 1 | 700 |
| Hamilton Shoes Limited | 10 | - | - | 400 | 4,020 |
| Inter State Finance Limited | 10 | - | - | 2,100 | 12,600 |
| Jay Rapid Roller Limited | 10 | - | - | 4,400 | 157,528 |
| K.R. Rubberite Limited | 10 | - | - | 2,700 | 54,000 |
| Majestic Industries Limited | 10 | - | - | 1,100 | 64,000 |
| Malanpur Steel Limited | 10 | - | - | 233 | 4,442 |
| Paam Drugs Limited | 10 | - | - | 1,300 | 47,125 |
| Rajasthan Ball & Bearings Limited | 10 | - | - | 500 | 2,500 |
| Shilpax Laboratories Limited | 10 | - | - | 500 | 15,025 |
| Somdatt Finance Corporation Limited | 10 | - | - | 1,600 | 56,480 |
| SSI (India) Limited | 10 | - | - | 5,000 | 62,500 |
| Suraj Securities Limited | 10 | - | - | 900 | 42,345 |
| T. N. Steel Limited | 10 | - | - | 100 | 1,500 |
| Wilway Fort(India), Limited | 10 | - | - | 100 | 1,500 |
| NHPC Limited | 10 | 534,059 | 22,965,842 | 534,059 | 22,965,842 |
| SJVN Ltd | 10 | 1,719,506 | 44,707,156 | - | - |
| The Great Logistic & Parking Services Private Ltd. | 10 | 100,000 | 4,700,000 | - | - |
| Manganese Ore India Limited | 10 | 38,618 | 22,002,297 | - | - |
| Shiping Corporation of India Ltd | 10 | 305,721 | 43,175,056 | - | - |
| Punjab & Sind Bank Ltd. | 10 | 10,569 | 1,560,620 | - | - |
| | | 2,708,473 | 139,110,971 | 554,993 | 23,492,107 |
| UNQUOTED : | | | | | |
| Ludhiana Stock Exchange Association Limited (Trade) | 1 | 2,000 | 54,000 | 2,000 | 54,000 |

Schedule - 5

INVESTMENTS

(Amount in ₹)

| DESCRIPTIONS | FACE VALUE | AS AT 31.03.2011 | | AS AT 31.03.2010 | |
|--|------------|-------------------|--------------------|-------------------|--------------------|
| | | NOS. | AMOUNT | NOS. | AMOUNT |
| Trackon Telematics Pvt. Limited | 10 | 49,000 | 21,567,350 | 49,000 | 21,567,350 |
| Priknit Retails Limited | 10 | 250,000 | 25,000,000 | 250,000 | 25,000,000 |
| INVESTMENT IN ASSOCIATES : | | | | | |
| Sanlam Trustee Company (India) Limited | 10 | 390,000 | 3,900,000 | 390,000 | 3,900,000 |
| Sanlam Investment Management (India) Limited | 10 | 15,990,000 | 159,900,000 | 15,990,000 | 159,900,000 |
| SMC Share Brokers Limited | 10 | 100,000 | 10,000,000 | 100,000 | 10,000,000 |
| CURRENT INVESTMENTS : | | | | | |
| Sbi-Shf-Ultra Short Term Fund-Inst Plan | 14 | - | - | 6,301,117 | 90,706,467 |
| UTI Floating Rate Fund-Short Term | - | 37,939 | 59,870,950 | 93,415 | 140,748,222 |
| LIC Saving Plus Fund-Growth Plan | 17 | - | - | 2,207,964 | 37,057,360 |
| HDFC Cash Mgt Fund-Treasury Advantage | 19 | - | - | - | 90,735,590 |
| Investment in PMS | - | - | 11,773,193 | - | 12,073,015 |
| | | 16,818,939 | 292,065,493 | 25,383,495 | 591,742,004 |
| Total | | 19,527,412 | 431,176,464 | 25,938,488 | 615,234,111 |

Note :

1. Aggregate Market Value of Quoted Investment is ₹ 10,09,35,151 (Previous Year is ₹ 1,62,77,121)
2. Aggregate Book Value of Quoted Investment is ₹ 13,91,10,971 (Previous Year is ₹ 2,34,92,107)
3. Aggregate Book Value of Unquoted Investment is ₹ 29,20,65,493 (Previous Year is ₹ 59,17,42,004)

Schedule - 6

CURRENT ASSETS, LOANS & ADVANCES

(Amount in ₹)

| DESCRIPTIONS | AS AT 31.03.2011 | AS AT 31.03.2010 |
|--|----------------------|----------------------|
| CURRENT ASSETS | | |
| Inventories: | | |
| | 1,297,194,436 | 2,203,871,070 |
| | 1,297,194,436 | 2,203,871,070 |
| Sundry Debtors (Unsecured) | | |
| a: More than six months | | |
| - Considered Good | 310,008,846 | 318,223,289 |
| - Considered Doubtful | 866,974 | 7,549,905 |
| b: Others | | |
| - Considered Good | 1,107,041,564 | 1,149,329,810 |
| | 1,417,917,384 | 1,475,103,004 |
| Less : Provision for Doubtful Debt | 866,974 | 7,549,905 |
| | 1,417,050,410 | 1,467,553,099 |
| Cash and Bank Balances: | | |
| Cash in Hand | 3,490,511 | 6,247,934 |
| Foreign Currency in Hand | 165,149 | 114,856 |
| Balance with scheduled banks | | |
| i) in Current Accounts | 115,587,660 | 72,084,622 |
| ii) in Fixed Deposit Accounts (Including Interest accrued on FDR) | 2,110,063,442 | 1,330,760,962 |
| | 2,229,306,762 | 1,409,208,374 |
| LOANS AND ADVANCES | | |
| Security and Deposits | 293,572,323 | 141,213,793 |
| Advances Recoverable in cash or in kind or for Value to be Received | 2,146,332,112 | 1,581,931,947 |
| | 2,439,904,435 | 1,723,145,740 |
| TOTAL | 7,383,456,043 | 6,803,778,283 |

Schedule - 7

CURRENT LIABILITIES AND PROVISIONS

(Amount in ₹)

| DESCRIPTIONS | AS AT 31.03.2011 | AS AT 31.03.2010 |
|---|----------------------|----------------------|
| CURRENT LIABILITIES | | |
| Expenses Payable | 263,058,806 | 183,197,777 |
| Book Overdraft with Banks | 173,529,939 | 139,127,740 |
| Sundry Creditors | 1,087,220,583 | 1,063,727,723 |
| Security & Deposits Received | 26,111,300 | 25,973,925 |
| Margin Received from Clients | 1,133,149,703 | 1,102,802,115 |
| Other Liabilities | 38,471,992 | 4,929,824 |
| | 2,721,542,323 | 2,519,759,104 |
| PROVISIONS | | |
| Provisions for Gratuity | 23,875,968 | 19,923,996 |
| Provisions for Leave Encashment | 2,570,733 | - |
| Provisions for Income tax {Net of Advance Tax & TDS of ₹ 4,57,84,964 (PY ₹ 4,14,72,113)} | (7,160,078) | (11,099,032) |
| Provisions for Wealth Tax | 40,501 | 33,443 |
| Contingent Provision for Standard Assets | 280,326 | - |
| | 19,607,450 | 8,858,407 |
| TOTAL | 2,741,149,773 | 2,528,617,511 |

Schedule - 8

INCOME FROM OPERATION

(Amount in ₹)

| DESCRIPTIONS | FOR THE YEAR ENDED 31.03.2011 | FOR THE YEAR ENDED 31.03.2010 |
|--|-------------------------------|-------------------------------|
| Income from Proprietary Trading | 1,029,689,569 | 959,374,722 |
| Income from Brokerage | 1,456,178,925 | 1,340,798,118 |
| Income from Distribution of financial products | 62,482,399 | 47,625,674 |
| Income from Depository Business | 50,354,123 | 54,534,160 |
| Income from Financing Activities | 28,205,216 | 13,702,677 |
| Income from Management and Advisory Services | 49,547,189 | 12,824,858 |
| Treasury Income | 141,050,383 | 145,695,073 |
| TOTAL | 2,817,507,804 | 2,574,555,282 |

Schedule - 9

OTHER INCOME

(Amount in ₹)

| DESCRIPTIONS | FOR THE YEAR ENDED 31.03.2011 | FOR THE YEAR ENDED 31.03.2010 |
|--|-------------------------------|-------------------------------|
| Delay Payment Charges | 94,028,388 | 55,075,967 |
| Miscellaneous Income | 52,605,963 | 29,463,533 |
| Profit on Sale of Investments | 10,607,024 | 1,954,789 |
| Written off Liability no longer required | 608,740 | 1,675,176 |
| TOTAL | 157,850,115 | 88,169,465 |

Schedule - 10

EXCHANGES AND OTHER OPERATING EXPENSES

(Amount in ₹)

| DESCRIPTIONS | FOR THE YEAR ENDED 31.03.2011 | FOR THE YEAR ENDED 31.03.2010 |
|--|-------------------------------|-------------------------------|
| Client Introduction Charges | 503,625,879 | 485,670,759 |
| Exchange & Other Regulatory Charges | 222,317,846 | 205,082,015 |
| Membership Fees & Subscription | 3,037,640 | 2,733,744 |
| VPN, Leaseline, Internet & VSAT expenses | 12,263,372 | 24,109,463 |
| Stamp duty paid | 37,495,236 | 8,022,851 |
| Securities Transaction Tax | 315,404,162 | 492,291,734 |
| Demat Charges | 3,005,716 | 947,722 |
| TOTAL | 1,097,149,851 | 1,218,858,288 |

Schedule - 11

PERSONNEL EXPENSES

(Amount in ₹)

| DESCRIPTIONS | FOR THE YEAR ENDED 31.03.2011 | FOR THE YEAR ENDED 31.03.2010 |
|---------------------------------------|-------------------------------|-------------------------------|
| Salaries, Bonus & allowances | 1,026,857,995 | 835,327,966 |
| Directors Remuneration | 44,300,569 | 38,377,575 |
| Staff Welfare | 13,438,158 | 12,342,481 |
| Staff Training & Development Expenses | 2,940,962 | 2,529,624 |
| Employer contribution to P. F. | 19,570,748 | 11,252,610 |
| Employer contribution to E. S. I. | 9,934,258 | 5,842,838 |
| TOTAL | 1,117,042,690 | 905,673,094 |

Schedule - 12

INTEREST AND BANK CHARGES

(Amount in ₹)

| DESCRIPTIONS | FOR THE YEAR ENDED 31.03.2011 | FOR THE YEAR ENDED 31.03.2010 |
|---------------|-------------------------------|-------------------------------|
| Bank Charges | 29,804,292 | 21,722,875 |
| Interest paid | 158,062,110 | 77,420,938 |
| TOTAL | 187,866,402 | 99,143,813 |

Schedule - 13

ADMINISTRATION AND OTHER GENERAL EXPENSES

(Amount in ₹)

| DESCRIPTIONS | FOR THE YEAR ENDED 31.03.2011 | FOR THE YEAR ENDED 31.03.2010 |
|---------------------------------------|----------------------------------|----------------------------------|
| AGM Expenses | 39,285 | 38,072 |
| Advertisement | 105,533,661 | 87,568,146 |
| Staff Support Services | 43,207,403 | - |
| Business Promotion | 43,404,534 | 43,240,979 |
| Bad Debts Written Off | 2,829,246 | 49,375 |
| Provision For Bad Debts | 18,781,885 | 7,076,154 |
| Computer Repair & Maintenance | 13,716,943 | 12,593,520 |
| Conveyance & Traveling Expenses | 31,949,864 | 22,991,178 |
| Commission Paid | 298,014 | 2,829,583 |
| Data Base Expense | 173,606 | 5,073,180 |
| Director Sitting Fee | 334,000 | 215,000 |
| Donations | 16,311,457 | 1,951,503 |
| Electricity & Water Charges | 42,355,132 | 38,894,133 |
| Insurance | 4,009,797 | 2,021,423 |
| Legal & Professional Charges | 40,642,581 | 48,615,330 |
| Miscellaneous Expenses | 2,181,001 | 1,551,920 |
| Stock Exchange Listing Fee | 189,675 | 257,526 |
| Loss on Sale of Fixed Assets | 1,267,196 | 1,632,747 |
| Office Repair & Maintenance | 53,845,617 | 38,878,665 |
| Printing and Stationery | 30,391,177 | 19,568,842 |
| Rent, Rates & Taxes | 166,776,876 | 141,278,508 |
| Stamps Paper Expenses | 5,230,468 | 7,344,872 |
| Communication Expenses | 71,649,208 | 65,634,600 |
| Vehicle Running & Maintenance | 3,876,892 | 2,897,824 |
| Foreign Exchange Currency Fluctuation | 8,903 | 476,831 |
| Auditors Remuneration: | | |
| As Statutory Auditors | 695,815 | 663,800 |
| As Tax Auditors | 105,000 | 101,618 |
| TOTAL | 699,805,236 | 553,445,329 |

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

Schedule 14

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

I) BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Financial Statements (CFS) of the Company (Parent) and its subsidiaries and step down subsidiaries, (the 'Group') are prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified under section 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

The Financial Statements of one of the Subsidiary M/s SMC Insurance Brokers Pvt. Ltd. have been prepared on a "going concern" basis even though, the net worth of the subsidiary has been substantially eroded due to accumulated losses, taking into account management's assessment of growth of business and commitment by parent Company to subscribe to additional capital, if required.

II) CONSOLIDATION PROCEDURE

(a) The Consolidated Financial Statements are prepared in accordance with Accounting Standard (AS-21) "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India (ICAI). The financial statements of the Parent and its

subsidiaries are combined on a line by line basis by adding together sums of like nature, comprising assets, liabilities, income and expenses and after eliminating intra-group balances/transactions.

- (b) The Financial Statements of foreign step down subsidiary are prepared by them on the basis of generally accepted accounting principles, local laws and regulations as prevalent in the respective country and such financial statements are considered for consolidation. The effect of adjustments on account of variance in accounting policies of such foreign step down subsidiary vis -à-vis those of the parent is not material, and accordingly, not considered.
- (c) Subsidiaries are consolidated on the date on which effective control is transferred to the Group and are no longer consolidated from the date of disposal.
- (d) The financial statements of the subsidiaries have been drawn for the period from April 1, 2010 or date of incorporation / acquisition to March 31, 2011 and have been consolidated on the basis of their audited financial statements except in case of SMC Comex International DMCC, Dubai which have been consolidated

on the basis of audited financial statements for the period up-to 31st December, 2010 and on the basis of unaudited financial statements as approved by the board for the period January 1, 2011 to March 31, 2011, as mentioned in Note I of Schedule 14 (B).

- (e) The Parent's cost of its investment in its subsidiaries has been eliminated against the Parent's portion of equity of each subsidiary as on the date of investment in that subsidiary. Similarly the Subsidiary's cost of its investment in its subsidiaries has been eliminated against the Subsidiary's portion of equity of each subsidiary as on the date of investment in that subsidiary (in case of the step down subsidiaries). The excess is recognized as 'Goodwill' and the negative goodwill is recognized as 'Capital Reserve'.
- (f) Minority interest in the net income of consolidated subsidiaries for the reporting period is identified and adjusted against the income of the group in order to arrive at the net income attributed to the owners of the parents; and the Minority Interest in the net assets of consolidated subsidiaries is identified and presented in the CFS separately from liabilities and the equity of the parent's shareholders. Minority interests in the net assets consist of:
- (i) the amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and
- (ii) the minorities' share of movements in equity

since the date the parents - subsidiary relationship came in existence.

- (g) For the purpose of compilation of the CFS, the foreign currency assets, liabilities, income and expenditure are translated as per Accounting Standard (AS-11) on 'Accounting for the Effects of Changes in Foreign Exchange Rates', issued by the Institute of Chartered Accountants of India. Exchange differences arising are recognized in the Foreign Currency Fluctuation Reserve classified under Reserves and Surplus as applicable, under the above mentioned Accounting Standard.
- (h) As far as possible, the consolidated financial statement is being prepared using uniform accounting policies (except for the depreciation) for like transactions and other events in similar circumstances and is presented in the same manner as the Company's separate financial statements.

III) USE OF ESTIMATES

The presentation of Financial Statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which results are known/materialized.

IV) FIXED ASSETS

In accordance with AS-10 'Accounting for Fixed

Assets', fixed assets (including computer software) are stated at cost of acquisition including taxes, duties, identifiable direct expenses and expenses on installation, and are net of CENVAT Credit claimed thereon.

Additions to the fixed assets have been accounted for on the date of installation and its use irrespective of date of invoice.

V) DEPRECIATION

In accordance with AS-6 on 'Depreciation Accounting', depreciation on fixed assets (including computer software) is computed on written down value method, except for two Indian Subsidiaries namely SMC Capital Limited and SMC Insurance Brokers Pvt. Ltd., where it has been computed on straight line method in accordance with the rates prescribed in schedule-XIV of the Companies Act, 1956 and is on the pro-rata basis with respect to the date of addition/installation/its put to use. No depreciation has been provided on Goodwill.

In case of foreign subsidiary:

Depreciation on tangible fixed assets has been provided on straight line basis as under:

- SMC Comex International DMCC, Dubai:
 - Office Equipments: 20%
 - Furniture & Fixtures: 20%

Following the principal of materiality, depreciation on Plant & Machinery of value not exceeding Rs. 5000/- is being provided at the normal rate prescribed in the schedule except a subsidiary listed at Serial No. b of Note No. I of schedule 14B where the same is written off at 100% rate.

VI) INVESTMENTS

In accordance with AS-13 'Accounting for Investments', investments are classified into long-term investments and current investments. Long term investments are stated at cost and provision, wherever required, has been made to recognize any decline other than temporary in the value of such investments. Current investments are carried at lower of the cost and market value.

Investments in associates have been accounted for in accordance with AS - 13 instead of equity method as defined in AS - 23 on "Accounting for Investments in Associates in Consolidated Financial Statements" for the reason that the associates operates under severe long term restrictions that significantly impair its ability to transfer funds to the investors.

VII) INVENTORIES

- a) Inventories of stocks, commodities, securities and shares except the parent, are valued at lower of cost and market value. Inventory of shares in case of parent has been valued at market value. Cost has been determined following the cost formula on FIFO Basis.
- b) Closing stock of shares includes stocks pledged against secured loan from banks and kept as margin/securities with stock exchange.

VIII) REVENUE RECOGNITION

- a) Revenue on account of trading in securities and commodities is recognized on the basis of each trade executed at the stock/commodity exchange during the financial year.

- b) In respect of non delivery based transactions such as derivatives, the profit & loss is accounted for at the completion of each settlement, however in case of an open settlement the net result of transactions which are squared up on FIFO Basis is recognized as Profit/Loss in the account.
- c) The Company recognizes its income from rendering insurance broking business on the logging in/placement of policies with the respective insurance Company on or before the date of policy or renewal thereof.
- d) Interest income from financing activities is recognized on accrual basis. In terms of the RBI Direction, interest income on Non-Performing assets ('NPA'), if any is recognized only when it is actually realized.
- e) Revenue from broking activities is accounted for on the trade date of transaction.
- f) Income from interest on fixed deposits is recognized on accrual basis.
- g) Dividend from investment is accounted for as income when the right to receive dividend is established.
- h) Depository income is accounted for on receipt basis.
- i) Profit or loss on sale of units of mutual funds is determined on the basis of the weighted average cost method.
- j) Profit/loss in the case of balance in Portfolio Management account has been accounted for as business profit/loss on its accrual when the transaction takes place and is on the basis of monthly statement received from portfolio manager.
- k) In respect of other heads of income, the Company follows the practice of recognizing income on accrual basis.
- l) Revenue excludes service tax.
- IX) FOREIGN CURRENCY TRANSACTIONS**
- Revenue and expenses are recorded at the exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currencies are restated at the exchange rate prevailing on the balance sheet date. Exchange differences arising on settlement of the transaction and on account of restatement of monetary items are recognized in the Profit and Loss Account. In case of one of the subsidiary M/s SMC Comtrade Limited, exchange difference on loan receivable in foreign currency has been adjusted against specific reserve created for the purpose.
- X) EMPLOYEE BENEFITS**
- a) Provident Fund is a defined contribution scheme and the contribution wherever required by the statute are charged to the Profit and Loss Account as incurred.
- b) Gratuity Liability is a defined obligation and is partly funded. The Group accounts for liability for future gratuity benefits is based on an actuarial valuation as at the Balance Sheet date except for subsidiaries listed at serial no. c to g

in Note no. I of Schedule 14B where the liability for Gratuity is being accounted on payment basis wherever required by the statute.

- c) Unavailed Leave Liability is a defined obligation and is not funded. The Group accounts for liability for future leave benefits is based on an actuarial valuation as at the Balance Sheet date except for subsidiaries listed at serial no. c to g in Note no. I of Schedule 14B where the liability for an availed leave is being accounted on payment basis wherever required by the statute.

XI) LEASES

Lease Rentals in respect of operating lease arrangements are charged to the Profit & Loss Account in accordance with the Accounting Standard - 19 on Accounting for Leases issued by the Institute of Chartered Accountants of India.

XII) MISCELLANEOUS EXPENDITURE

Deferred revenue expenditures are being written off in equal installment over a period of 5 years.

XIII) PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes to the Accounts. Contingent Assets are neither recognized nor disclosed in the financial statements.

XIV) BORROWING COSTS

In accordance with AS-16 'Borrowing Cost', borrowing costs that are attributable to acquisition, construction or production of qualifying assets, are capitalized as part of the cost of such qualifying assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for intended use. All other borrowing costs are charged to the profit and loss account.

XV) IMPAIRMENT OF ASSETS

Wherever events or changes in circumstances indicate that the carrying value of fixed assets may be impaired, such assets are being subject to a test of recoverability based on discounted cash flows expected from use or disposal thereof. If the assets are impaired, the Company recognizes an impairment loss as a difference between the carrying value and fair value net of cost of sale in accordance with AS-28 'Impairment of Assets'. None of the Company's fixed assets are considered for impairment as on the balance sheet date.

XVI) TAXATION

- a) Provision of current Income Tax has been measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.
- b) Wealth tax has been calculated as per applicable tax regulations applicable during the year.
- c) The Company has provided for deferred tax charge/credit, that reflects the tax differences

because of timing differences between accounting income and taxation income for the year. The deferred tax charge or credit and corresponding deferred tax liability or asset are recognized using the tax rates laid down by the law, that has been enacted or substantially enacted by the balance sheet date, in accordance with AS-22 'Accounting for Taxes on Income'.

XVII) OTHER ACCOUNTING POLICIES

Accounting policies not referred to otherwise are consistent with generally accepted accounting principles.

B. NOTES ON ACCOUNTS

The CFS comprises the results of the Parent, its subsidiaries, and step down subsidiaries which have been listed below:

| Name of Subsidiary | Date of Acquisition/ Change* | Country of Incorporation | Proportion of ownership interest |
|---|------------------------------|--------------------------|----------------------------------|
| Subsidiary of SMC Global Securities Ltd. | | | |
| a. SMC Comtrade Limited | 26.04.2007 | India | 100% |
| b. Sanlam Invest and Advisors (India) Ltd. | 01.04.2008/ 23.07.2009* | India | 50% +1share |
| c. Moneywise Financial Services (P) Ltd. | 01.08.2008/ 01.07.2009* | India | 100% |
| d. SMC Capitals Ltd. | 16.08.2008/ 02.03.2010* | India | 100% |
| e. SMC ARC Limited | 25.05.2009 | India | 100% |
| Subsidiaries of SMC Comtrade Ltd. | | | |
| f. SMC Insurance Brokers (P) Ltd. | 23.04.2007 | India | 100% |
| g. SMC Comex International DMCC UAE.** | 16.11.2005 | Dubai (U.A.E) | 100% |

** The audited financial statements of SMC Comex International DMCC, UAE up to 31st December, 2010 have been prepared in accordance with IFRS. The financials for the period from 1st Jan, 2011 to 31st March 2011 have been compiled on provisional basis and approved by the Board. There is no change in the Company's ownership interest in this subsidiary from 01.01.2011 until 31.03.2011.

II) CONTINGENT LIABILITIES

₹ in Lacs

| Particulars | Current Year | Previous Year |
|--|--------------|---------------|
| Corporate guarantee executed by the Company | NIL | NIL |
| Bank Guarantee issued by the Bankers | | |
| - in favour of Exchanges and other authorities | 19,097.50 | 17,252.50 |
| - in favour of Sales Tax Authorities | 2.75 | 2.75 |
| (Against the above guarantee, FDR of ₹ 9,014 lacs (PY ₹ 8035.25 lacs) is kept as margin. | | |
| On Account of Sales tax demand (Hyderabad) | 53.11 | 49.74 |
| (Amount paid in dispute ₹ 80.25 lacs (PY ₹ 79.45 lacs)) | | |
| | | |

III) EARNING AND EXPENDITURE IN FOREIGN CURRENCY

₹ in Lacs

| Particulars | Current Year | Previous Year |
|------------------------------------|--------------|---------------|
| a) Earning in Foreign Currency | NIL | NIL |
| b) Expenditure in Foreign Currency | | |
| - Foreign Travelling | 1.34 | 3.75 |

IV) Estimated amount of contracts remaining to be executed on capital accounts and not provided for Rs. Nil (Previous Year-Nil).

V) Convertible Equity Share Warrant which were issued during previous year to SANLAM International Investment Partners Limited for amounting ₹ 467,371 @ ₹ 265.31 each having option of conversion in to equity shares of ₹ 10 each were forfeited during the year due to expiry of last date of further payment of ₹ 2387 each and hence the forfeited amount of ₹ 12,39,98,200 has been transferred to capital reserve.

VI) In the opinion of the board of Directors and to the best of their knowledge and belief, the realizable value of Current Assets, Loans and Advances in ordinary course of business is not less than the value stated in the Balance Sheet.

VII) Fixed Deposit with Schedule Banks includes ₹ 12,405.42 lacs (P. Y. ₹ 8,035.25 lacs) under lien in favour of the bank as margin deposit for the guarantees issued/credit facilities or otherwise, ₹ 6,799.79 lacs (P.Y. ₹ 3,116.03 lacs) pledged with stock and commodity exchanges as margin and ₹ 6.40 lacs (P.Y ₹ 5.40 lacs) under lien with sales tax

authorities. Also included in Fixed deposit is an amount of ₹ 12.00 lacs in one of the subsidiary namely SMC Insurance Brokers Pvt. Ltd. where lien has been marked in favour of Insurance Regulatory and Development Authorities (PY: ₹ 12 lacs).

- VIII) Provision for doubtful debts of ₹ 8,66,974 (Previous Year ₹ 7,549,905) is net of bad debts written off ₹ 2,54,64,816 (P.Y. ₹ 16,672,326). No provision has been made in respect of certain overdue sundry debtors amounting to ₹ 31,00,08,846 (P. Y. ₹ 318,223,288) since the Company has taken suitable measures to recover the said dues including filling of legal cases wherever considered appropriate.

- IX) *The company has during the year changed the method of accounting of Insurance Brokerage from the "Annualized Premium" basis to "Weighted Receipt Premium" basis. As a result of the same, loss for the year is higher by ₹ 94, 42,765/- and the Sundry Debtors are lower by the same amount as at the year end.*

X) **RELATED PARTY DISCLOSURES**

The following are the details of transactions with related parties as defined in the **Accounting Standard-18** of Related Party Disclosures issued by the Institute of Chartered Accountants of India.

1) **Name of Related Parties and description of relationship:**

A. Key Management Personnel

| Name | Designation | Company |
|--------------------|---|---|
| Mr. S. C. Aggarwal | Chairman & MD Director | SMC Global Securities Ltd. Sanlam Investments and Advisors (India) Ltd. |
| Mr. M. C. Gupta | Vice Chairman & MD Director Director | SMC Global Securities Ltd. SMC Insurance Brokers Pvt. Ltd. SMC Capitals Ltd. |
| Mr. Ajay Garg | Whole Time Director Director Director | SMC Global Securities Ltd. SMC Insurance Brokers Pvt. Ltd. Moneywise Financial Services Pvt. Ltd. |
| Mr. Rakesh Gupta | Whole Time Director | SMC Global Securities Ltd. |

| | | |
|--------------------------|---|--|
| Mr. Pradeep Kumar | Whole Time Director Jt. Managing Director | SMC Global Securities Ltd. SMC Comtrade Ltd. |
| Mr. Anurag Bansal | Whole Time Director Director | SMC Global Securities Ltd. SMC ARC Ltd. |
| Mr. Ravi Aggarwal | Whole Time Director | SMC Insurance Brokers Pvt. Ltd. |
| Mr. Finney Cherian | Nominee Director Director | SMC Global Securities Ltd. Moneywise Financial Services Pvt. Ltd. |
| Mr. D. K. Aggarwal | Managing Director Managing Director Managing Director | SMC Comtrade Ltd. Sanlam Investments and Advisors (India) Ltd. SMC Capitals Ltd. |
| Mrs. Hemlata Aggarwal | Whole Time Director | SMC Comtrade Ltd. |
| Mrs. Sushma Gupta | Whole Time Director | SMC Comtrade Ltd. |
| Mr. Pravin Aggarwal | Whole Time Director | SMC Insurance Brokers Pvt. Ltd. |
| Mrs. Reema Garg | Whole Time Director | Moneywise Financial Services Pvt. Ltd. |
| Mr. Lalit Kumar Aggrawal | Whole Time Director | Moneywise Financial Services Pvt. Ltd. |
| Mr. O. P. Agrawal | Director | SMC Capitals Ltd. |
| Ms. Aditi Aggarwal | Director | SMC ARC Ltd. |
| Ms. Shweta Aggarwal | Director Director | SMC Capitals Ltd. Sanlam Invest and Advisors (India) Ltd. |
| Mr. Himanshu Gupta | Director | SMC ARC Ltd. |
| Mr. Narendra Balasia | Whole Time Director | SMC Comtrade Ltd. |

2) Significant Transactions with Related Parties

(Amount in ₹)

| Particulars of Transactions | Key Management Personnel | |
|------------------------------|--------------------------|---------------|
| | Current Year | Previous Year |
| Expenses | | |
| Director Remuneration | | |
| Sh. S. C. Aggarwal | 62,57,333 | 51,72,000 |
| Sh. M. C. Gupta | 62,57,333 | 51,72,000 |
| Sh. Rakesh Gupta | 41,89,667 | 29,33,489 |
| Sh. Pradeep Kumar | 41,66,258 | 26,71,277 |
| Sh. Anurag Bansal | 32,29,467 | 22,04,400 |
| Sh. Ravi Aggarwal | 22,41,600 | 13,06,801 |
| Sh. Ajay Garg | 28,04,160 | 21,58,080 |
| Sh. D. K. Aggarwal | 48,03,250 | 40,59,000 |
| Smt. Hemlata Aggarwal | 31,99,917 | 27,06,000 |
| Smt. Sushma Gupta | 31,99,917 | 27,06,000 |
| Smt. Reema Garg | 66,667 | 9,45,004 |
| Sh. S. S. Bansal | - | 24,84,000 |
| Sh. Praveen Agarwal | 24,00,000 | 24,00,000 |
| Sh. O. P. Agrawal | 14,85,000 | 14,59,524 |

Note: The Company being a broking concern, the transaction in the normal course of business have not been disclosed as the same have been transacted at prevailing market prices.

XI) EARNING PER SHARE

In accordance with AS-20 "Earning per Share", issued by the Institute of Chartered Accountants of India, the basic & diluted earning per share is being calculated as under:-

(Amount in ₹)

| Particulars | Current Year | Previous Year |
|---|----------------|----------------|
| Net Profit (Loss) attributable to Equity Shareholders | (15,15,01,626) | (15,33,61,990) |
| Weighted Average No. of Equity Shares | | |
| - For basic EPS | 10,478,387 | 10,442,503 |
| - For Diluted EPS | 10,478,387 | 10,758,783 |
| Nominal Value per share | ₹10 | ₹10 |
| Basic EPS | (14.46) | (14.69) |
| Diluted EPS | (14.46) | (14.25) |

XII) **MANAGERIAL REMUNERATION**

Managerial Remuneration under section 198 of the Companies Act, 1956 of India (included under Personnel Expenses in Schedule 11)

(Amount in ₹)

| Particulars | Current Year | Previous Year |
|-----------------------|---------------------|----------------------|
| Sh. S. C. Aggarwal | 62,57,333 | 51,72,000 |
| Sh. M. C. Gupta | 62,57,333 | 51,72,000 |
| Sh. Rakesh Gupta | 41,89,667 | 29,33,489 |
| Sh. Pradeep Kumar | 41,66,258 | 26,71,277 |
| Sh. Anurag Bansal | 32,29,467 | 22,04,400 |
| Sh. Ravi Aggarwal | 22,41,600 | 13,06,801 |
| Sh. Ajay Garg | 28,04,160 | 21,58,080 |
| Sh. D. K. Aggarwal | 48,03,250 | 40,59,000 |
| Smt. Hemlata Aggarwal | 31,99,917 | 27,06,000 |
| Smt. Sushma Gupta | 31,99,917 | 27,06,000 |
| Smt. Reema Garg | 66,667 | 9,45,004 |
| Sh. S. S. Bansal | - | 24,84,000 |
| Sh. Praveen Agarwal | 24,00,000 | 24,00,000 |
| Sh. O. P. Agrawal | 14,85,000 | 14,59,524 |

* Managerial Remuneration includes bonus, provident fund, and other allowances but excludes provision for gratuity as the same has been provided on the basis of actuarial valuation on an overall basis.

XIII) DEFERRED TAX

a. Component of net deferred tax assets/liability is as under:

(Amount in ₹)

| Particulars | Current Year | Previous Year |
|---|---------------------|--------------------|
| Deferred Tax Assets on Account of: | | |
| Provision for doubtful debts | 2,81,290 | 2,507,890 |
| Provision for Gratuity | 71,01,972 | 6,476,913 |
| Provision for Contingent Liability on Standard Assets | 86,621 | Nil |
| Business Loss | 13,51,91,243 | 128,288,353 |
| Unabsorbed Depreciation | - | 1,444,119 |
| Short Term Capital Loss | 2,01,374 | 308,946 |
| A | 14,28,62,500 | 139,026,221 |
| Deferred Tax Liabilities on Account of: | | |
| Difference in Depreciation | 3,15,82,968 | 32,944,037 |
| Deferred Revenue Expenditure | 33,12,388 | 6,480,282 |
| B | 3,48,95,356 | 39,424,319 |
| Net Deferred Tax Assets/(Liabilities) (A-B) | 10,79,67,144 | 99,601,902 |

Note: One of the subsidiary listed at item b of schedule 14B has during the year reviewed the deferred tax assets and in the absence of virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which the net deferred tax asset created in the past can be realized, therefore the company has derecognized deferred tax asset in respect of timing difference related to unabsorbed business loss and provision for doubtful debts at the end of the year. Accordingly, the net Deferred Tax of ₹ 3,11,03,279 recognised as at the end of the previous year ended March 31, 2010, has been reversed during the current year and has been debited to profit and loss account.

XIV) The Group accounts for liability for future gratuity benefits based on an actuarial valuation as at the Balance Sheet date except for subsidiaries listed at serial no. c to g in Note no. I of Schedule 14B where the liability for Gratuity is being accounted on payment

basis, wherever required by the statute. The Company and one of its subsidiaries M/s SMC Comtrade Limited have taken a policy of gratuity fund from Reliance Life Insurance Company Limited.

The details of gross liability, contributions, value of funds and provisions for Gratuity are as under:

(Amount in ₹)

| Particulars | Current Year | Previous Year |
|---|--------------|---------------|
| Gross Liability | 2,85,69,230 | 20,241,158 |
| Contribution | - | 599,534 |
| Value of funds | 46,93,262 | 4,892,837 |
| Provisions debited to Profit and Loss Account | 43,39,209 | 9,697,920 |

XV) SEGMENT REPORTING

Business Segment:

The Group's business comprises of dealing in shares, commodities, securities and derivatives either on its own behalf or on behalf of its constituents, Insurance Broking Services, Wealth Management Services and other related ancillary services. Therefore reportable segments for the current year are as under:

a) Capital Market:

Comprises of brokerage income earned on primary and secondary market, transactions done on behalf of clients, services rendered as depository participant and proprietary trading in securities, commodities and derivatives.

b) Insurance Broking Services:

Comprises of selling of insurance products as Licensed Direct Broker.

c) Wealth Management Services:

Comprises of rendering of wealth management services for its constituents.

The Group is also carrying out NBFC activities and in accordance with Accounting Standard (AS) - 17, since the revenue, results and assets of these activities is less than the threshold limit for separate disclosure, the same is not shown separately.

Geographical Segment:

The geographical segments have been identified by the location of the customers and business operations of the group and the same have been considered as secondary segments viz within India and Outside India.

Segment Information is annexed and marked as Annexure - I

comparable with those of the current year and the figures has been rounded off to the nearest rupee.

XVI) Previous year's figures have been rearranged and re-grouped wherever found necessary to make

Schedule 1 to 14 form an integral part of accounts, balance sheet and profit & loss account.

In terms of our Audit Report of even date attached

**FOR ATUL & RAJINDER
F. R. N. : 005402N
CHARTERED ACCOUNTANTS**

sd/-
**RAJINDER MALHOTRA
PROPRIETOR
M. No. : F 083680**

**PLACE : NEW DELHI
DATE : 30.05.2011**

FOR AND ON BEHALF OF THE BOARD

sd/-
**S. C. AGGARWAL
(CHAIRMAN & MANAGING
DIRECTOR)**

sd/-
**AJAY GARG
(DIRECTOR)**

sd/-
**MAHESH C. GUPTA
(VICE-CHAIRMAN & MANAGING
DIRECTOR)**

sd/-
**SUMAN KUMAR
(COMPANY SECRETARY)**

SNC GLOBAL SECURITIES LIMITED - CONSOLIDATED

Annexure I to note B(XV) of Schedule 14 of Notes to Accounts

Information about Segment:

(Amount in ₹)

| Descriptions | Capital Market | | Insurance Broking Services | | Wealth Management Services | | Unallocated | | Elimination | | Total | |
|---|----------------------|----------------------|----------------------------|----------------------|----------------------------|----------------------|--------------------|--------------------|---------------------|----------|----------------------|----------------------|
| | 2010-11 | 2009-10 | 2010-11 | 2009-10 | 2010-11 | 2009-10 | 2010-11 | 2009-10 | 2010-11 | 2009-10 | 2010-11 | 2009-10 |
| I. Primary Segment-Business | | | | | | | | | | | | |
| Revenue | | | | | | | | | | | | |
| External revenue | 2,596,032,216 | 2,368,311,652 | 228,664,446 | 233,750,070 | 51,788,901 | 15,321,341 | 98,872,355 | 46,724,732 | - | - | 2,975,357,919 | 2,664,107,794 |
| Inter segment revenue | 10,301,059 | - | - | - | 17,240,977 | - | - | - | (27,542,036) | - | - | - |
| Total | 2,606,333,276 | 2,368,311,652 | 228,664,446 | 233,750,070 | 69,029,878 | 15,321,341 | 98,872,355 | 46,724,732 | (27,542,036) | - | 2,975,357,919 | 2,664,107,794 |
| Segment Profit/(Loss) (before tax) | | | | | | | | | | | | |
| Income taxes (Current tax and Deferred tax) | - | - | - | - | - | - | (843,636) | (51,100,902) | - | - | (843,636) | (51,100,902) |
| Wealth tax and FBT | - | - | - | - | - | - | 40,501 | 33,443 | - | - | 40,501 | 33,443 |
| Segment Profit/(Loss) after tax | 73,557,426 | 60,031,394 | (93,518,216) | (203,551,299) | (227,510,521) | (81,921,368) | 8,019,635 | 54,926,017 | - | - | (239,451,676) | (170,515,276) |
| Other Information | | | | | | | | | | | | |
| Segment assets | 7,430,733,967 | 6,884,537,267 | 259,787,065 | 160,052,292 | 306,009,071 | 396,860,086 | - | - | - | - | 7,996,520,103 | 7,441,439,645 |
| Other unallocated assets | - | - | - | - | - | - | 744,012,466 | 454,656,549 | - | - | 744,012,466 | 454,656,549 |
| Total Assets | 7,430,733,967 | 6,884,537,267 | 259,787,065 | 160,052,292 | 306,009,071 | 396,860,086 | 744,012,466 | 454,656,549 | - | - | 8,740,532,569 | 7,896,096,194 |
| Segment liabilities | 4,243,802,199 | 3,470,048,489 | 146,168,242 | 32,540,961 | 165,776,463 | 278,113,306 | - | - | - | - | 4,555,746,905 | 3,780,702,756 |
| Other unallocated liabilities | - | - | - | - | - | - | 141,502,819 | 36,634,580 | - | - | 141,502,819 | 36,634,580 |
| Total Liabilities | 4,243,802,199 | 3,470,048,489 | 146,168,242 | 32,540,961 | 165,776,463 | 278,113,306 | 141,502,819 | 36,634,580 | - | - | 4,697,249,724 | 3,817,337,336 |
| | | | | | Within India | | Outside India | | Elimination | | Total | |
| | | | | | 2010-11 | 2009-10 | 2010-11 | 2009-10 | 2010-11 | 2009-10 | 2010-11 | 2009-10 |
| II. Secondary Segment-Geographical | | | | | | | | | | | | |
| Revenue | | | | | | | | | | | | |
| External revenue | | | | | 2,961,761,718 | 2,651,565,244 | 13,596,201 | 12,542,550 | - | - | 2,975,357,919 | 2,664,107,794 |
| Inter segment revenue | | | | | 27,542,036 | - | - | - | (27,542,036) | - | - | - |
| Total | | | | | 2,989,303,754 | 2,651,565,244 | 13,596,201 | 12,542,550 | (27,542,036) | - | 2,975,357,919 | 2,664,107,794 |
| Segment Profit/(Loss) (before tax) | | | | | | | | | | | | |
| Income taxes (Current tax and Deferred tax) | | | | | (209,032,348) | (216,511,409) | (3,680,429) | (5,071,326) | (27,542,036) | - | (260,254,811) | (221,582,735) |
| Wealth tax and FBT | | | | | (843,636) | (51,100,902) | - | - | - | - | (843,636) | (51,100,902) |
| | | | | | 40,501 | 33,443 | - | - | - | - | 40,501 | 33,443 |
| Segment Profit/(Loss) after tax | | | | | (208,229,211) | (165,443,959) | (3,680,429) | (5,071,326) | (27,542,036) | - | (239,451,676) | (170,515,276) |
| Other Information | | | | | | | | | | | | |
| Segment assets | | | | | 7,903,282,829 | 7,320,581,909 | 93,237,273 | 120,857,736 | - | - | 7,996,520,103 | 7,441,439,645 |
| Other unallocated assets | | | | | 744,012,466 | 454,656,549 | - | - | - | - | 744,012,466 | 454,656,549 |
| Total Assets | | | | | 8,647,295,296 | 7,775,238,458 | 93,237,273 | 120,857,736 | - | - | 8,740,532,569 | 7,896,096,194 |
| Segment liabilities | | | | | 4,481,171,462 | 3,681,644,965 | 74,575,442 | 99,057,791 | - | - | 4,555,746,905 | 3,780,702,756 |
| Other unallocated liabilities | | | | | 141,502,819 | 36,634,580 | - | - | - | - | 141,502,819 | 36,634,580 |
| Total Liabilities | | | | | 4,622,674,282 | 3,718,279,545 | 74,575,442 | 99,057,791 | - | - | 4,697,249,724 | 3,817,337,336 |

Statement pursuant to exemption received under Section 212 (B) of the Companies Act, 1956,
relating to subsidiary companies

(Amount in ₹)

| Name of the Subsidiary Company | Capital | Reserves | Total Assets | Total Liabilities excluding (2) and (3) | Investment other than investment in Subsidiaries included in Total assets | Turnover | Profit/ (Loss) Before Tax | Provision For Tax | Profit/ (Loss) After Tax | Proposed Dividend |
|--|-------------|---------------|-----------------|--|---|-------------|---------------------------------|----------------------|--------------------------------|----------------------|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) |
| SMC Capitals Ltd. | 50,416,600 | 8,410,189 | 81,623,754 | 22,796,965 | - | 45,936,173 | (19,307,936) | (5,925,963) | (13,381,953) | - |
| Moneywise Financial Services P Ltd. | 133,646,500 | 371,900,259 | 639,230,554 | 133,683,796 | 52,958,111 | 30,001,977 | 4,575,846 | 1,182,949 | 3,392,897 | - |
| SMC Comtrade Ltd. | 45,000,000 | 668,488,964 | 1,303,267,635 | 589,778,651 | 10,000,000 | 520,871,060 | 25,206,801 | 10,202,860 | 15,003,921 | - |
| SMC Insurance Brokers P Ltd. | 354,000,000 | (246,381,177) | 259,787,062 | 152,168,239 | - | 229,222,891 | (92,961,500) | (28,013,519) | (64,947,961) | - |
| SMC Comex International DMCC* | - | - | - | - | - | - | - | - | - | - |
| IN USD | 3,51,351 | (19,98,211) | 20,97,182 | 37,44,040 | 1,01,093 | 3,03,860 | (82,293) | - | (82,293) | - |
| IN INR | 15,849,173 | (89,000,318) | 93,408,486 | 166,759,542 | 4,502,682 | 13,533,924 | (3,665,330) | - | (3,665,330) | - |
| Sanlam Investments and Advisors (India) Ltd. (previously known as SMC Wealth Management Services Ltd.) | 150,000,000 | 135,928,856 | 309,009,078 | 23,080,221 | 59,870,950 | 83,306,136 | (213,234,263) | 3,11,03,279 | (244,337,542) | - |
| SMC ARC Ltd. | 25,000,000 | (1,863,909) | 23,158,151 | 22,060 | 11,773,193 | (915,803) | (2,554,368) | (689,986) | (1,864,382) | - |

Notes:

1 *Converted in to Indian Rupees at the exchange rate 1USD = INR 44.54.

2 The aforesaid data in respect of subsidiaries are as on 31st March 2015.

3 Provision for tax includes provision for deferred tax.



Managing Risks To Help You Sail Smooth



Moneywise. Be wise.



Afternoon
Will India Outshine Western Economies?
 Will India Outshine Western Economies? ...

Expect Resistance at 600-5650 Levels
 Interest increased during the week closing at 1.34, indicating put writing after the 'The options' op...

Stocks surge on crude slide
 SMARTY MALLY
 The stock market surged on the back of a sharp decline in crude oil prices...

DECCAN Chronicle
The sky is the limit
 A bold step with strong message

A DIALOGUE WITH YOU
 The Economy Times
wealth
 A dialogue with you...

40:10:10 को रेलिफे राखे
 प्रधानमंत्री को रेलिफे राखे...
भंडार को बढ़ा देंगे
 प्रधानमंत्री को रेलिफे राखे...

Plea to permit export of 40 Lt wheat
 The Union Government should allow exports of at least 40 lakh tonnes so that prices do not drop below the minimum support price (MSP) of Rs 1,170 a quintal.

ASSOCHAM
Meeting with
Minister for External Affairs
 Meeting with Minister for External Affairs...

माँ
 माँ का नाम है...
 माँ का नाम है...

अच्छी बारिश से उर्वरक शेयरों में आने लगी बहार
 अच्छी बारिश से उर्वरक शेयरों में आने लगी बहार...

| कंपनी | उपरोक्त वर्ष | वर्तमान वर्ष | परिवर्तन |
|---------------------|--------------|--------------|----------|
| फॉसफोरस | 25.00 | 25.00 | 0.00 |
| नाइट्रोफॉसफोरस | 25.00 | 25.00 | 0.00 |
| यूरेा | 25.00 | 25.00 | 0.00 |
| सोडियम फॉसफेट | 25.00 | 25.00 | 0.00 |
| कैल्शियम फॉसफेट | 25.00 | 25.00 | 0.00 |
| मैग्नेशियम फॉसफेट | 25.00 | 25.00 | 0.00 |
| पोटैशियम फॉसफेट | 25.00 | 25.00 | 0.00 |
| सोडियम नाइट्रेट | 25.00 | 25.00 | 0.00 |
| कैल्शियम नाइट्रेट | 25.00 | 25.00 | 0.00 |
| मैग्नेशियम नाइट्रेट | 25.00 | 25.00 | 0.00 |
| पोटैशियम नाइट्रेट | 25.00 | 25.00 | 0.00 |

Indian cos to raise Rs 90k cr in 2011: Study
 NEW DELHI: Capitalising on market revival, 2010 saw Indian companies raising nearly Rs 50,000 crore from IPOs and the total mop-up to touch Rs 90,000 crore in the company to a report by SMC Global...
रिजर्व बैंक आज बढ़ा सकता है ब्याज दरें
 रिजर्व बैंक आज बढ़ा सकता है ब्याज दरें...

RBI should ask banks to provide micro-finance
 RBI should ask banks to provide micro-finance...

'कमॉडिटी मार्केट है फायदे का सौदा'
 'कमॉडिटी मार्केट है फायदे का सौदा'...

एफएमसीजी ने की कृषि की वकालत

नई दिल्ली। एफएमसीजी सेक्टर के अध्यक्ष डॉ. अशोक कुमार ने कृषि क्षेत्र को प्राथमिकता देने के उद्देश्य से एफएमसीजी के अध्यक्ष डॉ. अशोक कुमार ने कृषि क्षेत्र को प्राथमिकता देने के उद्देश्य से...

होगा तो वह उसके उत्पादों की बढ़ती लागत पर बेहतर रणनीति और उत्पादकों पर महंगाई का बोझ नहीं आएगा। एफएमसीजी के अध्यक्ष डॉ. अशोक कुमार ने कृषि क्षेत्र को प्राथमिकता देने के उद्देश्य से...

एफएमसीजी कंपनियों ने अपने उत्पादों के दाम उस अनुपात में नहीं बढ़ाए हैं। कंपनियों को बेहतर रणनीति बनाने का अवसर कर बढ़ी हुई लागत का बोझ अपने ऊपर डाल लो है, पर वह बहुत लंबे समय तक नहीं चल सकता।

Missing Borrowing Cost Has Hit
 Missing Borrowing Cost Has Hit...

बुलियनता में रोकिए अटले तमारा पोर्टफोलियोनुं वीमाकवय
 बुलियनता में रोकिए अटले तमारा पोर्टफोलियोनुं वीमाकवय...



Moneywise. Be wise.

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Email: smc@smcindiaonline.com • www.smcindiaonline.com