

2012
18TH ANNUAL REPORT 2011-12



Moneywise. Be wise.



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18th Annual General Meeting

Day: Tuesday

Date: 31st day of July, 2012

Time: 10.15 AM

Venue: "URDU GHAR" 212, Rouse Avenue,
Deen Dayal Upadhyaya Marg,
New Delhi-110002



3 YEARS IN A ROW

WINNING ACCLAIM IN 2012 • 2011 • 2010

2012
BEST
CURRENCY

2011
BEST
CURRENCY

2011
LARGEST
NETWORK

2010
BEST
EQUITY

 **smc**
Moneywise. Be wise.



Best Currency Broker Award 2012-Mr. Anurag Bansal (WTD), Mr. S. C. Aggarwal (CMD), Mr. Mahesh C Gupta (Vice Chairman & MD) and Mr. Ajay Garg (WTD) receiving Best Currency Broker Award 2012 from Mr. Pranab Mukherjee Hon'ble Finance Minister of India on 7th April, 2012 in Mumbai.



Broking House with Largest Distribution Network Award 2011-Mr. Ajay Garg (WTD), Mr. Mahesh C. Gupta (Vice Chairman & MD), Mr. S. C. Aggarwal (CMD) and Mr. Anurag Bansal (WTD) receiving the 'Broking house with Largest Distribution Network' Award 2011 from Dr. Ashok Desai Consultant Editor, Business World on 10th October, 2011 in Mumbai.



Dun & Bradstreet 'India's Top PSU Awards 2012'-Mr. Mahesh C. Gupta, Vice Chairman and MD, SMC Group along with Dr. Veerappa Moly, Minister of Corporate Affairs awarding 'Best Trading Company in India' to MMTC Ltd.



Entrepreneur India Award 2012-18th May, 2012, New Delhi-Mr. S.C. Aggarwal (CMD, SMC Group) being awarded as Entrepreneur of the year 2012 - Innovation in Financial & Business Services.



CHAIRMAN'S COMMUNIQUE

Mr. S. C. Aggarwal
Chairman & Managing Director

Dear fellowshareholders

It gives me great pleasure to place before you the highlights of your Company's performance during the financial year 2011-12. Your Board of Directors is also pleased, subject to your vote in the forthcoming 18th Annual General Meeting, to announce the issue of bonus shares and stock split. This bonus issue and stock split would increase the capital base of your Company and liquidity of your shares without stretching on your funds. The market capitalization of the Company will remain same, before and after the split of shares. The proposal aims at better retail participation in your Company.

Details of the various achievements and initiatives taken by your Company appear in the Annual report for the year.

ECONOMIC OVERVIEW

The global growth environment has remained challenging due to the Euro zone sovereign debt crisis, volatile oil prices and fragile growth in most countries. Though India's GDP growth during the F.Y. 2011-12 was one of the highest in the world, however there are concerns about the state of the economy. Inflation has moderated but remains above tolerance level and growth has slowed perceptibly. The high twin deficits namely current account deficit and fiscal deficit, combined with elevated inflation, pose dampeners to growth. In this milieu, India's GDP growth has slowed to 6.5% after growing at more than 8% during the preceding F.Y. 2010-11.

COMPANY'S PERFORMANCE OVERVIEW

Against the backdrop of a challenging environment, I am happy to announce that we have performed reasonably well, though there is slight reduction in the top line with corresponding higher saving in expenses. SMC group has succeeded in further squeezing the Group's net losses after tax and other adjustments from ₹1508.23 lacs in F.Y. 2010-11 to ₹ 147.93 lacs in F.Y. 2011-12. This performance has been possible by cost reduction across the verticals, bringing more operational efficiency and adopting low cost revenue model.

Your Company continues to invest in infrastructure that may support the future opportunities. During this F.Y. 2011-12, your

SMC GROUP HAS SUCCEEDED IN FURTHER SQUEEZING THE GROUP'S NET LOSSES AFTER TAX AND OTHER ADJUSTMENTS FROM ₹ 1508.23 LACS IN F.Y 2010-11 TO ₹ 147.93 LACS IN F.Y 2011-12. THIS PERFORMANCE HAS BEEN POSSIBLE BY COST REDUCTION ACROSS THE VERTICALS, BRINGING MORE OPERATIONAL EFFICIENCY AND ADOPTING LOW COST REVENUE MODEL.

Company agreed to purchase the stake of Sanlam, South Africa, in the three companies i.e. SMC Investments and Advisors Ltd. {previously known as Sanlam Investments and Advisors (India) Ltd.}, Moneywise Finvest Limited {previously known as Sanlam Trustee company (India) Limited} and SMC Finvest Limited {previously known as Sanlam Investment Management (India) Ltd.}. The process is also on to make all three of them 100% subsidiaries. Thereby we are in the process to strengthen our core competencies and to enhance our presence in the NBFC segment. With this new development, your Company has in all, nine subsidiaries with presence in all segments of broking including equity, commodity, currency and insurance as well as presence in wealth management, NBFC, investment banking and distribution of varied financial products including mutual funds, IPOs and fixed deposits etc.

Your Company has been recognized by customers, media and exchanges for excellence on various parameters. Recently your Company was recognized as the Best Currency Broker for the second consecutive year (Source: UTV Bloomberg Financial Leadership awards 2012, Award presented by the erstwhile Finance Minister Shri Pranab Mukherjee).

LOOKING AHEAD

Various surveys suggest promising growth in the coming fiscal 2012-13. Alongside, depending on the rain gods and other factors, inflation is also likely to moderate during the coming year. India is likely to be amongst the fastest growing economies of the world despite occasional jerks and jolts from the global economy. We are convinced of the huge potential of your Company in the coming period, buoyed by our reasonably well performance during the last quarter of F.Y. 2011-12. Hopefully this momentum will continue and grow with time. The key will be our ability to remain relevant to customers, understand their needs and deliver the world class services.

Stock market investors have reason to feel disappointed and rather disenchanted given lackluster performance of stock markets over the last one and half years in a directionless environment. For those investors who are over concerned by the recent spate of negativism and weakness in stock markets, must remember that "Bull markets are born on pessimism, grow on

INDIA IS LIKELY TO BE AMONGST THE FASTEST GROWING ECONOMIES OF THE WORLD DESPITE OCCASIONAL JERKS AND JOLTS FROM THE GLOBAL ECONOMY. WE ARE CONVINCED OF THE HUGE POTENTIAL OF YOUR COMPANY IN THE COMING PERIOD, BUOYED BY OUR REASONABLY WELL PERFORMANCE DURING THE LAST QUARTER OF F.Y. 2011-12.

skepticism, mature on optimism and die on euphoria".

The current issues are likely to affect market sentiments. We are hopeful that some more policy decisions on reforms, better monsoon and some of recent steps like direct QFI investment, priority to infrastructure, measures for attracting new investors in the market, reduction of STT may spur the conducive environment for better business. Your Company has adequate infrastructure to take advantage of any spurt in volumes and positive sentiment in the market. To quote Dr. Robert H. Schuller "Tough Times never last, but tough people do".

On behalf of the entire Company and its leadership team, I wish to thank each shareholder and other stakeholders in your Company, including its bankers, service providers and Exchanges for their continued

support and commitment to the Company. It is the support of shareholders that has helped SMC to be one of the Best Broking House in India. I look forward to your continued support as your Company embarks on the next phase of its journey towards growth.

Yours Sincerely

Sd/-

S. C. Aggarwal
(Chairman & Managing Director)



YOUR LEGACY DESERVES BESPOKE WEALTH MANAGEMENT SOLUTIONS.

WEALTH

- | Portfolio management services
- | Multi manager investment services
- | Trading in equity, currency, interest rate futures
- | Depository services | Mutual funds & IPOs
- | Fixed income products | Near risk free arbitrage products | Structured products | Portfolio advisory
- | Real estate funds | Private equity funds
- | Financial planning | Hedging services



Building Wealth,
Enriching Lives...



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 18th Annual General Meeting. 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. It is very heartening to mention about the recent recognitions entrusted on the Company. Your company was recognized as the Best Currency Broker of India 2012 (Source: UTV Bloomberg Financial Leadership awards, 2012) , and two of our research analysts have been rated as the best Analysts in two categories (Equity and Commodity) by Zee Business in an all India open competition. All these accolades would not have been possible without your unstinted support and appreciation.

In the last few years, we expanded our portfolio of businesses significantly and diversified in the complete array of financial services, making SMC one of the most diversified financial services companies in the country. Your Company has been listed as a Qualified DP for Qualified Foreign Investors. Today, the businesses of your Company consist of Equity Broking, Commodity broking, Currency broking, Insurance broking, Investment banking, NBFC, Wealth Management and Advisory and distribution of a gamut of financial products including Mutual funds and Fixed deposits etc.

PERFORMANCE ANALYSIS

The Economic Survey 2011-12, providing an analysis of performance of various macroeconomic indicators, attributed the slowdown in economic growth almost entirely to the weakening industrial growth. Since the market conditions were not conducive enough to increase the top line, we did optimize our cost, which resulted into reduction in our consolidated Loss Before Tax by around 84% from the last financial year. The top line of the SMC group in the consolidated mode stood at ₹29,111.26 lacs in F.Y. 2011-12 as compared to ₹29,757.75 lacs in F.Y. 2010-11 and for the same period the expenses were reduced from ₹32,158.00 lacs in F.Y. 2010-11 to ₹29,493.00 lacs in F.Y. 2011-12. Despite of such turbulent events, the SMC Group of companies have performed well in their respective areas. Some of the highlights on the performance are as follows:

THE TOP LINE OF THE SMC GROUP IN THE CONSOLIDATED MODE STOOD AT ₹29,111.26 LACS IN F.Y. 2011-12 AS COMPARED TO ₹ 29,757.75 LACS IN F.Y. 2010-11 AND FOR THE SAME PERIOD THE EXPENSES WERE REDUCED FROM ₹ 32,158.00 LACS IN F.Y. 2010-11 TO ₹ 29,493.00 LACS IN F.Y. 2011-12.

- Top line decreased by 2.17% but expenditure was reduced by 8.29%.
- Loss before tax decreased by 84.09% as compared to the last financial year 2010-11.
- Revenue generated from operations on consolidated basis of ₹2,911,125,977 against the expenditures incurred of ₹2,949,299,654.

FUTURE ROAD MAP

To grow in a challenging environment like the present one, we need to maintain a continuity of strategy while continuing to become 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

more favourable, we are ideally positioned to benefit from it.

It is our constant endeavor to reach more and more people and offer them our state of the art trading facilities. Foray into internet trading, creating awareness through campaigns among the masses are steps toward that goal. We have created on-line infrastructure so that our existing and future customers can enjoy a hassle free trade at their will from anywhere. Robust risk management is at the core of our business plan. 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. From its inception, SMC has always endeavored to provide best available services to its customers and thereby maximize the wealth of the shareholders. Further, the Union Budget 2012-13 has some positive news for the broking industry, where retail investor would be able to get tax benefits on investment of ₹ 50,000 into stocks. This augurs well for the long term health of the broking industry. SEBI has also given thought to reduce unnecessary paperwork by the investors while account opening and KYC. These initiatives coupled with the reduction in STT by 20% on cash delivery transactions is positive for the capital market intermediaries. Further, Government has also allowed Qualified Foreign Investors (QFIs) to invest in India in the primary and secondary

markets on repatriable basis by simply opening a demat account with a QDP like SMC. This is a new opportunity for us to deal with foreign investors.

Rick Gettle, a famous consultant and speaker says: "Within every adversity in life, there is always a seed of an equivalent or greater benefit. We have to look for it - find it - and act on it." We in SMC will find out the benefit and share the same with our valued customers and stakeholders. When the going gets tough, only the tough get going.

I express my gratitude to all our stakeholders - our customers, business associates, bankers, employees and shareholders, for their continued support and trust in us. I wish to place on record my sincere appreciation for the continued support and co-operation of all the investors, customers, banks and Sub-brokers. I also express my sincere gratitude to all our officers and staff, for their sustained dedication and hard work.

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. ANURAG BANSAL
(Whole-Time Director)

MR. PRADEEP AGGARWAL
(Whole-Time Director)

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

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

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

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

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

MR. FINNEY CHERIAN
(Non-Executive Director)

MR. JHP VAN DER MERWE
(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 + 91-11-25754365

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

Allahabad Bank, Axis Bank Ltd., Bank of Baroda,
Bank of India, Bank of Nova Scotia, Canara Bank,
Citi Bank, Federal Bank Ltd, HDFC Bank Ltd., ICICI
Bank Ltd., IDBI bank, Indusind Bank, Kotak
Mahindra Bank, Punjab National Bank, South
Indian Bank, State Bank of Bikaner & Jaipur, State
Bank of India, Vijaya Bank, Yes Bank.

GROWING SINCE INCEPTION



ABOUT THE COMPANY

SMC Group, founded in 1990, is India's one of the leading financial services provider with a wide range of financial services and investment solutions. It has been awarded the Best Currency Broker Award 2012, Best Currency Broker Award 2011, Broking House with the Largest Distribution Network Award 2010 & 2011 and Best Equity Broker Award 2010. In 2011, SMC Investments and Advisors Ltd. (Wealth Management arm of SMC Group) was also awarded the "India's Best Wealth Management Company" (Source: BusinessSphere, 2011).

The group offers a wide range of financial services for diverse customer needs through a growing network of more than 2500+ offices spread across 500+ cities.

These services are made available by a highly dedicated workforce of approx 3000+ employees through more than 10,000 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 more than 7,00,000 satisfied investors.

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 7,00,000 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

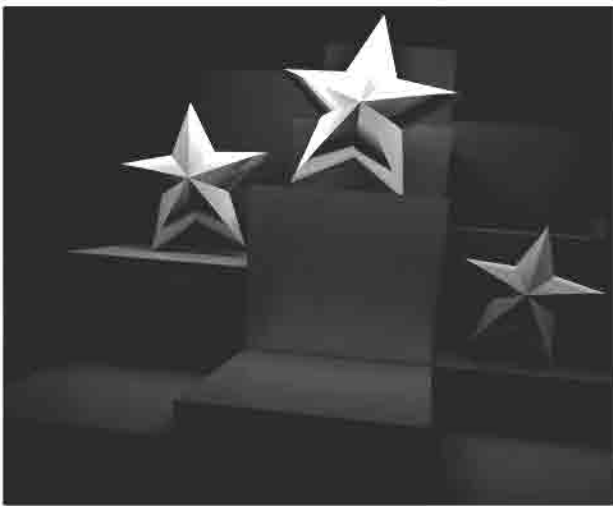
VALUE FOR INVESTOR'S TRUST: SMC values the trust reposed in it by the clients and is committed to uphold it at all cost.

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.

CREDENTIALS YOU CAN RELY UPON



THE MILESTONES

- | Best Currency Broker in India (Source: ICRA-Bloomberg UTV Financial Leadership Awards, 2012 and 2011)
- | Broking House with the Largest Distribution Network in India (Source: BSE-D&B Equity Broking Awards, 2011 and 2010)
- | Best Wealth Management Company in India (Source: Business Sphere, 2011)
- | Best Equity Broking House in India (Source: BSE-D&B Equity Broking Awards, 2010)
- | Fastest Growing Retail Distribution Network in financial services (Source: Business Sphere, 2010)
- | Corporate Excellence Award (Source: Institute of Economic Studies, 2008)
- | Major Volume Driver award from BSE for 3 years consecutively (2006-07, 2005-06 and 2004-05)
- | 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, USE and NCDEX Spot Exchange
- | Clearing Member in NSE (Derivatives & Currency), BSE (Derivatives), NCDEX, MCX, USE, 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



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EQUITIES



COMMODITIES



RESEARCH



INSURANCE



CURRENCY



WEALTH MANAGEMENT



INVESTMENT BANKING



IPOs & MUTUAL FUNDS

EVENTS, CONFERENCES AND SEMINARS



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SMC is participating in business meeting with Hon'ble Prime Minister of the Republic of Macedonia, H.E. Mr Nikola Gruevski and the accompanying delegation on 5th March, 2012 in New Delhi



Mr. S. C. Aggarwal (CMD, SMC Group) interacting with South African President Mr. Jacob Zuma on 29th March, 2012 in New Delhi



SMC is participating in business meeting with Brazilian Foreign Minister, Mr. Antonio Patriota and Mr. Anand Sharma (Hon'ble Commerce Minister of India) on 30th March, 2012 in New Delhi



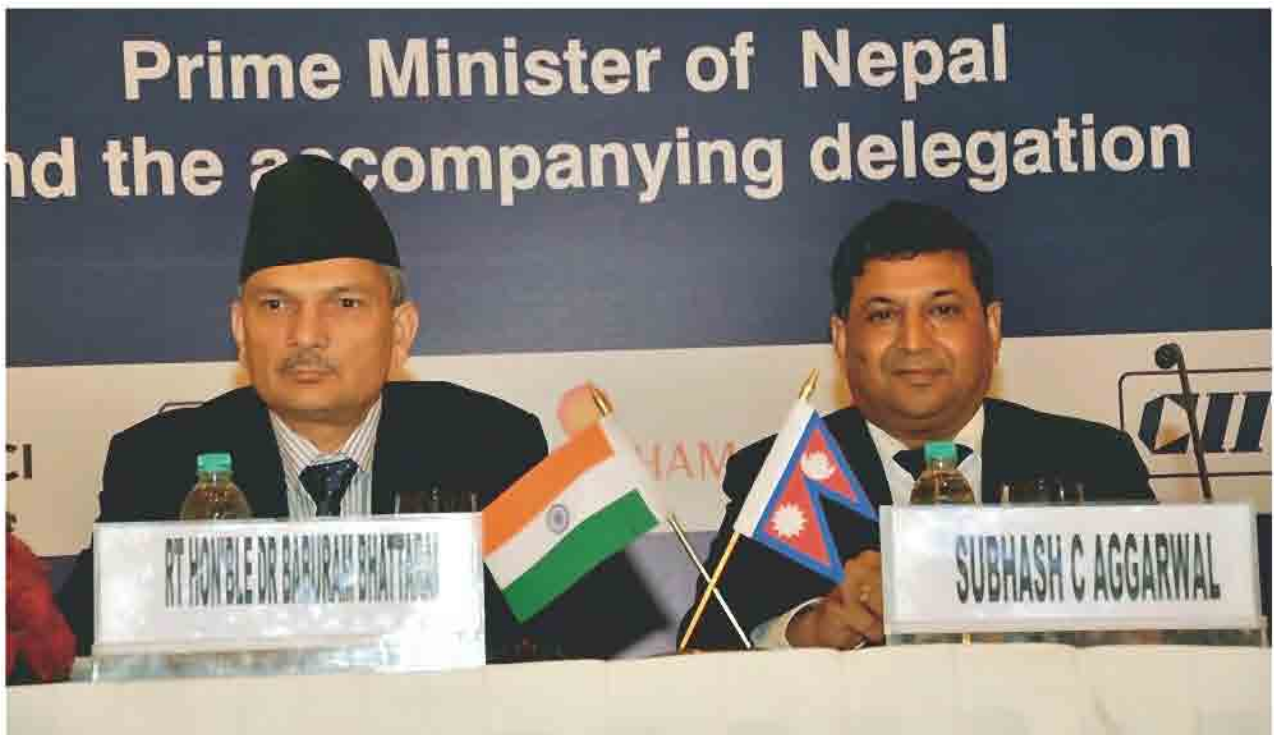
Mr. S. C. Aggarwal (CMD, SMC Group) greeting Ms. Kamla Persad-Bissessar, Hon. Prime Minister of Trinidad and Tobago Business Meeting on 6th January, 2012 in New Delhi



Mr. S. C. Aggarwal (CMD, SMC Group) greeting Mr. Amadou Toumani Touré, Hon'ble President of Mali on 11th January 2012 in New Delhi



Mr. S. C. Aggarwal (CMD) interacting with Indo-Japanese delegates during business meeting in the honour of Mr. Yoshihiko Noda, Hon'ble Prime Minister of Japan on 28th December, 2011 in New Delhi



Mr. S. C. Aggarwal (CMD, SMC Group) and Mr. Baburam Bhattarai, Hon'ble Prime Minister of Nepal sitting with other delegates - Business Meeting in honour of Prime Minister of Nepal on 21st October, 2011 in New Delhi



Mr. S. C. Aggarwal (CMD, SMC Group) & Mr. Anand Sharma (Hon'ble Commerce Minister of India) along with Mr. John Key, Hon'ble Prime Minister of New Zealand-business meeting on 28th June, 2011 in New Delhi



Mr. Anurag Bansal (Whole-Time Director-SMC Global Securities Ltd.) addressing the elite gathering during the Seminar on SME Exchange on 17th September, 2011 in Bangalore



Mr. Ajay Garg (Whole-Time Director, SMC Global Securities Ltd.) addressing during the Seminar organized by SMC on Investment Opportunities 2012 a seminar on Technical and Hedging Strategies at Hotel Bristol, Gurgaon



Commodity as an emerging Asset Class on 29th September, 2011 in New Delhi-Mr. D K Aggarwal (CMD, SMC Investments & Advisors Ltd. & President CPAI) while addressing the elite gathering

DIRECTORS OF SMC GROUP



Mr. S.C. Aggarwal
Chairman & Managing Director

Mr. Aggarwal, the Co-founder and promoter of SMC Group, has rich and extensive experience of more than 25 years in the financial market. He is a fellow member of the Institute of Chartered Accountants of India. He has an in-depth knowledge and strong understanding of various intricacies of the Securities Market and the Financial Services. His visions, skills and outstanding commitment has made SMC, the Best Equity Brokerage and the Largest Distribution houses of India. His efforts have led to the diversification of the group business from stock broking and arbitrage to commodity broking, distribution of IPOs & mutual funds, insurance products, merchant banking, wealth management and advisory services. Mr. Aggarwal is a member of the Managing Committee and Cost Accounting Standards Committee of the Associated Chamber of Commerce and Industry (ASSOCHAM). He is also the Co-Chairman of the Capital Market Expert Committee of ASSOCHAM. Along with these, he is also Chairman of "Capital Market Vision-2020 Committee" of ANMI.



Mr. Mahesh C. Gupta
Vice Chairman & Managing Director

Mr. Mahesh C Gupta is a co-founder and promoter of the SMC Group with more than 25 years of widespread experience in Securities Market. He is also a fellow member of the Institute of Chartered Accountants of India. His extraordinary leadership skill, astute business acumen, analytical financial bent of mind and disciplined life style have helped SMC strongly diversify to a full fledged financial services provider with pan India presence across 500 cities providing Brokerage services in equity, commodity, currency, derivatives, depository services, clearing services, investment banking, portfolio & wealth management, distribution of insurance, IPOs, mutual funds, fixed deposits and other 3rd party products. His principles of honesty, transparency and moral integrity have given strong foundation to SMC in its growth.

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Mr. D. K. Aggarwal

CMD-SMC Comtrade Ltd.,
SMC Capitals Ltd. and
SMC Investments & Advisors Ltd.

Mr. D. K. Aggarwal is one of the key architects of success of the SMC Group. Innovation in offerings, branding, research and arbitrage are his forte. He has more than 20 years of wide and rich experience in equity and commodity broking and arbitrage. He is the Chairman and Managing Director of SMC Investments & Advisors Limited. He is an eminent speaker and regularly presents his views and expertise on various market related issues through print and electronic media. He is also a fellow member of the Institute of Chartered Accountants of India. He is the National President of Commodity Participants Association of India (CPAI). He is also co-chairman of Task Force on Commodities Exchange of PHD Chamber of Commerce.



Mr. Pradeep Kumar Aggarwal

Whole-Time Director

Mr. Pradeep Aggarwal is a self motivated person having a professional approach emphasising on ethics and integrity. He possesses excellent communication and interpersonal skills & operates collaboratively with his team members to achieve a common goal. With an experience of more than 20 years in equity and commodity market, he innovates, develops and effectively implements new ideas for the growth and progress of the arbitrage business of the Company in securities and commodities. Mr. Aggarwal is a person with unmatched sharp calculative skills and analytical bent of mind.



Mr. Ajay Garg

Whole-Time Director

Mr. Ajay Garg is a fellow member of the Institute of Chartered Accountants of India (ICAI). He has a wide experience of more than 16 years in the Financial Market. Mr. Garg leads the broking operations of SMC Group including business development, entire technological functioning of the business, risk management & surveillance, compliance, corporate communications & brand management and IT & software development. His roles and responsibilities also include Business Development of Corporate Client Group (CCG) and handling of Corporate Hedging Desk (SCHD). He is responsible and instrumental for Internet Based Trading and Mobile Trading, QFI, NRI and B2B Businesses. Under his able guidance within the last few years, SMC has evolved into a well known and a preferred brand in the Indian Capital Market.



Mr. Anurag Bansal
Whole-Time Director

Mr. Anurag Bansal is a rank holder and fellow member of the Institute of Chartered Accountants of India (ICAI) and also a member of the Institute of Cost and Works Accountants of India (ICWAI). He has extensive experience of more than 15 years in the Capital Market. His roles and responsibilities include management and supervision of business development in the field of primary & secondary market through branches spread all over the country, Institutional Equities business and distribution division apart from legal and other strategic functions of the organisation. His rich experience and efforts have helped SMC establish as a reliable name and a renowned brand in the country.



Mr. Finney Cherian
Non Executive Director

Mr. Cherian is Non Executive Director of SMC Global Securities Ltd. He is the Chairman & Chief Executive Officer of Millennium India Acquisition Company Inc., USA. Mr. Cherian has served as a partner in the financial services division of Computer Sciences Corporation, or CSC, a Fortune 500 firm. Mr. Cherian holds Bachelor of Arts degree in Accounting Information Systems from Queens College of CUNY and MBA in International Finance from St. John's University. With more than 17 years of experience, Mr. Cherian has successfully demonstrated his abilities, with increasingly responsible positions as a financial services executive, leading or co-leading numerous global multimillion dollar business transactions in business restructuring, turnaround, growth, cost reduction and off-shoring strategies.



JHP Van Der Merwe
Non Executive Director

Mr. Johannes Hendrik Petrus Van Der Merwe is known for expertise and proficiency in International trends in Asset Management and Financial Services, investments' strategy, business leadership trends and views, work/life balance, issue mentorship, building a solid team.

Mr. JHP Van der Merwe was appointed as Chief Executive Officer- Sanlam Investments Management in July 2002. His educational qualification include M.Com, M.Phil (cantab), CA (SA), attended advance management programme at Harvard. He is the Executive Director of Sanlam Investment Management, Director of Sanlam UK, Sanlam International Investment Partners, Octane Holding and Atterbury Investment Holdings. He is Chairman of Sanlam Capital Markets, Sanlam Properties, Sanlam Multi Manager International, Sanlam Asset management (Ireland), Sanlam Private Investment and Sanlam Collective Investments, Atom Funds Management Pty Limited, Eight Investment Partners Pty Limited, FOUR Capital Partners Limited, Sanlam International Partners Limited, SIIP Mauritius, SIM International Investments Partners Australia Pty Limited and CEO of The Sanlam Institutional Cluster.

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Mr. N. D. Gupta

Independent & Non Executive Director

Mr. N.D. Gupta is the Managing Partner of M/s Dass Gupta & Associates, Chartered Accountants, New Delhi. Mr. Gupta is a fellow member of the Institute of Chartered Accountants of India (ICAI). He had led the Institute of Chartered Accountants of India as President during 2001-2002. He joined the company as Independent and Non- Executive Director w.e.f. 25-05-2007. He has expertise on corporate affairs, taxation and Securities Market. His valuable contributions and guidance on various issues, enriches the company.



Mr. R. C. Jindal

Independent &
Non Executive Director

Mr. Roop Chand Jindal is a partner of Babber Jindal & Co., chartered accountants since 1975. He is a fellow member of the Institute of Chartered Accountants of India. He is having vast experience of more than 37 years in audit of PSU and Banks and has also undertaken various assignments of the Reserve Bank of India (RBI). He has joined the Board as an Independent and Non- Executive Director on 25th May 2007.



Mr. P. K. Bansal

Independent &
Non Executive Director

Mr. Pawan Kumar Basal has wide and rich experience of more than 25 years in the field of corporate affairs, taxation and securities market. Mr. Bansal is a Commerce Graduate and a partner of M/s Capital Meters. Since his appointment as an independent & non-executive Director of the Company, he has been regularly providing valuable contributions towards the growth of the Company.



Mr. K. M. Agarwal
Independent &
Non Executive Director

Mr. K. M. Agarwal is an Independent & Non- Executive Director and the member of Audit Committee of the Company. He is a fellow member of the Institute of Chartered Accountants of India(ICAI). He has more than 38 years of experience in consultancy on legal, taxation and other corporate matters including 23 years experience in securities market. He is a senior partner of Parsad & Co. Chartered Accountants. He has been regularly making his valuable contributions in the meeting of the Board of Directors of the company and its committee thereof.



Mr. Satish Chandra Gupta
Independent &
Non Executive Director

Since 30th May, 2011, Mr. Satish Chand Gupta is on the Board as an Independent and Non- Executive Director of the Company. Mr. Gupta is a Post Graduate In Commerce. He has vast experience of 41 years in Banking and other allied matters. He is a dynamic personality. He worked with Oriental Bank for 27 years. Mr. Gupta joined the Indian Overseas Bank as an Executive Director in 1999 and later became the Chairman and Managing Director on 2nd May, 2005. He has also served as Chairman & Managing Director of PNB, the second largest bank of India.



Mr. Ravi Aggarwal
Whole-Time Director
SMC Insurance Brokers Pvt. Ltd.

Mr. Ravi Aggarwal has more than 12 years of experience in Equity and Commodity Market. An innovative mind having a rich academic and professional background, his roles and responsibilities include the establishment and development of Insurance Broking venture, developing pan-India branch network, designing of systems and processes and innovative marketing programs. He possesses excellent communication and interpersonal skills & operates collaboratively with his team members to achieve a common goal. He is also a member of Institute of Chartered Accountants of India.

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Mr. Pravin Agarwal

Whole-Time Director
SMC Insurance Brokers Pvt. Ltd.

Mr. Pravin Agarwal is a Whole-time director of SMC Insurance Brokers Pvt. Ltd. He is energetic, multi-lingual, hardworking and self motivated. He adopts result oriented professional approach. He has more than a decade of experience in Insurance and Financial Services industry and is actively involved in the development of the insurance broking venture, planning, business development and devising strategy for insurance broking.



Mr. Lalit Aggarwal

Whole-Time Director
Moneywise Financial Services Pvt. Ltd.

Mr. Lalit Aggarwal has a rich working experience of more than 17 years in Securities and Commodities market. He is actively involved in the development and functioning of SMC's arbitrage business. His great dedication and devotion to his work is an inspiration for his team. A man of great intellect, his ideas have helped SMC in the introduction of new services in the arbitrage business. His style of working is highly motivational to his team members. Mr Aggarwal is a person with unmatched sharp calculative skills and analytical bent of mind.



Mr. Om Prakash Aggarwal

Director
SMC Capitals Ltd.

Mr. Om Prakash Aggarwal has working experience of more than 3 decades in various organizations. He has a successful track record in restructuring of debts with banks and financial institutions, debt syndication, corporate advisory, M&A and buyout advisory.



Mr. Narender Balasia

Whole-time Director
SMC Comtrade Ltd.

Mr. Narender Balasia is a Whole-time Director of SMC Comtrade Ltd. He is associated with SMC Group of Companies since 1995. He has played an eminent role in the expansion of business in the entire eastern region. He has rich and vast experience in equities and commodities business. He has experience of more than 21 years in financial market.



Ms. Shweta Aggarwal

Director-SMC Capitals Limited
Director-SMC Investments & Advisors Ltd.

Ms. Shweta Aggarwal has successfully handled multiple critical assignments since joining the SMC Group. In her very first assignment at SMC, she was the catalyst in successfully setting up of the Human Resource function. Her efforts in the identification of a new global partner to the creation of SMC's joint venture with Sanlam Investments of South Africa are laudable. She is also a member of the Institute of Chartered Accountants of India.



Mr. Himanshu Gupta

Director-SMC ARC Limited

Mr. Himanshu Gupta is a young and energetic personality and has been bestowed upon the responsibilities to look after the SMC Group's finance, accounts and surveillance functions. Besides the above responsibilities, he is also looking after the development of non banking and financial foray of the group. He takes active participation in overall operations of the group. Mr. Gupta is also a member of the Institute of Chartered Accountants of India.

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Ms. Aditi Aggarwal
Director-SMC ARC Limited

Ms. Aditi Aggarwal looks after the profile of business development of the group. She takes active participation in overall development of the group business. Ms. Aditi Aggarwal is also a member of the Institute of Chartered Accountants of India.

KEY PEOPLE OF SMC GROUP



Mr. Shyam Sunder Bansal

Mr. S. S. Bansal, a Chartered Accountant and L.L.B, has more than 20 years of experience in the areas of finance, accounting, auditing, taxation, financial & investment management and planning. He has been practicing Chartered Accountant where he acted as auditor and consultant for various PSU's, banks, financial services and multinational companies besides contributing as board member of financial services, public limited companies. he joined SMC Investments and Advisors Limited since the date of its incorporation i.e. January, 2008 with the overall carrier spanning over 25 years. In his current role, Mr. S.S. Bansal is the Principal Officer and responsible for investment management and the Company's finance and profitability in the business besides contributing to the business strategies as key managerial person.



Mr. Suman Kumar

Mr. Suman Kumar spearheads the Legal & Secretarial wing & is taking care of all the legal & secretarial matters of the group. He is a fellow member of the Institute of Company Secretaries of India and is a graduate in law from Delhi University. He has over 11 years of experience in Compliance, Secretarial and Legal domain. He has the expertise in Secretarial Compliance, Arbitration, IGRC, Consumer, Civil and Criminal Matters. Besides this, he is also a distinguished visiting faculty of the Institute of Company Secretaries of the India and various other leading Management Institutions. He is also the eminent speaker of Securities and Commodities Market including Investor awareness campaign and has delivered lectures across the country.



Mr. Jagannadham Thunuguntla

Mr. Jagannadham has vast experience of more than 8 years in the Securities Market. In SMC he delivers his dedication as Strategist and Head of Research covering equities, commodities, currency, etc. Previously, he was head of Investment banking in SMC Capitals, one of the Subsidiaries of SMC Global Securities Limited. Prior to associating with SMC Group, he served NDG management Consultants as Director and Morgan Stanley, Capital Market & Financial Institution Group (FIG) as Associate. He has proven himself as man of dedication, devotion. He is rank holder of Institute of Chartered Accountants of India and also the Institute of Cost Accountant of India.



Mr. Pankaj Gupta

Mr. Pankaj Gupta has completed his Masters in Economics. He has wide and rich experience of more than 9 years in IT enabled services and 6 years in securities and commodities market. Mr. Gupta joined SMC Group of companies in year 2006 and taken over the charge for the membership at Dubai Gold and commodities exchange. As Associate Director for SMC Comex International DMCC, he has been engaged in promoting SMC in the Gulf region and representing the first ever international presence of SMC group of companies. Mr. Gupta along with the guidance from the company's directors has been able to maintain SMC as one of the top 10 broking & clearing member at DGCX. He possesses good knowledge and experience in all aspects of business in commodities market ensuring the compliance as per DGCX.



Mr. Vinod Kumar Jamar

He is a member of the Institute of Chartered Accountant of India and Sr. Vice President (Financial Accounting & Taxation) of the Company. He has vast experience of over 27 years in taxation, finance, accounts, strategic planning, auditing, fund management, budgeting, MIS and team management. He has the ability of enhancing business growth & maximizing profits through internal control & productivity improvement. Previously he was Head Taxation & Chief Risk Officer at Bajaj Allianz General Insurance Co. Ltd.



Mr. Mohit Shyngle

Mr. Mohit Shyngle spearheads the Sub-broker Marketing of SMC Group. He is a Commerce graduate from Delhi University and has more than two decades of hard core marketing experience. Under his leadership SMC has been successful in churning out one of largest network of sub-brokers/authorised persons across the country.



Mr. Mahesh Kumar Gupta

Mr. Mahesh Gupta has more than 23 years of rich and varied experience in distribution of financial products. Prior to joining SMC, he has worked with RR Financial Consultants Ltd. as Product Head- IPO & Fixed Income. He has strong capabilities of marketing products through channel distribution network. He is a Commerce Graduate and MBA (Finance & Marketing).



Mr. Vikram Sheth

He has experience of over 16 years in the field of securities market and with problem solving approach has guided many mid-cap companies in field of IPOs, FCCBs, delisting, rights issues, capital structuring etc. He has successfully lead the SMC Capitals team in closing private equity deals. Prior to joining SMC Capitals he has worked as Head of Equity Capital Markets at ICICI Securities and Edelweiss.



Mr. Rajeev Kalambi

Mr. Rajeev has conceded master's degree from the Delhi School of Economics and an MBA from the Indian School of Business (ISB), Hyderabad. He has 13 years experience in the field of corporate & investments banking and finance consulting. Previously he was associated with HSBC and the Development Bank of Singapore followed by investment banking stints at Edelweiss Capital and Cipher Capital. Mr. Kalambi is playing crucial role in the growth of the merchant banking wing.



Ms. Sonal Shah

Ms. Sonal Shah holds PGDM from IIM Kolkata and a Bachelor's Degree in Economics (Honours) from Delhi. She has a tremendous experience of over 18 Years in facets of M&A advisory, equity capital markets, syndication and private equity. Before joining SMC Capitals Ltd., she was associated with Macquarie Capitals Advisors Ltd. She was also CEO of the Food & Agribusiness Private Equity Fund at Yes Bank and Director & Head- Strategic Advisory at Rabo India Finance. Further, she has been an active member of Industry Panels for the consumer, agribusiness and financial services sectors, at leading Indian industry associations. Ms. Shah looks after the merchant banking wing with her expertise in M&A and private equity.

PEOPLE WISE. BE WISE



We understand and value that employees' growth is directly proportional to organization's growth and this is translated in SMC Global Securities Limited and its culture. The long-term success of an organization depends on its capacity to ATTRACT, DEVELOP AND RETAIN the talent into the system. With efficient and quality strong base of human capital many milestones have been achieved by SMC starting from inception of the journey within the country and abroad. We have been awarded 'Learning & Talent Technology Excellence' award by Star TV for HR best practices.

Over the years, SMC has expanded its operations domestically as well as internationally. Existing network includes regional offices at Mumbai, Kolkata, Chennai, Ahmedabad, Jaipur, Hyderabad, Bangalore plus a growing network of 2500+ offices spread across 500+ cities/towns in India.

RECRUITMENT, TRAINING AND DEPLOYMENT (RTD)

SMC wishes to maintain and develop its reputation as an employer of high repute that comes true with highly motivated employees who bring their heart and mind to the table. We have specialized RTD (Recruitment, Training, and Deployment) concept; synchronized strategically with the mission, vision and goals of organization with the human capital competency. The right fit is recruited, trained and developed keeping in mind the succession planning. We have designed seamless processes and policies to bring the best benchmark practices like fair compensation with equity, flexible working hours, clear accelerated career path and regular training and development. Such interventions have led to set up the highly efficient human capital by giving multiple career choice and exposure to the employees.

Learning and development programs include scheduled training based on a systematic review and identification of existing and future gaps in the talent base. Recruitment, training and deployment is a streamlined strategy with objective of bringing right fit to the company, providing the tools and technology to support and develop them further.

ENJOYING WORK WITH FUN

'All work no play makes Jack a dull boy' as it is rightly said that in anyone's life there has to be fun as well as work. So believing this saying, and to bring balance we organize departmental outings, open door policy, E- newsletter where employees are not only working but involving themselves to bring fun at work place. To bring the transparency and bonding in true sense into the culture we have processes such as 'Performance counseling', 'Thought of the Week' 'Gyankosh' a grievance handling campaign 'Here to Hear you', 'Query Resolution Window', 'Idea Box' and 'Weekly research magazine' covering the happenings 'by the people, for the people'.

SMC Global Securities encourage employees to express their objective, creativity, innovation, feedback in an open dialogue aiming retention and motivation among employees.

DEVELOPING PEOPLE TO NEXT LEVEL

"Learning and Development Initiative" has the objective of utilizing training as an effective tool to enhance employees' skills and to propagate a learning culture through knowledge management, ultimately leading to a learning organization. At

SMC, Learning and Development division is not seen as a cost centre but as a 'Productivity Enhancement Centre'. Training need analysis is categorized in three different segments keeping in mind the SMC vision and mission i.e. Business Process Improvement, Domain Specific Training, and Behavioral Enhancement across different levels & designations through wide use of latest technology in organization. These inculcated abilities and attributes lead to formation of highly skilled workforce, giving manifold career choices and helping them in fulfilling the management aims and desires.

HEALTH CHECK UP

SMC is organizing with the help of the various Health Care Institutions regular health check up for its employees. Recently, the SMC has organized

initiatives for employees and their families to get consultation and treatment at Dr. Batra Clinic. It has also organized free Eye Check-Up Camp organized for the employees of SMC Group for better and enhancing their vision.

MOTIVATIONAL TOURS / CAMPS / FESTIVALS

SMC is organizing the motivational tours / trips for its employees regularly and also organizing the various motivational camps / conferences for its employees / business associates time to time to keep them enthusiastic and give their full potential to the organization. We at SMC celebrate most of the festivals within the organization and are also arranging different types of competitions among the employees, their kids and family members.

CARING AND PERSONAL TOUCH

One of the best ways to motivate your employees and increase productivity is to keep personal contact with them. We at SMC understand the need to treat our employees as important assets. We understand the need to make our employees think and act as a family. We care them individually to inspire/motivate them. By remembering and celebrating their birthdays, asking how they spent their weekend, asking after their loved ones and sharing on their good or bad moments, we bring out the best in them. We know their family, loved ones, likes and dislikes. Personal caring makes them responsible for our business and they act to make the Organization happy.







**ONE WISE OFFICE
IS ALWAYS CLOSE TO YOU.**

NETWORK

SME has a network of 2500+ offices
| Spread across 500+ cities/towns in
India | Regional offices at Mumbai,
Kolkata, Ahmedabad, Chennai &
Bangalore | More than 16,500
financial advisors



Moneywise. Be wise.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 18th Annual Report along with the Audited Accounts for the Financial Year ended on 31st March, 2012.

FINANCIAL RESULTS (STANDALONE)

	Year ended March 31st, 2012 (Amount in ₹)	Year ended March 31st, 2011 (Amount in ₹)
Total Income	1,724,122,340	2,081,950,682
Net Profit before Taxation	13,802,844	61,930,949
Less: Provision for Taxation	5,960,975	24,926,520
Net Profit after Taxation	7,841,869	37,004,429

INFORMATION ON STATUS 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 it has been prepared in accordance with Clause 49 of the Listing Agreement.

DIVIDEND

Keeping in mind, the lower volumes and the resultant lower profitability for the year and the consequent need to maintain the liquid funds of the Company, the Directors have decided not to recommend any dividend this year.

FIXED DEPOSITS

As on 31st March, 2012, 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.

ISSUE OF BONUS SHARES, SUB-DIVISION/SPLIT IN FACE VALUE OF EQUITY SHARES:

The Board of Director at its meeting held on 18th June, 2012, has decided to sub-divide/split the face value of equity shares of face value of ₹ 10/- each into 5 (Five) equity shares of the face value of ₹ 2/- each in order to enhance the liquidity in the capital market, widen shareholder base and to make the shares affordable to the small investors.

If sub-division of face value of share as recommended by the Board of Directors is approved at the Annual General Meeting, the effect will be given to those shareholders whose names appear as beneficial owner as on Record Date (End of the Day) as per the beneficial owners position to be downloaded from NSDL & CDSL in respect

of the shares held in electronic form and as members in the Register of Members of the Company after giving effect to all valid share transfer in physical form lodged with the Company/RTA on or before the Record Date (End of the Day) to be determined by the Board for the said purpose.

Further, the Board of Directors of your Company has approved to issue fully paid up bonus share to the members of the company in ratio of one equity share for every one equity share held by members, by capitalizing Reserve and Surplus/Securities Premium Reserve or such other accounts as are permissible to be utilized for the purpose, as per the audited accounts of the Company for the financial year ended March 31st, 2012, of the Company to such Members whose name shall appear on its Register of Members or in the respective beneficiary account with their respective Depository Participants on the 'Record Date' to be determined by the Board for the said purpose.

CHANGE IN SHARE CAPITAL

On 30th November, 2011, the Company has issued and allotted 4,67,371 equity shares to Sanlam International Investment Partners Limited of face value of ₹ 10/- each at a premium of ₹ 992.95/- each through Private Placement on Preferential basis. Consequently, the Paid up equity share capital of the Company rose to 10,945,758 equity shares of face value of ₹ 10/- each from 10,478,387 equity shares of face value of ₹ 10/- each.

On 29th June, 2012, the Company has issued and allotted further 3,67,687 equity shares to Sanlam International Investment Partners Limited of face value of ₹ 10/- each at a premium of ₹ 1105.10/- each through Private Placement on Preferential basis. Consequently, the paid

up equity share capital of the Company rose to 11,313,445 equity shares of face value of ₹ 10/- each from 10,945,758 equity shares of face value of ₹ 10/- each.

DIRECTORS

Mr. Rakesh Gupta, Whole time Director of the Company, has resigned from the office of Whole-time Director including Directorship thereof w.e.f. 9th March, 2012.

Mr. Deba Prasad Roy, Independent and Non- Executive Director of the company, has resigned from the office of the Director w.e.f. 19th October, 2011.

Mr. Johannes Hendrik Petrus Van Der Merwe, appointed as Non-Executive Director of the Company w.e.f. 16th November, 2011.

Mr. K. M. Agarwal, Independent & Non Executive Director of the company, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

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

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

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, 2012, 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, 2012 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 Director's 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 Agreements 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 Board of Directors recommended appointment of M/s Atul & Rajinder, Chartered Accountants, as Statutory Auditors of the Company for the financial year 2012-13.

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 all the five stock exchanges.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

As on 31st March, 2012 following nine companies are the subsidiaries of the Company:

1. SMC Comtrade Ltd. (Commodity Broking)
2. SMC Insurance Brokers Private Ltd. (Direct Insurance Broker)
3. SMC Comex International DMCC (Commodity Broking)
4. SMC Investments and Advisors Ltd. (Formerly

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

5. Moneywise Financial Services Private Ltd. (NBFC - Margin Financing in Secondary Market and in Public Offerings of IPOs, FPOs, Bonds etc.)
6. SMC Capitals Ltd. (Category - I Merchant Banker)
7. SMC ARCLtd. (Proposed ARC Business)
8. SMC Finvest Limited (Erstwhile Sanlam Investment Management (India) Limited became subsidiary w.e.f. 16th February, 2012)
9. Moneywise Finvest Limited (Erstwhile Sanlam Trustee Company (India) Limited became subsidiary w.e.f. 11th January, 2012)

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 2011-12, 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 31-03-2012 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 its subsidiary companies at the registered office of the Company and its subsidiaries concerned.

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

No material changes and commitments, have taken place between the end of the financial year of the company to which the balance sheet relates and the date of report, which affects the financial position of the company.

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 ₹ 44,310,000 has been reported during the year on account of Management and Advisory Services.

PARTICULARS OF EMPLOYEES

Statement of particulars of employees as required under section 217(2A) of the Companies Act, 1956 and the rules framed there under 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 Board of Directors wish to express its 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 other business affiliates.

The Board places on record its sincere appreciation towards the Company's valued customers for the support and confidence reposed by them in the organization and the stakeholders for their continued co-operation and support to the Company 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: 29th June, 2012

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, Sr. V. P. (Financial Accounting and Taxation) of the Company hereby certify that:

We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2012 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.

For SMC Global Securities Ltd.

sd/-

S. C. Aggarwal
(Chairman & Managing Director)

sd/-

Vinod Kumar Jamar
[Senior V.P. (Financial
Accounting & Taxation)]

Place : New Delhi
Date : 22.05.2012



**BE CERTAIN EVEN DURING
UNCERTAIN TIMES.**

RESEARCH

SMC's state of the art research unit provides incisive insights into daily market moves.

| Equity Reports | Commodities Reports

| Currency Reports | Mutual Fund Reports

| Special Budget Reports | Newsletters

| Wise Money: Weekly Magazine

| SMS Service | Chat Rooms



Moneywise. Be wise.

CORPORATE GOVERNANCE REPORT

(PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)

1. GOVERNANCE PHILOSOPHY

In order to ensure sustainable returns to all stakeholders of the business, it is imperative, especially for large organisations, to adopt and follow certain policies, procedures and processes, which together constitute a "Code of Corporate Governance".

Corporate Governance at SMC is a rigorous and well-established framework that helps to manage the Company's affairs in a fair, accountable and transparent manner. Corporate conduct is integral to the manner that we conduct our business and our actions are governed by values and Principles, which are reinforced across all levels within the Company.

2. BOARD OF DIRECTORS

SIZE AND COMPOSITION OF THE BOARD:

The Board is broad-based and consists of eminent individuals drawn from management and financial fields. The Board is entrusted with the ultimate responsibility of the management, general affairs, directions and performance of the Company. The current policy is to have an appropriate blend of Executive and Non-Executive Directors to maintain the Independence of the board. Presently, the Board consists of twelve Directors with an Executive Chairman, out of which seven are Non-executive Directors, three 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. Pradeep Aggarwal
(Whole-Time Director)
4. Mr. Ajay Garg
(Whole-Time Director)
5. Mr. Anurag Bansal
(Whole-Time Director)
6. Mr. K. M. Agarwal
(Independent & Non- Executive Director)
7. Mr. N .D. Gupta
(Independent & Non-Executive Director)
8. Mr. P. K. Bansal
(Independent & Non-Executive Director)
9. Mr. R. C. Jindal
(Independent & Non-Executive Director)
10. Mr. Satish Chandra Gupta
(Independent & Non-Executive Director)
11. Mr. Finney Cherian
(Non-Executive Director)
12. Mr. JHP Van Der Merwe*
(Non-Executive Director)

*Appointed w.e.f. 16th November, 2011.

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

MEETINGS AND ATTENDANCE

Six Meetings of the Board of Directors were held during the financial year ended 31st March, 2012. The meetings were held on 30th May, 2011, 1st June, 2011, 10th August, 2011, 17th October, 2011, 30th November, 2011 and 6th February, 2012.

a) Attendance of Directors at Board Meetings during the Financial Year 2011-12, last Annual General Meeting (AGM) and number of other Directorship and Chairmanship / Membership of committees in various companies are as follows:

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	6	Y	2	NIL	NIL
Mr. Mahesh C. Gupta	Vice-Chairman & Managing Director	5	Y	2	NIL	NIL
Mr. Pradeep Aggarwal	Whole-time Director	4	N	1	NIL	NIL
Mr. Rakesh Gupta	Whole-time Director	2	N	Ceased w.e.f. 09.03.2012		
Mr. Ajay Garg	Whole-time Director	5	N	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	4	N	3	1	NIL
Mr. P. K. Bansal	Independent & Non-Executive Director	4	N	4	1	1
Mr. R. C. Jindal	Independent & Non-Executive Director	5	N	1	NIL	2
Mr. Deba Prasad Roy	Independent & Non-Executive Director	3	Y	Ceased w.e.f. 19.10.2011		
Mr. S. C. Gupta	Independent & Non-Executive Director	6	N	9	NIL	1
Mr. Finney Cherian	Non-Executive Director	0	N	NIL	NIL	NIL
Mr. JHP Van Der Merwe	Non-Executive Director	0	N. A.	Appointed w.e.f. 16th November, 2011		

Y stands for YES, N stands for NO.

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

Only the Audit Committee and Shareholders' / Investors' Grievance Committee have been considered for this purpose.

(b) Dates of Board Meetings and number of Directors present during the year 1st April, 2011 to 31st March, 2012 are as under:

Date of BM	Total Strength of the Board	No. of Directors Present
30th May, 2011	13	12
01st June, 2011	13	5
10th August, 2011	13	10
17th October, 2011	13	11
30th November, 2011	13	6
06th February, 2012	13	9

3 BOARD COMMITTEES

As on 31st March, 2012, 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 five Independent & Non-Executive Directors. The composition of Audit Committee as on 31st March, 2012 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
Mr. R.C. Jindal	Member	Independent & Non Executive Director
Mr. S.C. Gupta	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 Auditor 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 on 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.

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

MEETINGS OF THE AUDIT COMMITTEE

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

30th May, 2011, 10th August, 2011, 17th October, 2011 and 06th February, 2012

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

Date	Names of the Members				
	Mr. N. D. Gupta	Mr. K. M. Agarwal	Mr. P. K. Bansal	Mr. R. C. Jindal*	Mr. S. C. Gupta*
30th May, 2011	Y	Y	Y	N.A.	N.A.
10th August, 2011	Y	N	Y	N.A.	N.A.
17th October, 2011	Y	Y	Y	N.A.	N.A.
06th February, 2012	y	Y	N	N.A.	N.A.
No. of Audit Committee Meetings during the Financial Year	4	4	4	N.A.	N.A.
Attended	4	3	3	N.A.	N.A.
Absent	0	1	1	N.A.	N.A.
% of Attendance	100%	75%	75%	N.A.	N.A.

*Appointed as a member of Audit Committee, in the meeting of Board of Directors of the Company on 06th February, 2012.

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

of the Company is the Secretary of the Committee.

3(ii) REMUNERATION COMMITTEE:

It comprised of three Independent & Non-Executive directors. The composition of Remuneration Committee as on 31st March, 2012 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 and Head Legal of the Company, 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.

The Remuneration Committee met two times i.e. on 30th May, 2011 and on 10th August, 2011 during the financial year ended on 31st March, 2012.

The attendance of each of the members at the Remuneration Committee Meetings are as per table given below:

Date	Name of the Directors		
	Mr. R. C. Jindal	Mr. N. D. Gupta	Mr. P. K. Bansal
30th May, 2011	Y	Y	Y
10th August, 2011	Y	Y	Y
No. of Remuneration Committee Meetings during the Financial Year	2	2	2
Attended	2	2	2
Absent	0	0	0
% of Attendance	100%	100%	100%

REMUNERATION POLICY

The Remuneration policy of the Company is aimed at rewarding performance, based on review of achievements on a regular basis. The Remuneration Committee has been authorised to determine the

Company's policy on remuneration of directors including compensation payment and other related issues.

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

REMUNERATION OF DIRECTORS (for the year ended 31st March, 2012)

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	65,00,000/-	Nil	Nil
Mr. Mahesh C. Gupta	None	Nil	Nil	65,00,000/-	Nil	Nil
Mr. Rakesh Gupta	None	Nil	Nil	42,00,252/-	Nil	Nil
Mr. Pradeep Aggarwal	None	Nil	Nil	42,50,675/-	Nil	Nil
Mr. Ajay Garg	None	Nil	Nil	26,85,483/-	Nil	Nil
Mr. Anurag Bansal	None	Nil	Nil	30,00,000/-	Nil	Nil
Mr. N. D. Gupta	None	54,000	Nil	Nil	Nil	Nil
Mr. R. C. Jindal	None	67,000	Nil	Nil	Nil	Nil
Mr. K. M. Agarwal	None	52,000	Nil	Nil	Nil	Nil

Mr. P. K. Bansal	None	54,000	Nil	Nil	Nil	Nil
Mr. Deba Prasad Roy	None	40,000	Nil	Nil	Nil	Nil
Mr. Finney Cherian	None	Nil	Nil	Nil	Nil	Nil
Mr. JHP Van Der Merwe	None	Nil	Nil	Nil	Nil	Nil
Mr. S. C. Gupta	None	85,000	Nil	Nil	Nil	Nil

Notes:

1. Remuneration includes salary, allowances, monetary value of perquisites as per the Income Tax Act, 1961, company's contribution to provident fund, leave encashments etc.
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

Directors. The composition of Shareholders'/ Investors' Grievance Committee as on 31st March, 2012 was as under:

It comprises of three Independent & Non- Executive

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 certificates
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/re-materialization of shares, to registrar and share transfer agents of the company. The RTA approves all these matters regularly.

During the financial year 2011-12, the Company received no complaints. Hence, no complaint/ query was pending as on 31st March, 2012. No share transfer request was pending as on 31st March, 2012.

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 & Head Legal of the Company is acting as Compliance Officer.

During the financial year 2011-12, the Committee met on 30th May, 2011, 23rd September, 2011 and 10th February, 2012.

The attendance of each of members 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
30th May, 2011	Y	Y	Y
23rd September, 2011	Y	Y	Y
10th February, 2012	Y	Y	Y
Total No. of Shareholders'/Investers'¹ Grievance Committee Meetings during the Financial Year	3	3	3
Attended	3	3	3
Absent	0	0	0
% of Attendance	100%	100%	100%

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, 2012 is as under:

Name	Designation	Category
Mr.S.C.Aggarwal	Chairman	Chairman&ManagingDirector
Mr.MaheshC.Gupta	Member	Vice-Chairman&ManagingDirector

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 herein.
- Mr. Suman Kumar, Company Secretary & Head Legal of the Company, 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.

The composition of BIL Committee as on 31st March, 2012 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(s), overdraft facility(s), borrowing(s) 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 & Head Legal of the Company, has been designated as Secretary of the BIL Committee.

4. GENERAL BODY MEETINGS:

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

Year	Location	Date	Day	Time	Detail of Special Resolution/s Passed
2008-09	"Gandhi Memorial Hall" Pearey Lal Bhawan Association, 2, Bahadur Shah Zafer 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.

REPORTS

Year	Location	Date	Day	Time	Detail of Special Resolution/s Passed
					<ol style="list-style-type: none"> 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.
2009-10	"URDU GHAR" 212, Rouse Avenue, Deen Dayal Upadhyaya Marg, New Delhi-110002	29th September, 2010	Wednesday	11.00 A.M.	<ol style="list-style-type: none"> 1. Re-Appointment of Mr. Subhash Chand Aggarwal as Managing Director of the Company.
2010-11	"URDU GHAR" 212, Rouse Avenue, Deen Dayal Upadhyaya Marg, New Delhi-110002	30th September, 2011	Friday	11.00 A.M.	<ol style="list-style-type: none"> 1. Re-appointment of Mr. Mahesh C. Gupta as Managing Director of the company. 2. Increase in the ceiling of remuneration of Mr. Rakesh Gupta, Whole time director of the company.

POSTAL BALLOT:

No resolution was passed through Postal Ballot last year.

5. DISCLOSURES:

Related Party Transactions

- i. All the related party transactions are strictly done on arm's length basis. Transactions with related parties are conducted in a transparent manner with the interest of the Company at utmost priority. Attention of the members is drawn to the disclosures of transactions with the related parties set out in the notes of accounts forming part of the Annual Report.
- 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 other statutory authority, on any matter related to Capital Market, during the last three years.
- iii. As a part of Code of Conduct, the Company has adopted the Whistle Blower policy in its Board Meeting dated 06th February, 2012,

where any instance of non-adherence to the policy or any observed unethical behavior is to be brought to the attention of the Whistle Blower Committee.

- iv. The company has complied with all the mandatory requirements of the clause 49 and has also adopted clause (2) of Annexure I D 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 e.g. Economic Times and also in Newspapers of vernacular language e.g. Navbharat Times (Hindi) as required by the Listing Agreement of the Stock Exchanges. 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, 66070400
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.: 91-33-39847000/1/2/3
Fax: 91-33-39847004

Chennai Office :
2A, 2nd Floor, Mookambika Complex No. 4,
Lady Desikachari Road, Mylapore, Chennai-600004
Tel: 91-44-39109100-122
Fax: 91-44-39109111

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 : 31st July, 2012
Day : Tuesday
Time : 10:15 AM
Venue : Urdu Ghar, 212, Rouse Avenue,
Deen Dayal Upadhyaya Marg,
New Delhi-110002
Financial Year : 1st April, 2011 to 31st March, 2012
Date of Book : 9th July, 2012
Closure
Listing on : Delhi Stock Exchange Ltd.
Stock : The Calcutta Stock Exchange Ltd.
Exchange(s) : 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 : 77.39% shares of the company have been in dematerialized form as on 31st March, 2012.
- 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 62.76% and Non
Pattern Promoters 37.24 % as on 31st
March, 2012
- 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 hold any share 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 /re-materialization of shares, to registrar and share transfer agent 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

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 the 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: 29th June, 2012

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 2012, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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, 2012.

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: 29th June, 2012
Place: New Delhi

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- | Syndication | Restructuring
- | Valuation & Corporate Advisory



MANAGEMENT DISCUSSION & ANALYSIS REPORT

i. INDUSTRY STRUCTURE AND DEVELOPMENT

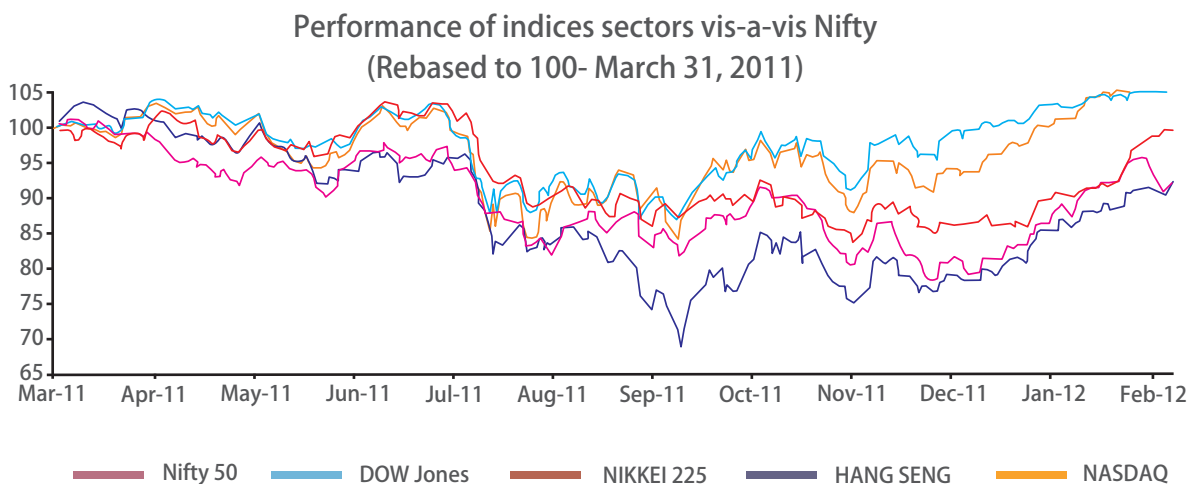
Macro Economic Environment

Macro-economic conditions in fiscal 2011-12 continued to be challenging and the continuing uncertainties in the international financial markets had an impact on emerging market economies, including India. Sovereign risk concerns, particularly in the Euro zone, affected financial markets for the greater part of the year, with the impact of Greece's sovereign debt problem spreading to India and other economies by way of higher than normal level of volatility. Fear of defaults by some European countries along with a growth slowdown led to increased risk aversion. The year saw banks overseas reduce their debt exposure to emerging markets, causing a drop in fund flows to emerging markets, affecting India. In India managing growth and price stability emerged as key concerns. High and persisting inflation is perceived as a risk to sustaining the country's growth and it remained high during the most of the current fiscal year 2011-12, though by year's end there was a decline. Initially confined to high food prices, inflationary

pressures spilled over to other segments, particularly manufactured products.

During the year, the dominating objective of RBI's monetary policy was to control inflation and curb inflationary expectations. As a consequence, RBI has continuously hiked the Repo Rate. These sustained increases in repo rate resulted in a slowing down of investment and growth and GDP have grown at 6.5% in fiscal 2011-12, having grown at a rate of over 8% in each of the two preceding years.

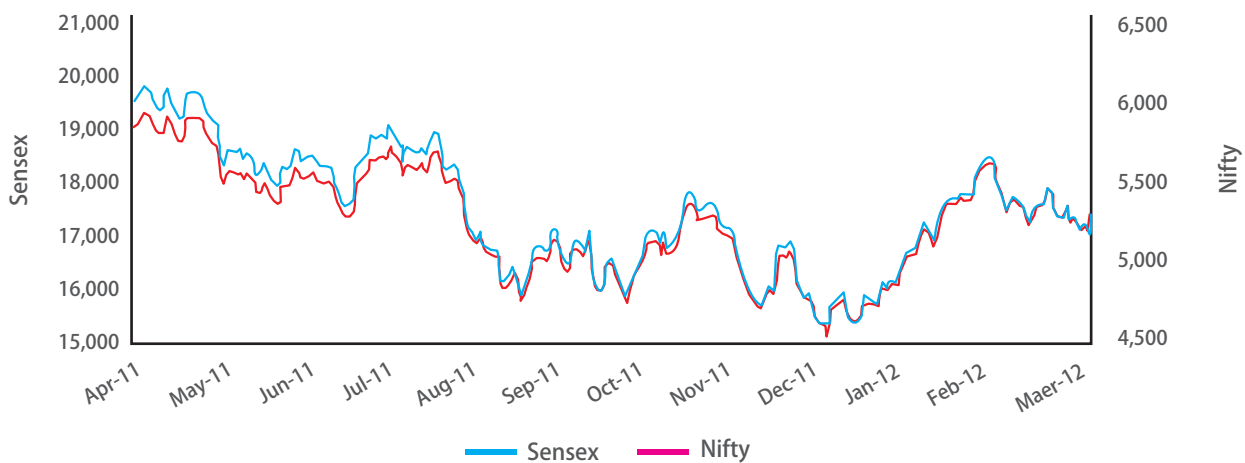
The Global economic environment turned sharply adverse in September 2011 owing to turmoil in the Euro Zone and questions about the outlook on the US Economy provoked by rating agencies. However, for the Indian Economy, the outlook of growth and price stability at this juncture looks more promising. There are signs from some high frequency indicators that the weakness of the economic activity has bottomed out and gradual upswing is imminent. Worldwide, the performance of the Capital Markets was also not encouraging as major world indices showed downtrend as shown below in the graph (source- National Stock Exchange News Letter March 2012).



India's current account deficit (CAD) rose to record highs in the October to December quarter (Q3) of fiscal 2011-12, and has been comparatively high in the April to December period compared to earlier years. The current account deficit was a manifestation of domestic demand which kept imports high and the global slowdown, which adversely affected India's exports in the second half of fiscal 2011-12. The high CAD was made worse by weakening capital flows, mostly due to weak portfolio investment flows which had thus far managed to compensate the trade deficit. As a result, the Balance of Payments position turned negative in Q3, this was first time, it has happened since the collapse of Lehman Brothers. This led to a depreciation of the Rupee and a sharp increase in the domestic liquidity deficit.

Indian Capital Market

Equity markets remained volatile during the fiscal 2011-12 due to global and domestic events. The Eurozone sovereign debt crisis and sovereign rating downgrades by rating agencies along with global economic slowdown impacted investor sentiment, particularly in second and third quarter of fiscal 2011-12. On an overall basis, the benchmark equity index, BSE Sensex, declined by 10.4% from 19445 on March 31, 2011 to 17,404 on March 31, 2012. During the same period NIFTY declined by 9.23% from 5833.75 to 5295.55. Foreign institutional investment flows in to India during fiscal 2011-12 were significantly lower compared to fiscal 2010-11. The lackluster movement of both Nifty and Sensex are shown in the graph.



Cash market volumes particularly delivery volumes have been quiet low, affecting margins of stock brokers in the current year. Even though derivatives volumes particularly in options trading were relatively higher, however that didn't add much to their revenues. Similarly, dull primary market conditions and subdued M&A activity also added to the woes of the market participants.

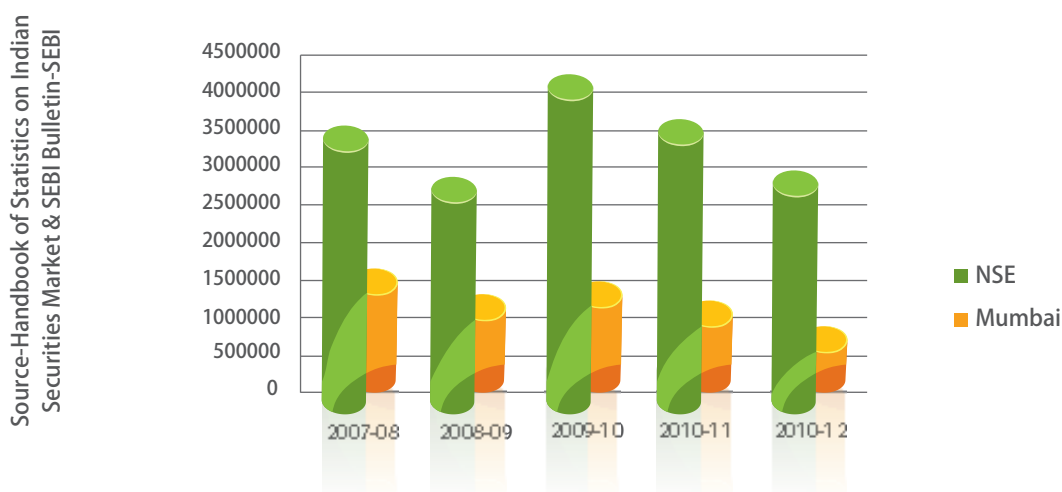
During the fiscal year 2011-12 the turnover of the Cash Segment of both National Stock Exchange & BSE has drastically reduced, which has made the direct impact on the revenues of the Brokers and the same is ambit clear from the table below and the Chart thereof which has been framed on the basis of the data derived from 'Handbook of statistics on Indian Securities Market 2011 & SEBI Bulletin-SEBI' as under:

Source- Handbook of Statistics on Indian Securities Market 2011 & SEBI Bulletin-SEBI

Distribution of Turnover at Cash Segment of Exchanges (Amount in crore)

Year	NSE	Mumbai(BSE)
2007-08	35,51,037	15,78,857
2008-09	27,52,023	11,00,075
2009-10	41,38,023	13,78,809
2010-11	35,77,410	11,05,027
2011-12	28,10,893	6,67,498

Distribution of Turnover at Cash Segment of Exchange (` crore)



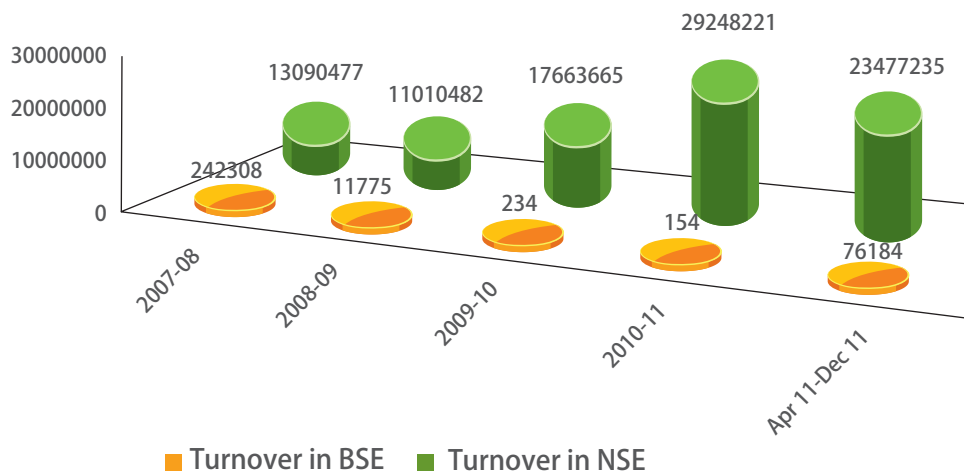
Further, as discussed earlier the turnover in the derivative segment of the Exchanges i.e. Future & Option was not promising with respect to revenues due to prevailing low brokerage rate and lower participation from retail investors. The table below

and the Chart thereof which has been framed on the basis of the data derived from 'Handbook of statistics on Indian Securities Market 2011-SEBI' which describes in detail the turnover in the derivative segment as reference and understanding as under:

REPORTS

Source- Handbook of Statistics on Indian Securities Market 2011-SEBI								
NSE								
Year	Turnover (₹ Crore) Index Future	Turnover (₹ Crore) Stock Future	Turnover (₹ Crore)		Turnover (₹ Crore) Stock Option		Total (₹ Crore)	
			Index Option	Call	Put	Call		Put
2007-08	38,20,667	75,48,563	6,68,816	6,93,295	3,08,443	50,693	1,30,90,477	
2008-09	35,70,111	34,79,642	20,02,544	17,28,957	1,71,843	57,384	1,10,10,482	
2009-10	39,34,389	51,95,247	40,49,266	39,78,699	3,89,158	1,16,907	1,76,63,665	
2010-11	43,56,755	54,95,757	90,90,702	92,74,664	7,77,109	2,53,235	2,92,48,221	
Apr 11 - Dec 11	26,98,150	28,87,827	88,61,502	83,81,931	4,48,869	1,98,955	2,34,77,235	
BSE								
Year	Turnover (₹ Crore) Index Future	Turnover (₹ Crore) Stock Future	Turnover (₹ Crore)		Turnover (₹ Crore) Stock Option		Total (₹ Crore)	
			Index Option	Call	Put	Call		Put
2007-08	2,34,660	7,609	31	8	0	0	2,42,308	
2008-09	11,757	9	6	3	0	0	11,775	
2009-10	96	0	138	0	0	0	234	
2010-11	154	0	0	0	0	0	154	
Apr 11 - Dec 11	60,057	5,058	7,181	2,701	1,143	44	76,184	

Source-Handbook of Statistics on Indian Securities Market-SEBI

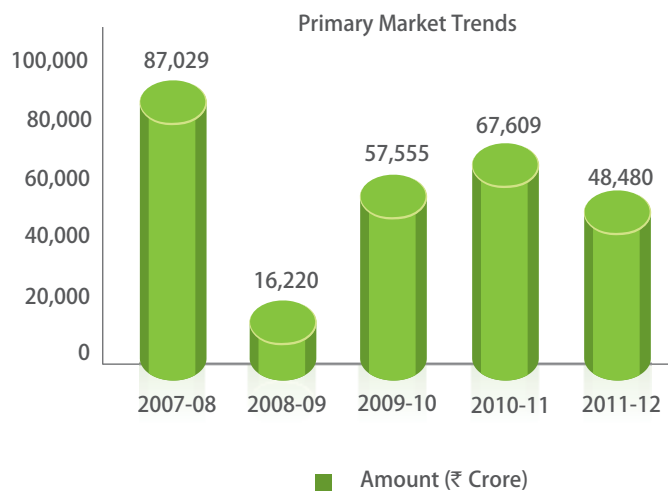


Further, the fund mobilized in the primary market in the fiscal year 2011-12 has drastically decreased, which is clear from the table and the chart given below:

Source- Handbook of Statistics on Indian Securities Market 2011 & SEBI Bulletin-SEBI

Resources Mobilized from the Primary Market

Year	Amount (₹ Crore)
2007-08	87,029
2008-09	16,220
2009-10	57,555
2010-11	67,609
2011-12	48,480



ii. OPPORTUNITIES AND THREATS:-

Considering all the external and internal monetary, non-monetary, political, demographic and other major influential factors, we could see that there are lots of opportunities waiting for us.

India has the 3rd largest investor base in the world with more than 20 million shareholders with country's population well over a billion people, the stock market investing community represents less than 3% of the total population base, which shows incredible opportunity for the augmentation of people participation and the growth of the Securities and Commodities market. Market share of online trading is also expected to rise in India with growing retail investor participation, growing

internet usage, faster telecom connectivity and increasing comfort level with internet trading.

Further, the Union Budget 2012-13 has some positive news for the broking industry, where retail investor would be able to get tax benefits on investment of ₹ 50000 into stocks. This augurs well for the long term health of the broking industry. This initiative coupled with the reduction in STT by 20% on cash delivery transactions is very positive for capital market intermediaries.

Further, Government has also allowed Qualified Foreign Investors (QFIs) to invest in India in its primary and secondary markets on repatriable basis by simply opening a demat account with QDP like SMC Global Securities Ltd. This is a good opportunity for us.

SMC has necessary infrastructure in place to carry out more volumes and offer better services to its customers because we have robust internal structures and verticals in place to support them. Further we have necessary mechanism to face any adverse situation.

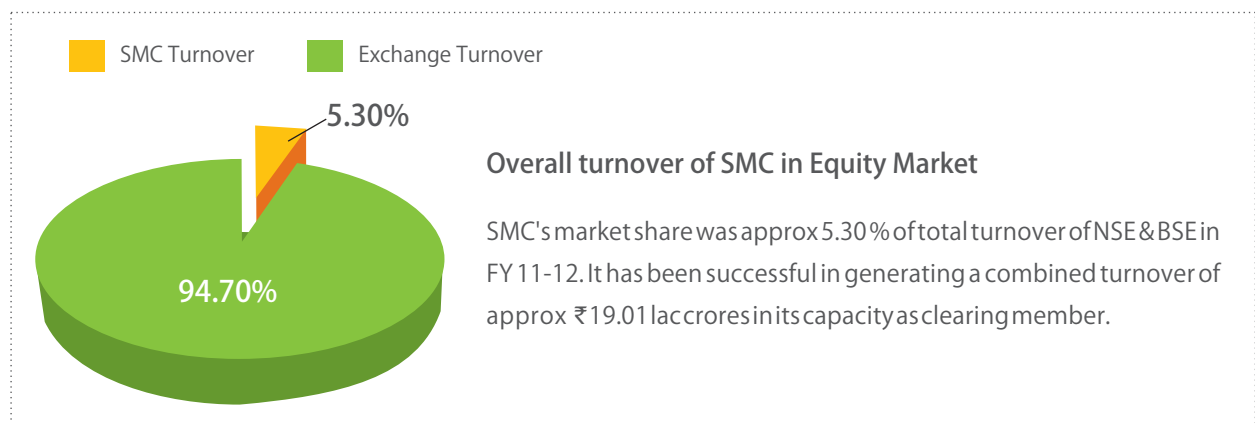
However there are certain external factors which are beyond our control, which may jeopardize our efforts. These factors could be ongoing turmoil in global market due to continuing EURO

crisis, any adverse government policy and other unfavorable International scenario that may forcesome slowdown.

iii. SEGMENT-WISE OR PRODUCT-WISE REVIEW

a. EQUITY BROKING:

SMC Global Securities Limited is one of the leading brokerage houses in India and is significant player in both cash & derivatives segment of the leading exchanges in India

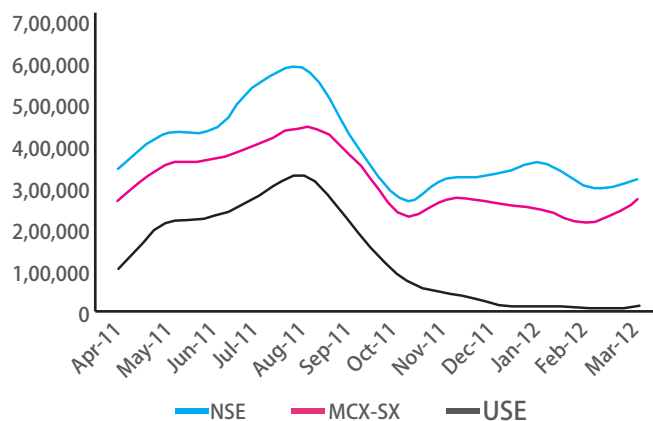


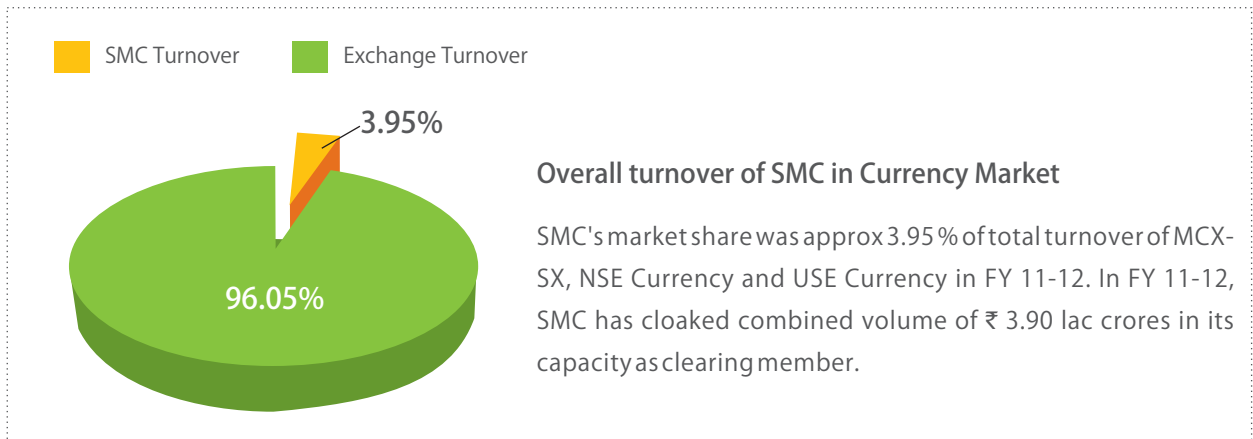
(BSE & NSE). In past it was awarded as the "major volume driver" in BSE and also recognized as Best Equity Broker.

b. CURRENCY BROKING:

SMC Global Securities Limited is a member of all the three operational currency Exchanges

in India i.e. MCX-SX, NSE and USE. The adjacent graph shows the trends of volume in these exchanges. Due to its performance SMC was recognized as "BEST CURRENCY BROKER" for two consecutive years i.e. 2011 and 2012 by ICRA and Bloomberg-UTV Financial Leadership Awards, 2012 & 2011).



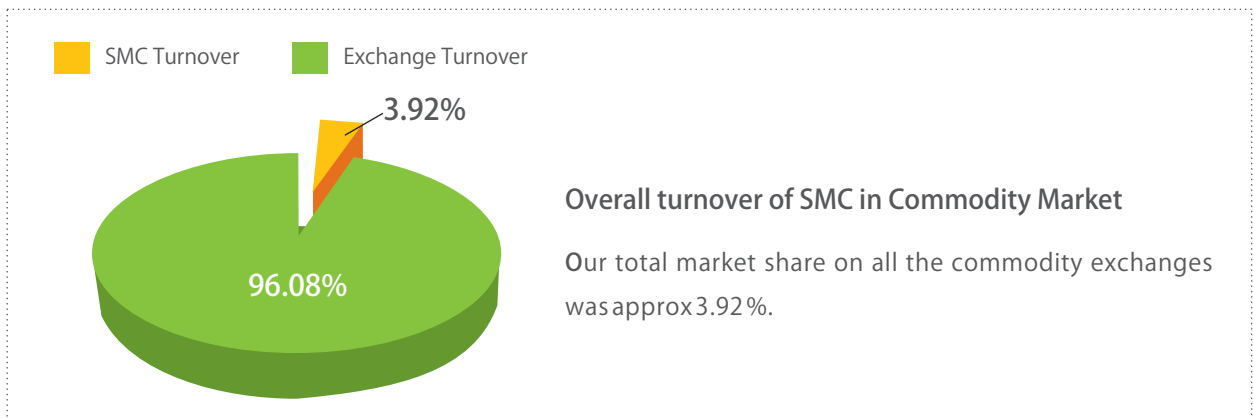


c. COMMODITY BROKING:

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 (DGEX). During the financial year 2011-12, combined total turnover of SMC Comtrade Ltd. on all the commodity exchanges in India, was ₹ 7.33 lacs crore in its capacity as a Clearing Member.



d. INSTITUTIONAL BROKING

SMC's Institutional Desk located in Mumbai offers research based services in cash and derivatives segment to Institutional clients which includes Mutual Funds, Bank Treasuries, Public and Pvt. Insurance Companies and other Financial Institutions.

Our Institutional Desk comprises of a dedicated research team to analyze various sectors and the Indian economy to identify equity investment and trading ideas for Institutional clients. Our sales & trading team, comprises of experienced and seasoned professionals who are having an in depth knowledge of the International as well as the Indian Financial Markets which translates our research into actionable advice for our clients. Hence our consistent efforts towards research and services to our clients have added five new Institutional clients in FY2011-12 in addition to our existing customer base.

e. INSURANCE BROKING:

SMC Insurance Brokers Pvt. Ltd, a 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 Category. We at SMC have sold over 2 lacs policies during the Fiscal 2011-12 and in the Life Insurance category added approx 11,000 customers capable of generating recurring renewal revenues. For the Fiscal year 2011-12 in Honda Assure- Exclusive tie up between Honda Siel cars and SMC Insurance we have sold more than 98

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).

In a bid to further augment our reach to the new age consumers in the digital space, we at SMC have launched Web Portal www.smcinsurance.com for online purchase of the different policies of the different insurance companies. A big benefit of buying policies online is that consumers can compare the products and the premium quotes of various Insurance Companies and accordingly can take the right decision.

f. FINANCIAL PRODUCTS DISTRIBUTION:

SMC offers distribution services of IPO, Mutual Funds, other public Issues, Company Fixed Deposits and Bonds through its mammoth network of branches across India. SMC also provides retail application financing in IPO's, FPO's & Bonds. Our initiatives have been quite successful and we were bestowed upon following recognition.

- Ranked among Top 3 in UTI MF & CNBC-TV 18 Financial Advisor Awards 2011-12 under National level Broker Category.
- Ranked among top 5 mobilizers in Retail Segment of Tax Free Bonds and Tax Saving Bonds (Public offers), mobilizing 1.25 Lacs applications in 2011-12. Procured more than ₹ 1433 Cr. In Tax Free Bonds and Tax Saving Bonds (Public offers) in the year 2011-12.

- Ranked 5th in IDFC Infra Bonds Tranche-II (2011-12) mobilizing 25864 applications with procurement of ₹51.12Cr.
- Ranked 5th in L&T Infra bonds Tranche-I (2011-12) mobilizing 20414 applications with procurement of ₹40.46Cr.
- Ranked 5th in L & T Infra bonds Tranche-II (2011-12) mobilizing 21105 applications with procurement of ₹41.38Cr.
- Ranked 2nd in SREI Infra Bonds (2011-12) mobilizing 2410 applications with procurement of ₹ 4.69 Cr. Procured more than ₹ 572 Cr. in Corporate fixed deposit segment in the year 2011-12 and recognized among top mobilizers in corporate fixed deposit segment. Procured more than ₹ 414 CR. in REC & NHA I Capital Gain Bonds under Section-54EC (Private Placement Bonds) in the year 2011-12.
- Procured more than ₹ 778 Cr. with mobilization of 48479 no. of applications in IPO & FPO segment in the year 2011-12.
- Procured more than ₹ 30 Cr. with mobilization of 20000 no. of applications in Private Placement Infra Bonds (IFCI, PTC, etc) in the year 2011-12. Procured more than ₹ 2918 Cr. in Multi Commodity Exchange (MCX) IPO as syndicate member in the year 2011-12.
- Procured more than ₹ 1373 Cr. in various schemes of Mutual Funds. We have built a cumulative Asset under Management of ₹748Cr. (60% is equity assets) and having more than 2.6 Lac folio in Mutual Fund segment as on 31st March, 2012.

- Developed network of 19000+ channel partners for distribution of third party products. Over 25000 SIPs running in various scheme of Mutual Funds

g. Investment Banking

SMC Capitals Ltd. is an investment banking arm of the SMC Group. We provide services in the areas of Equity Capital Markets, M&A Advisory Services, Private Equity and Debt Capital Markets. The Investment Banking group is led by professionals having more than 15 years experience in the business.

Private Equity: Our Company arranges capital from private equity funds for companies across sectors. There has been renewed interest in the private equity placements in the financial year 2011-12. We have successfully completed the fund raising of ₹175 crores for VRL Logistics Ltd., New Silk Route was the PE investor. Currently, we are working on six proposals for fund raising upto ₹750 crores.

Equity Capital Markets (ECM): ECM provides a broad range of services, namely IPOs, FPOs, QIPs Rights Issue, Buyback of shares and Open Offers. As SMC group we were associated, as syndicate member, with the initial public offering of Multi Commodity Exchange of India Ltd. which raised an amount of ₹1245 crores.

Debt Capital Markets (DCM): DCM provides a wide range of services including External Commercial Borrowings (ECB), Term Loans, Public Issuance of Debt Instruments, Working Capital Loans and

Project Finance. We were the Co- Arrangers for the ECB raising of ₹ 120 crores for Panacea Biotec Ltd. SMC Capitals acted as the Co-Lead Manager to the public offerings of five corporates which raised debt by issuances of Infrastructure Bonds and Debentures. The aggregate fund raising from these public offerings was appx. ₹ 3322 crores. We were sole Arranger to raise ₹100 crores for Muthoot Fincorp Ltd. through private placement of the NCDs

M&A Advisory Services: As part of our M&A advisory offering, we provide both domestic and cross border M&A and joint venture advisory to our clients. Our strong domain knowledge and expertise across various sectors enables us to provide superior advice to our clients. We have strengthened our delivery capabilities for cross border advisory through affiliation with international investment banks across regions.

We are currently working on six M&A transactions, across agribusiness, food, logistics, consulting and renewable energy. We have deal pipeline, including both cross border and domestic transactions across sectors.

h. FINANCING BUSINESS:

The company through its 100% Non Banking Finance subsidiary Company, Moneywise Financial Services Pvt. Ltd. (registered with RBI), offers margin financing in the Capital/ Commodity Market in all segments (IPOs, Equity, Commodity, Bonds, and other financial instruments). We are also one of the few entities who provide funding facilities to the

retail investors for investment in the equity, bonds and debentures and other financial products. A well capitalized NBFC is crucial to our long-term strategy of enlarging our footprint in capital based business.

i. WEALTH MANAGEMENT

SMC Investments & Advisors Ltd. is a focused premium wealth management company offering innovative and tailor-made products through discretionary, non-discretionary and advisory services. It is always been prime focus of the Company to provide quality services to its valued customers. SMC Investments' robust business model helps us to constantly manage, preserve and grow the wealth of our clients. Our Investment, Advisory and Research professionals innovatively develop and closely monitor new investment ideas, trends and needs to cater multiple investment solutions to our high net worth clients. SMC Investments is a subsidiary of SMC Global Securities Limited. Being a part of the SMC Group means that our clients benefit from the massive reservoir of investment skills, research expertise and robust system and processes within the group's array of specialized client-centric and solution-oriented businesses. With our superior performance, best business practices, cutting-edge technology and sharpest financial minds in the business, we help clients to achieve their financial goals and aspirations.

Our vision is to be a highly admired & respected Investment Management and Advisory Company

in terms of its professional work-force, robust processes, sound systems, and extensive and innovative product range backed by above-average investment performance and trusted advice. In the financial year 2011-12, SMC Investments has been awarded as Best Wealth Management Company in North by Business Sphere (Business and Industrial Magazine).

iv. OUTLOOK FOR FISCAL 2012-13

The various surveys suggest that growth is likely to be more promising in coming fiscal 2012-13 than previous financial year. Alongside, inflation is also likely to moderate during the coming year.

India remains one of the fastest growing economies of the world, with RBI projecting better GDP growth rate and lesser inflation forecast for FY 2012-13. There is an expectation that RBI may cut interest rates in the course of the year (FY 2012-13) and combined with other measures such as further Open Market Operations (OMOs) and CRR cuts by the RBI as well as an increase in foreign currency inflows, this may lead to a drop in borrowing costs.

Most recent assessment indicates that the Euro area is entering into a mild recession, while growth and employment in US are improving. Growth in emerging markets, especially China and India is slowing but these two economies are still likely to provide some support for global recovery.

v. RISKS AND CONCERNS

The Company continues to focus on refining and improving its risk measurement systems not only to ensure compliance with regulatory

requirements, but also to ensure better risk adjusted return in view of the business objectives. The broking industry is associated with various risks including Market risk, Credit Risk, Liquidity Risk, Pay-in & Pay-out risk, Legal & Compliance Risk. However we have put adequate internal control system in their place to check the above mentioned risks.

vi. FINANCIAL PERFORMANCE

The Economic Survey 2011-12, providing an analysis of performance of various macroeconomic indicators, attributed the slowdown in economic growth almost entirely to weakening industrial growth. However, the Economic Survey has painted an optimistic growth outlook picture projecting growth to rebound during 2012-13 and further surge during 2013-14. However SMC has performed reasonably well in these trying conditions. Since the market conditions were not conducive enough to increase topline, we did optimize our cost, which resulted into reduction in our consolidated Loss before Tax by around 84%. Some of the highlights of our financial health are highlighted below;

- **SMC Global Securities Limited** - Top Line decreased by 17.19% from ₹ 20819.51 lacs in previous financial year 2010-11 to ₹ 17241.22 lacs in 2011-12 and at the same time expenditure reduced by 15.33% from ₹ 20200.20 lacs in 2010-11 to ₹ 17103.19 lacs in 2011-12. Company has earned profit before tax of ₹ 138.03 lacs in the Financial Year 2011-12 and in corresponding previous year 2010-11 it was ₹ 619.31 lacs.
- **SMC Comtrade Limited** - Top Line increased by 42.02% from ₹ 5208.71 lacs in FY 2010-11 to ₹

7397.65 in FY2011-12 and at same time expenditure also increased by 46.93% from ₹4956.64 lacs in FY2010-11 to ₹7282.87 lacs in FY 2011-12. Company has earned profit before tax of ₹114.78 lacs in the Financial Year 2011-12 and in corresponding previous year 2010-11 same was higher at ₹252.07 lacs.

- **Moneywise Financial Services (P) Limited** - Top Line increased by 115.12% from ₹293.49 lacs in FY 2010-11 to ₹631.37 lacs in FY 2011-12 and at same time expenditure also increased by 142.12% from ₹247.73 lacs in FY 2010-11 to ₹599.81 lacs in FY 2011-12. Company has earned profit before tax of ₹31.57 lacs in the Financial Year 2011-12 and in corresponding previous year 2010-11 same was higher at ₹45.76 lacs.
- **SMC ARC Limited** - Top Line increased by 376.85% from negative ₹9.16 lacs in FY 2010-11 to ₹25.36 lacs in FY 2011-12 and at same time expenditure has decreased by 11.95% from ₹16.39 lacs to ₹14.43 lacs in FY 2011-12. Company has earned profit before tax of ₹10.92 lacs in the Financial Year 2011-12 and in corresponding previous year 2010-11 same was in loss of ₹25.54 lacs
- **SMC Comex International DMCC** - Top Line increased by 257.45% from ₹135.34 lacs in FY 2010-11 to ₹483.77 lacs in FY 2011-12 and at same time expenditure has also increased by 75% from ₹171.99 lacs in FY 2010-11 to ₹300.99 lacs in FY 2011-12. Company has earned profit before tax of ₹182.77 lacs in the

Financial Year 2011-12 and in corresponding previous year 2010-11, losses were of ₹36.65 lacs

- **SMC Capitals Limited** - Top Line increased by 13.19% from ₹459.36 lacs in FY 2010-11 to ₹519.97 lacs in FY 2011-12 and at same time expenditure has also increased by 7.94% from ₹652.44 lacs in FY 2010-11 to ₹704.26 lacs in 2011-12. Company has loss of ₹184.28 lacs in the Financial Year 2011-12 and in corresponding previous year 2010-11, losses were of ₹193.08 lacs.
- **SMC Insurance Brokers Pvt. Limited** - Top Line decreased by 10.06% from ₹2292.23 lacs in FY 2010-11 to ₹2061.63 lacs in FY 2011-12 and at same time expenditure has also decreased by 37.01% from ₹3221.85 lacs in FY 2010-11 to ₹2029.40 lacs in FY 2011-12. Company has earned profit before tax of ₹32.23 lacs in the Financial Year 2011-12 and in corresponding previous year 2010-11, losses were of ₹929.62 lacs.
- **SMC Investments & Advisors Limited** - Top Line decreased by 16.22% from ₹833.06 lacs in FY 2010-11 to ₹697.94 lacs in FY 2011-12 and at same time expenditure has also decreased by 44.27% from 2965.40 in FY 2010-11 to ₹1652.5 lacs in FY 2011-12. Company has loss of ₹954.56 lacs in the Financial Year 2011-12 and in corresponding previous year 2010-11, losses were of ₹2132.34 lacs.
- **SMC Finvest Limited** - Top Line increased by 104.93% from ₹173.05 lacs in FY 2010-11 to

₹ 354.64 Lacs in FY 2011-12 and at same time expenditure has also increased by 100.49% from ₹50.67 lacs in FY 2010-11 to ₹101.59 lacs in FY 2011-12. Company has earned profit before tax of ₹253.05 lacs in the Financial Year 2011-12 and in corresponding previous year 2010-11, profits were of ₹122.38 lacs.

- **Moneywise Finvest Limited** - Top Line increased by 31.35% from ₹5.04 lacs in FY 2010-11 to ₹6.62 lacs in FY 2011-12 and at same time expenditure decreased by 68.72% from ₹ 1.79 lacs in FY 2010-11 to ₹ 0.56 lacs in FY 2011-12. Company has earned profit before tax of ₹ 6.06 lacs in the Financial Year 2011-12 and in corresponding previous year 2010-11, profits were of ₹3.26 lacs.

Notes- SMC Finvest & Moneywise Finvest were taken into consolidation to comply with AS 21 due to control on Board of Directors, though shareholding is still 39% in both the companies, as completion of certain formalities are in progress.

vii. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company's internal audit team performs an independent function and makes a objective evaluation of the adequacy and efficiency of internal controls by undertaking a comprehensive risk-based audit of various operating units. The effort is to continuously benchmark against best practices and procedures in the area of internal control systems. It also provides direction to ensure timely mitigation of risks faced by the Company. The Internal Audit

Department functions independently under the supervision of the Audit Committee of the Board. The Compliance function of the Company is responsible for monitoring and ensuring that operating and business units comply with regulatory and internal guidelines. Its objective is the adoption of best practices. Guidelines, notifications and directives issued by regulatory bodies during the year were disseminated through the Company to ensure that business and functional units operate within the compliance parameters set by the regulators. Significant aspects of the Company's compliance culture include the code of conduct, the Whistle blower Policy and zero tolerance for fraud, corruption and financial irregularities.

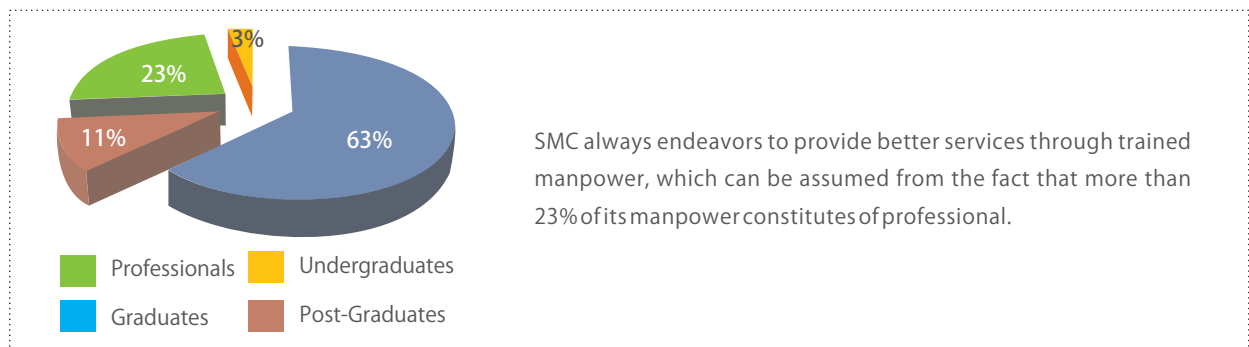
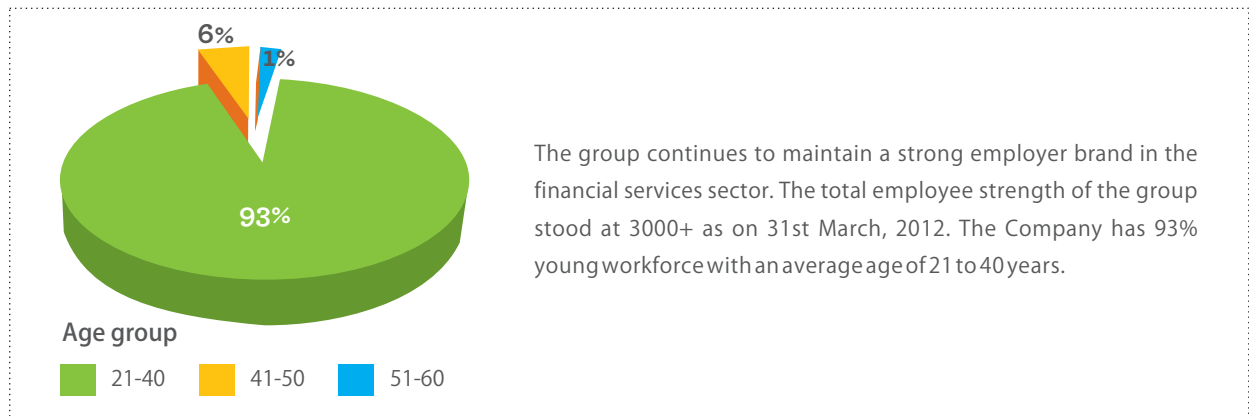
viii. HUMAN RESOURCES

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 management and therefore attaches an emphasis to build its talent to manage change effectively. 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 work-force with high degree of motivation and uncompromising integrity.

SMC aims in creating and developing human capital to realize its vision of nurturing a mutually

beneficial relationship with its employees. Employee engagement and learning, leadership development, enhancing productivity and building multiple communication platforms thus occupied centre stage in the Company's HR objective.

All employees are encouraged and incentivized to get them certified in relevant industry standard certifications such as NCFM, AMFI etc. Majority of the employees have obtained such certificates as a basic pre-requisite to client handling.



In order to support its consistent growth, the group has adopted the best HR practice for the induction and training for its employees.

CAUTIONARY STATEMENT

Statements in the management discussion and analysis report, 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.

**TRADE
FROM THE COMFORT
OF YOUR HOME.**



ONLINE
TRADING

Free ODIN Software | Competitive
brokerage | Multiple payment
gateways | Real time updates |
Research based intraday calls |
Multiple markets on a single screen



Moneywise. Be wise.

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, 2012** and also the Statement of Profit & Loss and Cash Flow Statement 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, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- iv) In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement 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, 2012** and taken on record by the Board of Directors, we report that none of the directors is disqualified as on **31st March, 2012** from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

FINANCIAL STATEMENTS

- 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, 2012**;
 - b) in the case of the Statement of **Profit & Loss**, 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 : 22.05.2012

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. In respect of the loans, secured or unsecured, granted or taken by the company to/ from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956:
 - a. The company has given Interest Free Loan to two Subsidiary companies. In respect of said loan, the maximum amount outstanding at any time during the year was ₹ 0.22 crore and the year end balance is ₹ 0.12 crore.
 - b. In our opinion and according to the information and explanations given to us, the terms and conditions of the loans given by the company are not prima facie prejudicial to the interest of the company.
 - c. In respect of loan given to the company listed in the register maintained under section 301 of the Act, no specified terms of repayment has been specified and repayment shall be made on demand.
 - d. The company has not taken any loan during the year from companies, firms or other parties covered in the Register maintained

under Section 301 of the Companies Act 1956. Consequently, the requirements of Clause (iii) (f) and (iii) (g) of paragraph 4 of the Order are not applicable.

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, 2012 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 Act 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. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

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

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

PLACE : NEW DELHI
DATE : 22.05.2012

FINANCIAL STATEMENTS

MESSAGES FROM THE MANAGEMENT

CORPORATE OVERVIEW

REPORTS

BALANCE SHEET

AS AT 31st MARCH, 2012

(Amount in ₹)

PARTICULARS	NOTE NO.	AS AT 31.03.2012	AS AT 31.03.2011
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	2.01	109,457,580	104,783,870
Reserves and surplus	2.02	4,574,372,638	4,102,454,735
NON-CURRENT LIABILITIES			
Long-term borrowings	2.03	525,971,594	525,740,023
Deferred tax liabilities (Net)	2.04	5,104,848	16,421,254
Long-term provisions	2.05	23,974,841	18,413,598
CURRENT LIABILITIES			
Short-term borrowings	2.06	603,013,970	926,364,870
Other current liabilities	2.07	2,076,124,212	2,058,891,622
Short-term provisions	2.08	59,776,047	58,768,128
	TOTAL	7,977,795,730	7,811,838,100
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	2.09		
Tangible assets		244,492,692	280,265,295
Intangible assets		23,876,497	27,415,587

(Amount in ₹)

PARTICULARS	NOTE NO.	AS AT 31.03.2012	AS AT 31.03.2011
Non-current investments	2.10	1,661,928,458	1,574,977,217
Long-term loans and advances	2.11	593,504,980	742,701,835
Other non-current assets	2.12	-	160,466
Trade Receivables	2.13	356,890,982	308,229,412
CURRENT ASSETS			
Inventories	2.14	974,006,936	1,016,921,064
Trade receivables	2.15	2,099,789,163	1,891,745,407
Cash and Bank balances	2.16	1,714,508,254	1,720,346,386
Short-term loans and advances	2.17	290,651,194	226,519,547
Other current assets	2.18	18,146,574	22,555,884
	TOTAL	7,977,795,730	7,811,838,100

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 : 22.05.2012

FINANCIAL STATEMENTS

MESSAGES FROM THE MANAGEMENT

CORPORATE OVERVIEW

REPORTS

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in ₹)

PARTICULARS	NOTE NO.	FOR THE YEAR ENDED 31.03.2012	FOR THE YEAR ENDED 31.03.2011
Revenue:			
Revenue from operations	2.19	1,700,897,133	2,057,851,069
Other income	2.20	23,225,207	24,099,613
Total Revenue		1,724,122,340	2,081,950,682
Expenses:			
Stock Exchange & Other Regulatory Expenses	2.21	777,626,425	931,509,728
Employee benefits expense	2.22	400,218,281	537,608,858
Finance costs	2.23	204,051,581	177,309,181
Depreciation and amortization expense	2.24	62,462,695	73,063,515
Other expenses	2.25	265,960,514	300,528,451
Total Expenses		1,710,319,496	2,020,019,733
Profit before Tax		13,802,844	61,930,949
Tax expense:			
Current tax		15,546,687	27,338,036
Deferred tax		(11,316,406)	(4,928,290)
Wealth tax		28,578	30,778
Prior Period Taxes		1,702,116	2,485,996
Profit after Tax		7,841,869	37,004,429
Earnings per equity share of ₹ 10 each:	2.34		
(1) Basic		0.74	3.53
(2) Diluted		0.74	3.53
Significant accounting policies and notes on accounts	1, 2		

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 : 22.05.2012

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31st MARCH, 2012

(Amount in ₹)

PARTICULARS	FOR THE YEAR ENDED 31.03.2012	FOR THE YEAR ENDED 31.03.2011
A Cash Flow From Operational Activities		
Profit before Tax	13,802,844	61,930,949
Add:		
Depreciation & Amortization	62,462,695	73,063,515
Deferred revenue expenses amortized	9,874,243	9,874,244
Provision for Doubtful Debts	42,536,414	14,331,885
Interest Expenses on Secured Loans	173,687,855	150,901,813
	302,364,051	310,102,406
Less:		
Interest Income	(157,266,498)	(118,785,699)
Operating Profit before Working Capital Changes	145,097,553	191,316,707
Adjustments for:		
Increase/(Decrease) in Non-Current Liabilities		
Long Term Provisions	5,561,243	2,029,857
Increase/(Decrease) in Current Liabilities		
Short Term Provisions	1,007,919	15,761,851
Other Current Liabilities	17,232,590	(67,341,530)
(Increase)/Decrease in Non-Current Assets		
Long Term Loans and Advances	149,196,855	(51,974,460)
Trade Receivables	(48,661,570)	3,401,890
Other Non-Current Assets	160,466	9,874,244
(Increase)/Decrease in Current Assets		
Inventory	42,914,128	655,964,196
Trade Receivables	(250,580,170)	(364,459,772)
Short Term Loans and Advances	(64,131,645)	177,934,256
Other Current Assets	(5,464,933)	(12,456,201)
Other Bank Balances	8,178,334	(562,853,274)
Cash Generated from Operations	510,770	(2,802,236)
Direct Taxes Paid (net of refunds)	(17,277,381)	(29,854,810)
Net Cash From Operating Activities	(16,766,611)	(32,657,046)

A

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2012

1. 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 intangible assets 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 intangible assets 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 non-current investments and current investments. Non-current 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 and does not include stocks held on behalf of clients/constituents.

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 accrual 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 Statement of Profit and Loss.

IX) EMPLOYEE BENEFITS

- a) Provident Fund is a defined contribution scheme and the contributions as required by the statute are charged to the Statement of Profit and Loss 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) Unavailed 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 Statement of Profit & Loss 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 Statement of profit and loss.

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.

Notes forming part of the financial statements

NOTE NO. 2.01

Share Capital

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2012	AS AT 31.03.2011
a Authorised		
50,00,000 Preference shares of ₹ 10 each	50,000,000	50,000,000
28,010,000 Equity Shares of ₹10 each	280,100,000	280,100,000
	330,100,000	330,100,000
b Issued, Subscribed & Paid up		
10,945,758 (Previous Year 10,478,387) Equity Shares of ₹10/- each fully paid up in cash	109,457,580	104,783,870
	109,457,580	104,783,870
c Reconciliation of Number of Equity Shares Outstanding		
Particulars	Number of Shares	(Amount in ₹)
As At 31.03.2012		
At the beginning of the year	10,478,387	104,783,870
Issued during the year	467,371	4,673,710
At the end of the year	10,945,758	109,457,580
As At 31.03.2011		
At the beginning of the year	10,478,387	104,783,870
Issued during the year	-	-
At the end of the year	10,478,387	104,783,870
d Shares held by shareholders holding more than 5% shares		
Name of Shareholder	No. of Shares held	%age of Holding
AS AT 31.03.2012		
Millennium India Acquisition Company Inc.	1,586,738	14.50
Mahesh C. Gupta	1,024,850	9.36
Subhash Chand Aggarwal	1,009,550	9.22
Sushma Gupta	756,655	6.91
Hemlata Aggarwal	772,055	7.05
Sainty Financial Services (P) Ltd.	600,000	5.48
Sanlam International Investment Partners Ltd.	578,372	5.28
Pulin Investments (P) Ltd.	530,786	4.85

NOTE NO. 2.01

Share Capital

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2012	AS AT 31.03.2011
AS AT 31.03.2011		
Millennium India Acquisition Company Inc.	1,586,738	15.14
Mahesh C. Gupta	1,024,850	9.78
Subhash Chand Aggarwal	1,009,550	9.63
Sushma Gupta	756,655	7.22
Hemlata Aggarwal	772,055	7.37
Sainty Financial Services (P) Ltd.	600,000	5.73
Sanlam International Investment Partners Ltd.	111,001	1.06
Pulin Investments (P) Ltd.	530,786	5.07

e Terms/Rights attached to Equity Shares

The Company has only one class of Equity Shares having a par Value of ₹ 10 per Share. In the Event of Liquidation of the company, the holders of Equity Shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTE NO. 2.02

Reserves & Surplus

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2012	AS AT 31.03.2011
Securities Premium Reserve		
Opening Balance	2,687,177,503	2,687,177,503
Addition during the Year	464,076,034	-
Closing Balance	3,151,253,537	2,687,177,503
Capital Reserves (On Amalgamation)		
Opening Balance	104,102,620	104,102,620
Addition during the year	-	-
Closing Balance	104,102,620	104,102,620
Capital Reserves (On Forfeiture)		
Opening Balance	123,998,200	123,998,200
Addition during the year	-	-
Closing Balance	123,998,200	123,998,200

NOTE NO. 2.02

Reserves & Surplus

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2012	AS AT 31.03.2011
General Reserve		
Opening Balance	609,011,539	609,011,539
Addition during the Year	-	-
Closing Balance	609,011,539	609,011,539
Surplus		
Opening balance	578,164,873	541,160,444
Add: Profit for the year	7,841,869	37,004,429
Closing Balance	586,006,742	578,164,873
Total	4,574,372,638	4,102,454,735

NOTE NO. 2.03

Long Term Borrowings

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2012	AS AT 31.03.2011
Term Loans* (Secured Against Vehicles)		
From Banks	1,955,760	1,242,593
Less: Current Maturities disclosed under the head "Other Current Liabilities" (Note 2.07)	984,166	502,570
	971,594	740,023
Secured		
Term loans**		
Term loan from Banks	525,000,000	525,000,000
Total	525,971,594	525,740,023

* Repayable in 36 equated monthly instalments bearing interest @ 9.82% to 10.50% p.a.

** The loan, which bears interest @ 12.60% p.a. is repayable after 36 months from the first drawdown date. The loan is secured by pari-passu first charge on movable or immovable or both present and future, tangible and intangible assets including trade receivables and current assets. Further, the loan has been guaranteed by the personal guarantee of the directors of the company.

NOTE NO. 2.04

Deferred Tax Assets / Deferred Tax Liability

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2012	AS AT 31.03.2011
Deferred Tax Assets:		
Provision for Doubtful Debts	339,080	43,407
Provision for Gratuity payment	6,824,942	6,244,716
Provision for Leave Encashment	1,628,556	-
Provision for Expenses	162,225	-
A	8,954,803	6,288,123
Deferred Tax Liabilities:		
Depreciation	14,007,588	19,453,615
Deferred Revenue Expenses	52,063	3,255,762
B	14,059,651	22,709,377
Net Deferred Tax Asset/ (Liability)	(A-B)	(5,104,848)
		(16,421,254)

NOTE NO. 2.05

Long Term Provisions

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2012	AS AT 31.03.2011
Provision for employee benefits		
Provision For Gratuity #	19,352,585	17,707,315
Provision For Leave Encashment	4,622,256	706,283
Total	23,974,841	18,413,598

also refer to Note 2.35

NOTE NO. 2.06

Short Term Borrowings*

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2012	AS AT 31.03.2011
Secured		
Short Term Loan from Banks secured against Shares	166,013,970	266,364,870
Short Term Loan from Banks secured against FDR	337,000,000	660,000,000
Short Term Loan from other parties secured against Shares	100,000,000	-
Total	603,013,970	926,364,870

* Repayable on demand, bearing interest rate varying from 10% to 13% p.a. and secured against personal guarantee of directors of the company.

NOTE NO. 2.07

Other Current Liabilities

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2012	AS AT 31.03.2011
Trade Payables		
- Due to micro and small enterprises*	-	-
- Others	724,884,465	942,034,052
Others		
Book Overdraft from Banks	256,453,657	146,524,208
Current Maturities of Long Term Borrowings (Refer Note 2.03)	984,166	502,570
Security & Deposits Received from clients	30,341,710	31,511,300
Advances /Margin Received from Clients	1,033,632,222	909,365,681
Unearned Income	6,922,605	4,790,322
Payable to Statutory authorities	22,905,387	24,163,489
Total	2,076,124,212	2,058,891,622

*The company has initiated the process of identification of suppliers registered under Micro, Small and Medium Enterprise Development Act, 2006, by obtaining confirmations from all suppliers Information has been collected only to the extent of information received as at balance sheet date. Based on the information available with the company. There are no suppliers who are registered as micro, small or medium enterprise under "The Micro, Small and Medium Enterprises Development Act 2006" as at 31st March, 2012

NOTE NO. 2.08

Short Term Provisions

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2012	AS AT 31.03.2011
Provision for employee benefits		
Salary and Perquisites	57,667,456	57,136,167
Provision For Gratuity #	1,682,834	1,539,767
Provision For Leave Encashment	397,179	61,416
Others		
Provision For Wealth Tax	28,578	30,778
Total	59,776,047	58,768,128

also refer to Note 2.35

NOTE NO. 2.09

FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	Balance As At 01.04.2011	Additions	Disposals	Balance As At 01.04.2011	Depreciation Charged	On Disposals	Balance As At 31.03.2012	Balance As At 31.03.2011
Tangible Assets								
Land	10,022,300	-	-	-	-	-	10,022,300	10,022,300
Office Building	51,143,018	-	-	8,675,965	2,129,170	-	40,337,883	42,467,053
Office Equipment	101,232,040	3,585,428	4,292,885	32,001,583	9,845,912	1,987,899	60,664,987	69,230,457
Furniture & Fixtures	129,889,571	7,214,230	10,319,409	45,190,033	15,517,700	5,043,879	71,120,538	84,699,538
Computer Hardware	160,279,257	14,114,372	10,109,135	109,432,009	22,715,298	8,988,599	41,125,786	50,847,248
Vehicle	13,033,890	2,557,825	2,008,104	8,025,917	1,431,690	1,656,574	5,782,578	5,007,973
VSAT	36,664,736	-	77,500	18,674,010	2,509,347	34,741	15,438,620	17,990,726
Total Tangible Assets	502,264,812	27,471,855	26,807,033	221,999,517	54,149,117	17,711,692	244,492,692	280,265,295
Previous Year	476,028,450	44,095,486	17,859,124	164,468,062	63,129,581	5,598,126	280,265,295	311,560,387
Intangible Assets								
Computer Software	50,825,882	4,774,488	-	33,415,570	8,311,462	-	13,873,338	17,410,312
Trade Mark Logo	20,000	-	-	14,725	2,116	-	3,159	5,275
Goodwill	10,000,000	-	-	-	-	-	10,000,000	10,000,000
Total Intangible Assets	60,845,882	4,774,488	-	33,430,295	8,313,578	-	23,876,497	27,415,587
Previous Year	54,438,155	6,407,727	-	23,496,361	9,933,934	-	27,415,587	30,941,794

(Amount in ₹)

NOTE NO. 2.10

Non-Current Investments

(Amount in ₹)

PARTICULARS	FACE VALUE	AS AT 31.03.2012		AS AT 31.03.2011	
		NUMBERS	AMOUNT	NUMBERS	AMOUNT
Trade Investments (Valued at cost)					
<u>Unquoted Equity Instruments</u>					
INVESTMENT IN SUBSIDIARIES					
SMC Comtrade Ltd.	10	4,500,000	435,400,000	4,500,000	435,400,000
Money Wise Financial Services (P) Ltd	10	13,364,650	452,293,000	13,364,650	452,293,000
SMC Capitals Ltd #	10	9,041,660	105,709,967	5,041,660	65,709,967
SMC Investment & Advisors 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
Moneywise Finvest Ltd.	10	390,000	3,900,000	390,000	3,900,000
SMC Finvest Ltd.	10	15,990,000	159,900,000	15,990,000	159,900,000
Sub- Total		53,286,311	1,482,203,007	49,286,311	1,442,203,007
Non- Trade Investments (Valued at Cost)					
INVESTMENT IN EQUITY INSTRUMENTS (QUOTED)					
NHPC Limited	10	534,059	22,965,842	534,059	22,965,842
Manganese Ore India Limited	10	24,136	13,751,342	24,136	13,751,342
Shipping Corporation of India Limited	10	305,721	43,175,056	305,721	43,175,056
Punjab & Sind Bank Limited	10	10,569	1,560,620	10,569	1,560,620
<u>Portfolio Management Service</u>					
Equity					
Hindustan Unilever Ltd.	1	10,039	3,927,228	-	-
CRISIL Ltd.	1	4,209	3,905,884	-	-
Bosch Ltd.	10	498	3,591,618	-	-
Gitanjali Gems Ltd.	10	10,321	3,140,710	-	-
Godrej Consumer products Ltd.	1	5,992	2,723,667	-	-
Nestle India Ltd.	10	606	2,661,056	-	-
Ultra Tech cement Ltd.	10	1,651	2,455,009	-	-
Bombay Rayon Fashions Ltd.	10	8,031	2,246,703	-	-
Glaxosmithkline Consumer health care Ltd.	10	726	1,817,839	-	-
Wockhardt Ltd.	5	3,128	1,848,832	-	-
Idea Cellular Ltd.	10	18,206	1,756,438	-	-
Lupin Ltd.	2	3,277	1,660,863	-	-
ITC Ltd.	1	6,458	1,431,367	-	-

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(Amount in ₹)

PARTICULARS	FACE VALUE	AS AT 31.03.2012		AS AT 31.03.2011	
		NOS.	AMOUNT	NOS.	AMOUNT
Apollo Hospitals Enterprises Ltd.	5	2,024	1,141,805	-	-
Bata India Ltd.	10	1,173	692,333	-	-
Jubilant Foodworks Ltd.	10	730	614,780	-	-
Colgate-Palmolive (India) Ltd.	1	587	633,970	-	-
MRF Ltd.	10	51	495,684	-	-
Asian Paints Ltd.	10	154	473,731	-	-
Havells India Ltd.	5	846	499,058	-	-
Petronet LNG Ltd.	10	1,488	244,150	-	-
Mutual Fund					
Reliance Money Manager Fund-Retail		65,366,023	8,988,516	-	-
Sub- Total		66,320,703	128,404,101	874,485	81,452,860
INVESTMENT IN EQUITY INSTRUMENTS (UNQUOTED)					
Ludhiyana Stock Exchange Ass 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	100,000	4,700,000
Sub- Total		401,000	51,321,350	401,000	51,321,350
TOTAL		120,008,014	1,661,928,458	50,561,796	1,574,977,217

Note :

1. Aggregate Market Value of Quoted Investment is ₹ 8,57,59,480 (Previous Year is ₹ 6,27,62,118)
 2. Aggregate Book Value of Quoted Investment is ₹ 12,84,04,101 (Previous Year is ₹ 8,14,52,860)
 3. Aggregate Book Value of Unquoted Investment is ₹ 1,53,35,24,357 (Previous Year is ₹ 1,49,35,24,357)
- # also refer to Note 2.36

NOTE NO. 2.11**Long Term Loans and Advances**

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2012	AS AT 31.03.2011
Security Deposits		
Secured, considered good	25,140,078	62,325,841
Loans and advances to related parties		
Unsecured, considered good	-	33,837
Advances Recoverable in cash or in kind		
Unsecured, considered good	568,364,902	680,342,157
Total	593,504,980	742,701,835

NOTE NO. 2.12**Other Non-Current Assets**

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2012	AS AT 31.03.2011
Unamortized Expenses	-	160,466
Total	-	160,466

NOTE NO. 2.13**Trade Receivables and Other Assets (Non Current)**

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2012	AS AT 31.03.2011
Trade receivables		
Outstanding for a period exceeding six months		
Unsecured, considered good	356,890,982	308,229,412
Unsecured, considered doubtful	1,045,093	133,786
Less: Provision for doubtful debts #	1,045,093	133,786
Total	356,890,982	308,229,412

also refer to Note 2.31

NOTE NO. 2.14

Inventories (Valued at Market price)

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2012	AS AT 31.03.2011
Stock-in-trade of Securities #	974,006,936	1,016,921,064
Total	974,006,936	1,016,921,064

also refer to Note 2.37

NOTE NO. 2.15

Trade Receivables (Current)

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2012	AS AT 31.03.2011
Outstanding for a period less than six months Unsecured, considered good	2,099,789,163	1,891,745,407
Total	2,099,789,163	1,891,745,407

NOTE NO. 2.16

Cash and Bank Balances

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2012	AS AT 31.03.2011
Cash & Cash Equivalent:		
Balance with Banks on current accounts	39,576,519	33,772,219
Cash on hand	2,949,265	1,395,459
Foreign Currency in hand	16,925	14,828
Bank deposits with maturity of 3months or less than 3months	1,501,660	6,521,660
	44,044,369	41,704,166
Other Bank Balances		
Margins Deposited with Exchanges or against guarantees and other commitments #	1,670,463,885	1,678,642,220
Total	1,714,508,254	1,720,346,386

also refer to Note 2.30

NOTE NO. 2.17**Short-term loans and advances**

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2012	AS AT 31.03.2011
Loans and advances to related parties		
Unsecured, considered good	180,055,631	3,672
	180,055,631	3,672
Advances Recoverable in cash or in kind		
Unsecured, considered good	30,875,643	159,597,407
Others Loans & Advances		
Advance tax,TDS (Net of Provision for Income Tax)	22,242,103	7,607,617
Prepaid Expenses	57,398,028	59,032,897
Balance with Statutory Authorities	79,789	277,954
Total	290,651,194	226,519,547

NOTE NO. 2.18**Other Current Assets**

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2012	AS AT 31.03.2011
Accrued Interest on FDR	17,986,108	12,681,639
Unamortized Expenses	160,466	9,874,245
Total	18,146,574	22,555,884

NOTE NO. 2.19**Revenue From Operations**

(Amount in ₹)

DESCRIPTIONS	FOR THE YEAR ENDED 31.03.2012	FOR THE YEAR ENDED 31.03.2011
Income From Proprietary Trading	647,595,917	766,400,084
Income From Brokerage	730,610,636	957,871,082
Income From Distribution of Financial products	55,086,201	66,040,531
Income From Depository Business	42,072,963	57,097,051
Treasury Income	157,266,498	118,785,699
Other Operating Income		
Delay Payment Charges	68,264,918	91,656,622
Total	1,700,897,133	2,057,851,069

NOTE NO. 2.20

Other Incomes

(Amount in ₹)

DESCRIPTIONS	FOR THE YEAR ENDED 31.03.2012	FOR THE YEAR ENDED 31.03.2011
Income From Reverse Book Building	1,843,200	2,422,218
Interest on Income Tax Refund	317,877	7,364,939
Liability no Longer Required	2,964,568	838,649
Miscellaneous Income	18,099,562	13,473,807
Total	23,225,207	24,099,613

NOTE NO. 2.21

Stock Exchange and Other Regulatory Expenses

(Amount in ₹)

DESCRIPTIONS	FOR THE YEAR ENDED 31.03.2012	FOR THE YEAR ENDED 31.03.2011
Client Introduction Charges	331,765,881	425,933,357
Exchange & Other Regulatory Charges	158,956,500	151,838,367
Membership Fees & Subscription	1,222,222	1,361,776
Stamp Duty Paid	20,320,197	6,415,479
VPN, Leaseline, Internet & VSAT Exp.	2,131,419	29,636,195
Securities Transaction Tax	262,503,362	315,404,162
Demat Charges	726,844	920,392
Total	777,626,425	931,509,728

NOTE NO. 2.22

Employee Benefit Expenses

(Amount in ₹)

DESCRIPTIONS	FOR THE YEAR ENDED 31.03.2012	FOR THE YEAR ENDED 31.03.2011
Salaries and incentives	377,096,462	510,022,087
Employers Contributions to -		
Provident fund	9,172,109	9,808,328
ESI	4,592,107	7,153,252
Gratuity fund contributions	2,492,945	1,438,667
Staff Training & Development Expenses	1,450,474	2,642,525
Staff welfare expenses	5,414,184	6,543,999
Total	400,218,281	537,608,858

NOTE NO. 2.23**Finance costs**

(Amount in ₹)

DESCRIPTIONS	FOR THE YEAR ENDED 31.03.2012	FOR THE YEAR ENDED 31.03.2011
Interest expense	173,687,855	150,901,813
Bank Charges	30,363,726	26,407,368
Total	204,051,581	177,309,181

NOTE NO. 2.24**Depreciation and Amortisation Expenses**

(Amount in ₹)

DESCRIPTIONS	FOR THE YEAR ENDED 31.03.2012	FOR THE YEAR ENDED 31.03.2011
Depreciation on Tangible Assets	54,149,117	63,129,581
Amortisation on Intangible Assets	8,313,578	9,933,934
Total	62,462,695	73,063,515

NOTE NO. 2.25**Other Expenses**

(Amount in ₹)

DESCRIPTIONS	FOR THE YEAR ENDED 31.03.2012	FOR THE YEAR ENDED 31.03.2011
AGM Expenses	27,547	39,285
Advertisement	9,708,922	32,575,860
Business Promotion	7,752,092	37,841,866
Provision for Bad Debts #	42,536,414	14,331,885
Computer Repair & Maintenance	9,492,882	11,965,658
Conveyance & Traveling Expenses	14,059,532	11,444,626
Commission Paid	99,500	266,850
Director Sitting Fee	352,000	119,000
Donations	6,200	6,707,257
Electricity & Water Charges	15,346,935	23,311,332
Insurance	1,003,955	1,054,815
Legal & Professional Charges	36,137,428	10,623,016
Stock Exchange Listing Fee	239,061	189,675
Loss On Sale of Fixed Assets	5,220,567	-

NOTE NO. 2.25

Other Expenses

(Amount in ₹)

DESCRIPTIONS	FOR THE YEAR ENDED 31.03.2012	FOR THE YEAR ENDED 31.03.2011
Office Repair & Maintenance	22,790,509	27,638,631
Printing and Stationery	6,807,926	8,495,312
Rent, Rates & Taxes	50,391,460	64,973,451
Share Broker Franking Expenses	586,518	5,551,902
Communication Expenses	30,163,967	30,737,281
Vehicle Running & Maintenance	3,112,856	2,586,505
Auditor's remuneration:		
As Statutory Auditor	200,000	150,000
As Tax Auditor	50,000	50,000
Deferred Revenue Expenditure Amortized	9,874,243	9,874,244
Total	265,960,514	300,528,451

also refer to Note 2.31

NOTE NO. 2.26**CONTINGENT LIABILITIES**

(Amount in ₹)

Particulars	Current Year	Previous Year
Corporate guarantee executed by the Company for credit facility extended to a subsidiary	54,62,50,000	47,00,00,000
ESI demand in dispute (Amount Paid under protest ₹ 12,42,581 (P.Y. ₹ 7,76,613))	31,06,450	31,06,450

2.27 COMMITMENTS

(Amount in ₹)

Particulars	Current Year	Previous Year
Contracts remaining to be executed on account of capital - For investment in subsidiaries	52,59,86,660	NIL

2.28 EARNING AND EXPENDITURE IN FOREIGN CURRENCY

(Amount in ₹)

Particulars	Current Year	Previous Year
a) Earning in Foreign Currency	NIL	NIL
b) Expenditure in Foreign Currency - Foreign Travelling - Management & Advisory Services	NIL 4,43,10,000	77,649 NIL

2.29 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.

2.30 Fixed Deposit with Schedule Banks includes ₹ 120,65,88,885 (P.Y. ₹ 101,71,42,220) under lien in favour of the bank as margin deposit for the guarantees issued/credit facilities or otherwise. And ₹ 46,38,75,000 (P.Y. ₹ 66,15,00,000) pledge with stock exchanges as margin, which does not include margins paid by client constituents on their own behalf.

2.31 Provision for doubtful debts of ₹ 10,45,093

(Previous Year ₹ 1,33,786) is net of bad debts written off ₹ 4,16,25,106 (Previous Year ₹ 1,75,23,970). No provision has been made in respect of certain overdue sundry debtors amounting to ₹ 35,68,90,982 (P. Y. ₹ 30,82,29,412) since the company has taken suitable measures to recover the said dues including filing of legal cases wherever considered appropriate.

2.32 SEGMENT ACCOUNTING**a. Business Segment**

- The business segment has been considered as the primary segment.
- 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

2.33 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. Pradeep Kumar (Whole time Director)
- e) Sh. Anurag Bansal (Whole time Director)
- f) Sh. Rakesh Gupta* (Whole time Director)

*resigned during the year

B. Companies where control exists:

- a) SMC Comtrade Limited (Subsidiary)
- b) SMC Insurance Brokers Private Limited (Subsidiary)
- c) SMC ARC Limited (Subsidiary)
- d) SMC Investments and Advisors Ltd. (Subsidiary)
- e) Moneywise Financial Services Private Limited (Subsidiary)
- f) SMC Capitals Limited (Subsidiary)
- g) SMC Comex International DMCC (Subsidiary)
- h) Moneywise Finvest Ltd. (Subsidiary)
(Control the composition of Board of Directors)
- i) SMC Finvest Ltd. (Subsidiary)
(Control the composition of Board of Directors)

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(Amount in ₹)

Balance Outstanding		Current Year	Previous Year
SMCARCLtd.	Short Term Loans & Advances	10,51,890	Nil
SMCARCLtd.	Trade Receivables (current)	17,46,387	Nil
SMCARCLtd.	Trade Payable (Current)	Nil	7,36,131
SMC Investments and Advisors Ltd.	Short Term Loans & Advances	1,85,737	Nil
SMC Investments and Advisors Ltd.	Long Term Loans & Advances	Nil	33,837
SMC Investments and Advisors Ltd.	Trade Payable (Current)	14,11,088	8,37,340
Moneywise Financial Service Pvt. Ltd.	Trade Receivables (current)	Nil	13,18,16,443
SMCCapital Limited	Trade Payable (Current)	Nil	75,256
SMCComtrade Limited	Short Term Loans & Advances	17,88,18,004	Nil
SMCComtrade Limited	Trade Receivables (current)	25,29,53,273	9,28,97,639
SMCComtrade Limited	Trade Payable (Current)	10,75,123	Nil
SMCFinvest Ltd.	Short Term Loans & Advances	Nil	3,672

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.

2.34 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 attributable to Equity Shareholders	78,41,869	3,70,04,429
Weighted Average No. of Equity Shares		
- For Basic EPS	1,06,35,454	1,04,78,387
- For Diluted EPS	1,06,35,454	1,04,78,387
Nominal Value per share	₹ 10	₹ 10
Basic EPS	0.74	3.53
Diluted EPS	0.74	3.53

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

(Amount in ₹)

Particulars	Current Year	Previous Year
Gross Liability	2,10,35,419	1,92,47,082
Value of funds	13,75,947	39,95,551
Provisions debited to Statement of Profit and Loss	24,92,945	14,38,667

2.36 During the year, the company has invested ₹ 4,00,00,000 (P.Y. ₹ 1,00,00,000) in its wholly owned subsidiary SMC Capitals Ltd by way of subscribing to 40,00,000 equity shares (P.Y. 5,00,000 equity shares) of face value of ₹ 10 each at par (Previous year at share premium of ₹ 10 each)

2.37 Statement of Stock in Trade as at the Balance sheet dated is annexed and marked as "Annexure - A"

2.38 Previous year's figures have been rearranged and re-grouped to confirm to classification as suggested by the Revised Schedule VI notified under the companies act, 1956. Figures have been rounded off to the nearest rupees.

2.39 The Ministry of Corporate Affairs, Government of India, vide General Circular No.2 and 3 dated 8th February 2011 and 21st February 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956 subject to fulfillment of conditions stipulated in the circular. The company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.

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 : 22.05.2012

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Statement of Inventory "Annexure - A"

(Amount in ₹)

S.No.	Scrip Name	Year ended on 31-03-2012		Year ended on 31-03-2011	
		Qty	Value	Qty	Value
1	ABB Ltd	500	420,775	-	-
2	HDFC Ltd	29,000	19,534,400	35,500	24,810,950
3	Bajaj Hindustan Ltd.	20,000	621,000	10,000	712,000
4	Balrampur Chini Mills Ltd.	8,000	456,400	-	-
5	Century Textile & Industries Ltd.	39,000	14,375,400	500	175,025
6	Bata India Ltd	12,500	9,615,000	4,000	1,561,400
7	Kakinada Fertilisers	26,400	311,784	8,000	225,600
8	Cipla Ltd	36,000	10,963,800	16,000	5,136,800
9	Crompton Greave Ltd.	8,002	1,105,476	-	-
10	Dabur India Ltd	4,000	425,600	-	-
11	Bharat Heavy Electricals Ltd.	27,000	6,937,650	7,096	14,623,792
12	Hindustan Petroleum Corporation Ltd.	35,000	10,612,000	1,000	356,950
13	IFCI Ltd	136,000	5,691,600	52,000	2,737,800
14	Reliance Capital Ltd.	19,576	7,670,856	9,076	5,276,333
15	State Bank of India	8,500	17,807,500	28,443	78,727,380
16	SAIL	48,485	4,560,014	26,485	4,495,829
17	Titan Industries Ltd.	25,000	5,715,000	3,625	13,814,331
18	Dr Reddys Laboratories Ltd.	1,500	2,637,975	6,227	10,203,251
19	Essar Oil Ltd	44,000	2,356,200	22,450	2,795,025
20	HDFC Bank Ltd.	32,500	16,901,625	13,197	30,919,911
21	Hero MotoCorp Ltd.	2,375	4,880,269	2,625	4,164,694
22	Hindustan Oil Exploration Company Ltd.	21,267	2,382,967	15,267	3,066,377
23	Infosys Technologies Ltd.	11,250	32,230,688	15,625	50,574,219
24	Jain Irrigation Systems Ltd.	4,000	395,200	2,500	446,375
25	JCT Electronics Ltd.	16,000	12,320	16,000	23,520
26	JSW Steel Ltd.	75,000	54,120,000	21,000	19,242,300
27	Kotak Mahindra Bank Ltd.	2,000	1,084,900	7,000	3,197,950
28	LIC Housing Finance Ltd.	57,000	14,993,850	42,000	9,468,900
29	Lupin Ltd	1,000	529,650	4	1,661
30	MRF Ltd.	250	2,484,200	-	-
31	NCC Ltd	12,000	674,400	12,000	1,214,400
32	Sesa Goa Ltd	95,000	18,453,750	12,000	3,484,800
33	Grasim Industries Ltd.	1,625	4,272,694	1,750	4,307,188
34	JSW ISPAT Steel Ltd.	42,000	528,780	20,000	446,000
35	Oil & Natural Gas Corporation Ltd.	34,000	9,088,200	95,000	27,559,500

(Amount in ₹)

S.No.	Scrip Name	Year ended on 31-03-2012		Year ended on 31-03-2011	
		Qty	Value	Qty	Value
36	Oriental Bank of Commerce	5,000	1,261,250	3,500	1,354,325
37	ORKAY SILK	23,450	-	23,450	-
38	Padmini Technologies Ltd.	50	-	50	-
39	Reliance Industries Ltd.	26,998	20,201,254	24,783	25,967,627
40	Peacock Industries Ltd.	200	950	200	532
41	Surya Roshni Ltd.	38,512	2,110,458	9,323	893,143
42	Rolta India Ltd	4,000	374,400	10,000	1,388,000
43	Aurobindo Pharma Ltd.	24,000	2,853,600	3,750	734,625
44	Mercator Ltd.	8,000	202,000	-	-
45	NMDC Limited	7,000	1,127,700	4,000	1,133,800
46	Jai Rapid Roller Ltd.	100	-	100	-
47	Kamat Hotels India Ltd.	11,454	1,433,468	-	-
48	Financial Technologies India Ltd.	3,000	2,053,650	250	216,725
49	India Cements Ltd.	4,000	445,200	12,000	1,147,200
50	Moongipa Capital Finance Ltd.	100	399	100	3,665
51	LAUREL ORGANICS Ltd.	100	-	100	-
52	Aftek Limited	20,902	208,602	20,902	257,931
53	IVRCL Infrastructures & Project Ltd.	408,000	27,030,000	6,000	489,600
54	Indian Oil Corporation Ltd.	7,000	1,838,200	2,000	668,500
55	Manna Glass Tech Industries Ltd.	10,000	-	10,000	-
56	Khandwala Securities Ltd.	319,499	5,319,658	319,499	5,862,807
57	Dena Bank	40,000	3,600,000	30,000	3,127,500
58	Hexaware Technologies Ltd.	4,000	468,000	32,000	2,110,400
59	Bank of Baroda	2,000	1,587,300	8,000	7,705,200
60	Welspun Corp Ltd.	22,938	3,094,336	18,938	3,908,803
61	Bank of India	2,000	722,000	500	239,050
62	Gail India Ltd	9,230	3,460,789	41,130	19,125,450
63	ICICI Bank Ltd	400	354,900	21,000	23,367,750
64	GAYATRI SUGARS Ltd.	44,999	134,997	113,350	338,917
65	AXIS Bank Ltd	29,350	33,632,165	21,500	30,178,475
66	Polaris Financial Technology Ltd.	2,000	327,800	22,000	4,154,700
67	Satyam Computer Services Ltd.	590,750	47,378,150	-	-
68	Reliance Infrastructure Ltd.	35,500	20,834,950	2,250	1,547,550
69	Ambuja Cements Ltd.	8,000	1,370,000	-	-
70	Hindalco Industries Ltd.	174,005	22,524,947	22,005	4,591,343
71	Escorts Ltd	24,000	1,647,600	3,000	424,050

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(Amount in ₹)

S.No.	Scrip Name	Year ended on 31-03-2012		Year ended on 31-03-2011	
		Qty	Value	Qty	Value
72	Larsen & Toubro Ltd.	21,428	28,003,182	15,948	26,366,031
73	Bharat Petroleum Corporation Ltd.	4,500	3,146,850	14,500	8,863,850
74	Siemens Ltd	250	189,425	-	-
75	Tata Motors Ltd	39,250	10,821,225	500	623,750
76	Voltas Ltd	44,000	4,930,200	-	-
77	Hindustan Unilever Ltd.	66,001	27,053,810	1	285
78	Tata Global Beverages Ltd.	24,000	2,689,200	-	-
79	Indian Hotels Company Ltd.	1,513	96,605	1,513	127,395
80	ITC Ltd	107,000	24,272,950	51,000	9,253,950
81	Apollo Tyres Ltd.	16,000	1,269,600	-	-
82	Sterlite Industries India Ltd.	105,213	11,689,164	54,000	9,363,600
83	Sintex Industries Ltd.	74,000	6,382,500	2,000	303,200
84	Orient Abrasives Ltd.	235,685	1,708,716	75,000	2,775,000
85	Zee Entertainment Enterprises Ltd.	17,271	2,185,645	1,270	157,099
86	Gabriel India Ltd.	15,000	649,500	15,000	621,750
87	Unitech Ltd	83,650	2,404,938	19,650	794,843
88	VIP Industries Ltd.	2,500	249,750	-	-
89	VATSA CORP LIMITED	1,000	-	1,000	-
90	Videocon Industries Ltd.	2,000	343,000	-	-
91	Som Datt Finance Corporation Ltd.	4,100	27,470	4,100	36,080
92	MUTHOOT CAPITAL SERVICES Ltd.	4,625	314,269	-	-
93	Core Education & Technologies Ltd.	5,000	1,410,000	-	-
94	WESTERN INDIA INDUSTRIES Ltd.	50	-	50	-
95	Adani Enterprises Ltd.	20,000	6,084,000	8,445	5,582,145
96	DEWAN STEELS Ltd.	3,100	-	3,100	-
97	S.Kumars Nationwide Ltd.	8,000	263,600	4,000	219,000
98	Murudeshwar Ceramics Ltd.	452	7,842	452	8,317
99	Havells India Ltd.	1,000	571,850	8,000	2,969,200
100	Amtek Auto Ltd	8,150	1,077,838	8,150	1,229,835
101	Alok Industries Ltd.	55,000	1,078,000	10,000	221,500
102	Praj Industries Ltd.	8,000	641,600	-	-
103	Aban Offshore Ltd.	6,000	2,598,000	12,000	7,393,800
104	SPECIALITY PETROLUBES Ltd.	100	-	100	-
105	Pantaloon Retail India Ltd.	42,000	6,432,300	26,500	6,868,800
106	Shipping Corporation of India Ltd.	4,000	248,000	8,000	863,200
107	Orchid Chemical & Pharmaceuticals Ltd.	28,001	5,175,985	42,000	12,618,900

(Amount in ₹)

S.No.	Scrip Name	Year ended on 31-03-2012		Year ended on 31-03-2011	
		Qty	Value	Qty	Value
108	Sun Pharmaceutical Industries Ltd.	17,000	9,681,500	15,625	6,903,125
109	UCO Bank Ltd	28,000	2,205,000	8,000	856,800
110	Indraprastha Gas Ltd.	500	189,375	5,000	1,492,500
111	Petronet LNG Ltd.	12,000	2,018,400	4,000	485,400
112	Biocon Ltd	15,000	3,570,750	4,000	1,375,800
113	Jaiprakash Associates Ltd.	96,045	7,837,272	18,046	1,669,255
114	Tata Consultancy Services Ltd.	7,850	9,167,623	41,750	49,369,375
115	National Thermal Power Corporation Ltd.	80,000	13,016,000	22,000	4,246,000
116	Jet Airways India Ltd.	4,000	1,305,800	5,000	2,235,750
117	Jaiprakash Power Ventures Ltd.	4	163	4	169
118	India Infoline Ltd.	4,000	267,400	-	-
119	Yes Bank Ltd	1,000	367,300	59,000	18,284,100
120	Mcleod Russel India Ltd.	6,050	1,652,255	3,000	756,600
121	IDFC Limited	158,000	21,345,800	68,000	10,529,800
122	Shree Renuka Sugars Ltd.	48,000	1,516,800	48,000	3,340,800
123	Bombay Rayon Fashions Ltd.	1,000	249,300	3,000	778,200
124	Punj Lloyd Ltd	12,100	668,525	14,100	912,270
125	Educomp Solutions Ltd.	24,000	4,636,800	10,600	4,457,300
126	GVK Power & Infrastructure Ltd.	60,400	1,050,960	400	10,380
127	Reliance Communications Ltd.	144,000	12,103,200	33,000	3,554,100
128	Tech Mahindra Ltd.	1,045	752,034	545	368,338
129	Lanco Infratech Ltd.	96,000	1,747,200	56,000	2,220,400
130	Power Finance Corporation Ltd.	50,000	9,200,000	4,001	1,001,250
131	Indiabulls Real Estate Ltd.	84,000	5,359,200	10,000	1,244,500
132	Fortis Healthcare Ltd.	468	46,917	6,468	978,285
133	Kale Consultants Ltd.	16,500	2,273,700	15,000	1,420,500
134	Syndicate Bank	8,000	888,400	-	-
135	HCL Technologies Ltd.	19,000	9,164,650	500	238,250
136	Jindal Steel & Power Ltd.	13,000	7,085,000	21,500	15,019,900
137	BLB Ltd	6,359	21,939	76,159	740,265
138	HB Portfolio Ltd.	100	2,575	100	3,120
139	TVS Motor Company Ltd.	16,000	656,000	16,000	960,000
140	Sterlite Technologies Ltd.	8,000	314,400	4,000	233,800
141	INDIAN OVERSEAS bank	12,000	1,131,600	6,000	861,600
142	Vijaya Bank	8,000	467,200	20,000	1,587,000
143	Andhra Bank	10,000	1,193,000	14,000	2,113,300

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(Amount in ₹)

S.No.	Scrip Name	Year ended on 31-03-2012		Year ended on 31-03-2011	
		Qty	Value	Qty	Value
144	United Spirits Ltd.	14,250	8,636,213	2,500	2,626,375
145	Bharti AirTel Ltd.	101,000	34,011,750	20,000	7,150,000
146	Punjab National Bank	8,750	8,102,938	550	671,083
147	Oracle Financial Services Software Ltd.	625	1,637,625	250	496,025
148	Allahabad Bank	16,000	2,980,000	-	-
149	Canara Bank	7,501	3,552,849	24,026	15,043,880
150	Maruti Suzuki India Ltd.	750	1,011,825	6,999	8,843,586
151	Mphasis Ltd	-	-	12,530	5,206,842
152	Patel Engineering Ltd.	-	-	2,000	280,700
153	Indusind Bank Ltd.	-	-	18,000	4,746,600
154	Alstom Projects India Ltd.	-	-	500	293,375
155	Triveni Engineering & Industries Ltd.	-	-	2,000	192,000
156	Opto Circuits India Ltd.	-	-	3,000	827,250
157	Reliance MediaWorks Ltd.	-	-	24,100	3,635,485
158	Divi's Laboratories Ltd.	-	-	141	95,302
159	PTC India Ltd	-	-	2,000	166,600
160	Deccan Chronicle Holdings Ltd.	-	-	12,000	963,000
161	3i INFOTECH Ltd.	-	-	8,000	350,400
162	The Karnataka Bank Ltd.	-	-	4,886	525,245
163	Suzlon Energy Ltd.	-	-	4,000	178,600
164	Abg Shipyard Ltd.	-	-	3,992	1,444,904
165	Everest Kanto Cylinder Ltd.	-	-	6,000	465,300
166	Tulip IT Services Ltd.	-	-	4,000	563,200
167	GMR Infrastructure Ltd.	-	-	4,000	162,800
168	DCB Ltd.	-	-	12,000	550,200
169	Cairn India Ltd	-	-	148,000	51,985,000
170	Indian Bank	-	-	4,000	929,800
171	Idea Cellular Ltd.	-	-	75,000	5,062,500
172	MIC Electronics Ltd.	-	-	50,001	1,202,524
173	Mundra Port & Special Economic Zone Ltd.	-	-	9,999	1,364,364
174	ARCH PHARMA	-	-	1	-
175	GUJARAT AMBUJA Exports Ltd.	-	-	100	-
176	Shyam Telelink Ltd.	-	-	35,730	-
177	SRF (DEB)	-	-	50	-
178	Srishti Videocorp Ltd.	-	-	1,200	-
179	SHRI DEWAN STEEL LTD.	-	-	100	-

(Amount in ₹)

S.No.	Scrip Name	Year ended on 31-03-2012		Year ended on 31-03-2011	
		Qty	Value	Qty	Value
180	Asian Paints Ltd.	-	-	1,500	3,790,425
181	Mangalam Cement Ltd.	-	-	10,000	1,120,500
182	Wipro Ltd	-	-	22,000	10,522,600
183	United Phosphorus Ltd.	-	-	2,000	300,800
184	Srei Infrastructure Finance Ltd.	-	-	10,800	480,060
185	DLF Ltd	24,000	4,836,000	-	-
186	Housing Development & Infrastructure Ltd.	58,000	4,956,100	17,400	3,056,310
187	Power Grid Corporation of India Ltd.	24,000	2,589,600	28,000	2,850,400
188	BGR Energy Systems Ltd.	1,000	326,750	2,250	1,073,588
189	Reliance Power Ltd.	96,037	11,226,725	6,037	782,999
190	OnMobile Global Ltd.	16,000	960,800	17,000	4,145,450
191	IRB Infrastructure Developers Ltd.	56,000	10,430,000	3,000	634,950
192	Rural Electrification Corporation Ltd.	20,000	4,111,000	21,000	5,337,150
193	Bajaj Auto Ltd	6,250	10,486,875	4,750	6,934,050
194	Adani Power Limited	12,000	819,600	6,000	676,800
195	NHPC Limited	209,000	4,106,850	200,000	5,070,000
196	Pipavav Defence & Offshore Engineering Company Ltd.	21,400	1,708,790	31,400	2,480,600
197	SJVN Limited	2,578,610	50,798,617	2,478,610	54,777,281
198	Coal India Limited	4,000	1,372,400	-	-
199	Zee Learn Limited	158	2,326	158	3,674
200	A2Z Maintenance & Engineering Services Ltd.	51,000	5,757,900	-	-
201	Orient Refractories Ltd.	242,888	6,290,799	-	-
202	Tata Motors Limited	4,000	631,200	2,000	1,391,000
203	THE KARNATAKA Bank Ltd.	556	36,335	-	-
204	Goldman Sachs Nifty Exchange Traded Scheme	24,500	13,003,375	-	-
205	ARCH PHARMA	1	-	-	-
206	GUJARAT AMBUJA EXPORTS Ltd.	100	-	-	-
207	Reliance Enterprised Ltd.	15	-	15	-
208	Shyam Telelink Ltd.	35,730	-	-	-
209	SRF (DEB)	50	-	-	-
210	SRISHTI VIDEO CORP LTD.	1,200	-	-	-
211	SHRI DEWAN STEELS Ltd.	100	-	-	-
212	Bombay Dyeing & Mfg Company Ltd.	-	-	2,500	915,750
213	Bharat Earth Movers Ltd.	-	-	3,000	2,056,800
214	Bharat Electronics Ltd.	-	-	1,034	1,735,828

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(Amount in ₹)

S.No.	Scrip Name	Year ended on 31-03-2012		Year ended on 31-03-2011	
		Qty	Value	Qty	Value
215	Bhushan Steel & Strips Ltd.	-	-	2,000	875,700
216	CESC Ltd	-	-	1,500	466,575
217	Chennai Petroleum Corporation Ltd.	-	-	2,000	446,000
218	IDBI Limited	-	-	104,000	14,814,800
219	Hindustan Zinc Ltd.	-	-	40,000	5,502,000
220	MAX INDIA Ltd.	-	-	8,000	1,277,200
221	Piramal Healthcare Ltd.	-	-	42,650	17,780,785
222	Aditya Birla Nuvo Ltd.	-	-	750	610,538
223	Ranbaxy Laboratories Ltd.	-	-	500	222,025
224	Ruchi Soya Industries Ltd.	-	-	24,000	2,541,600
225	Jindal Saw Ltd	-	-	14,000	2,858,800
226	Tata Power Company Ltd.	-	-	1,701	2,262,925
227	Sundram Fasteners Ltd.	-	-	5,000	255,250
228	ACC Ltd	-	-	2,250	2,419,200
229	Federal Bank Ltd.	-	-	1,999	837,381
230	TATA Steel Limited	-	-	8,801	5,461,021
231	Ashok Leyland Limited	-	-	16,000	910,400
232	Tata Communications Ltd.	-	-	23,811	5,688,448
233	Mahindra & Mahindra Ltd.	-	-	32,000	22,355,200
234	Great Eastern Shipping Company Ltd.	-	-	3,000	788,400
235	Tata Chemicals Ltd.	-	-	500	169,175
	Total	8,606,998	974,006,936	5,997,698	1,016,921,064



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AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS OF SMC GLOBAL SECURITIES LIMITED

To,

**THE BOARD OF DIRECTORS OF
SMC GLOBAL SECURITIES LIMITED**

We have audited the attached Consolidated Balance Sheet of SMC Global Securities Limited ('the Company') and its subsidiaries (or 'the components') (hereinafter referred to as 'the Group') as at March 31, 2012, and also the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date (hereinafter referred to as the 'Consolidated Financial Statements'). These consolidated financial statements are the responsibility of the company's management and have been prepared by the management on the basis of separate financial statements and other financial information. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

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 Consolidated 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.

Further, we did not audit the financial statements and other financial information of three subsidiaries and one step down subsidiary, included in the Consolidated Financial Statements, which constitute total assets of ₹ 1,60,13,01,463 as at March 31, 2012, total revenue (including other income) of ₹ 16,60,46,914, net profit of ₹ 81,81,709 and net cash inflows amounting to ₹ 7,46,77,310 for the year then ended. The financial statements and other financial information of three subsidiaries and the financial statements and other financial information of the step down subsidiary as drawn up in accordance with the generally accepted accounting principles of the country of incorporation ('the local GAAP') 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.

We report that the Consolidated Financial Statements have been prepared by the Company's Management, in all material respects, in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements, as notified under sub-section 3C of Section 211 of the Companies Act, 1956.

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, in our opinion and to the best of our information and according to the explanations given to us, in our opinion, the attached Consolidated Financial Statements 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, 2012;

(b) in the case of the Consolidated Statement of Profit and Loss, 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 : 22.05.2012

CONSOLIDATED BALANCE SHEET

AS AT 31st MARCH, 2012

(Amount in ₹)

PARTICULARS	NOTE NO.	AS AT 31.03.2012	AS AT 31.03.2011
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.01	109,457,580	104,783,870
Reserves and surplus	2.02	4,385,554,037	3,932,532,815
Share Application Money		10,000,000	6,000,000
Minority Interest		336,672,236	142,696,242
Non-current liabilities			
Long-term borrowings	2.03	527,180,021	527,159,237
Long-term provisions	2.04	32,436,357	24,905,881
Other non-current Liabilities	2.05	307,622	452,993
Current liabilities			
Short-term borrowing	2.06	958,943,434	933,274,352
Other current liabilities	2.07	3,448,502,814	2,638,978,732
Short-term provisions	2.08	77,084,357	85,076,752
	TOTAL	9,886,138,458	8,395,860,874
ASSETS			
Non-current assets			
Fixed assets	2.09		
Tangible assets		362,855,447	402,108,582
Intangible assets		38,201,289	48,333,731
Goodwill on consolidation		17,794,575	-
Non-current investments	2.10	253,098,233	359,594,561
Deferred tax Asset (Net)	2.11	125,499,122	107,967,144
Long-term loans and advances	2.12	851,043,325	985,548,236
Other non-current assets	2.13	20,000	180,466
Trade Receivables	2.14	373,572,351	332,069,298

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PARTICULARS	NOTE NO.	AS AT 31.03.2012	AS AT 31.03.2011
Current assets			
Current Investment	2.10	26,527,472	71,631,481
Inventories	2.15	1,370,280,424	1,297,194,436
Trade receivables	2.16	2,165,644,045	1,953,955,314
Cash and Bank balances	2.17	3,339,072,963	2,222,706,504
Short-term loans and advances	2.18	927,120,924	583,342,017
Other current assets	2.19	35,408,288	31,229,104
	TOTAL	9,886,138,458	8,395,860,874

Significant accounting policies and notes on accounts 1, 2

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 : 22.05.2012

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED
31ST MARCH, 2012

(Amount in ₹)

PARTICULARS	NOTE NO.	FOR THE YEAR ENDED 31.03.2012	FOR THE YEAR ENDED 31.03.2011
Revenue:			
Revenue from operations	2.20	2,797,684,590	2,901,270,484
Other income	2.21	113,441,387	74,504,915
Total Revenue		2,911,125,977	2,975,775,399
Expenses:			
Stock Exchange & Other Regulatory Expenses	2.22	1,013,913,837	1,091,826,876
Employee benefits expense	2.23	934,817,173	1,116,779,254
Finance costs	2.24	225,114,730	187,866,402
Depreciation and amortization expense	2.25	95,205,767	103,452,614
Other expenses	2.26	680,248,147	715,875,108
Total expenses		2,949,299,654	3,215,800,254
(Loss) before Tax		(38,173,677)	(240,024,855)
Tax expense:			
Current tax		(25,792,238)	(38,624,886)
Deferred tax		17,531,979	8,365,243
Wealth tax		(82,538)	(40,501)
Prior Period Taxes		(2,667,611)	(2,666,817)
(Loss) after Tax (before adjustment for minority interest)		(49,184,085)	(272,991,816)
Less: Share of loss transferred to Minority Interest		34,391,466	122,168,771
(Loss) for the year (after adjustment for minority interest)		(14,792,619)	(150,823,045)
Basic & Diluted Earnings per equity share of ₹ 10 each:	2.31	(1.39)	(14.39)
Significant accounting policies and notes on accounts	1,2		

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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 : 22.05.2012

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31st MARCH, 2012

(Amount in ₹)

PARTICULARS	FOR THE YEAR ENDED 31.03.2012	FOR THE YEAR ENDED 31.03.2011
A Cash Flow From Operational Activities		
Loss before Tax	(38,173,677)	(240,024,855)
Add:		
Provision for Bad Debts	47,836,414	18,781,885
Bad Debts Written off	77,676	2,893,261
Liability no Longer Required written back	5,546,490	860,935
Provision for Contingencies	519,158	280,326
Provision for NPA	2,039,399	-
Cenvat Credit Unavailed	1,920,036	1,075,675
Depreciation & Amortization	95,205,767	103,452,614
Interest Paid	190,493,936	158,062,111
Loss due to foreign exchange fluctuations	5,238	8,903
Loss on sale of Fixed Assets	8,735,639	1,453,697
	314,206,077	46,844,552
Less:		
Interest Income	(16,962,934)	(6,142,889)
Dividend Income	(6,459,871)	(1,478,756)
Profit on sale of Investment	(3,238,822)	(10,607,025)
Profit on foreign exchange fluctuations	(13,232)	-
Operating Profit before Working Capital Changes	287,531,218	28,615,882
Adjustments for:		
Increase/(Decrease) in Non-Current Liabilities		
Long Term Provisions	7,530,476	6,406,561
Other non-current liabilities	(145,371)	271,640
Increase/(Decrease) in Current Liabilities		
Trade Payables	550,202,539	119,217,696
Other Current Liabilities	253,255,894	54,551,908
Short Term Provisions	(7,992,394)	38,484,745
(Increase)/Decrease in Non-Current Assets		
Long-term loans and advances	130,545,476	65,027,283
Other non-current assets	160,466	9,854,243
Trade Receivables	(89,417,143)	(34,604,306)

FINANCIAL STATEMENTS

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CORPORATE OVERVIEW

REPORTS

(Amount in ₹)

PARTICULARS		FOR THE YEAR ENDED 31.03.2012	FOR THE YEAR ENDED 31.03.2011
(Increase)/Decrease in Current Assets			
Inventories		(73,085,988)	906,676,633
Trade receivables		(211,688,731)	(637,421,789)
Short-term loans and advances		(343,778,907)	(79,692,586)
Other current assets		(4,179,184)	(8,508,819)
Cash Generated from Operations		498,938,351	468,879,090
Direct Taxes Paid (net of refunds)		(28,542,387)	(41,332,204)
Net Cash From Operating Activities	A	470,395,964	427,546,886
B Cash Flow from Investing Activities			
Purchase of Fixed Assets		(60,698,405)	(90,655,582)
Proceed from Sale of Fixed Assets		6,142,576	12,390,754
Proceed from sale of Investments (net basis)		154,839,159	194,619,187
Interest received		16,962,934	6,142,889
Dividend Income		6,459,871	1,478,756
Foreign Currency Fluctuation Reserve		3,737,807	(190,205)
Other Cash and Cash Equivalent		(736,946,903)	(1,005,072,701)
Goodwill on Consolidation		(17,794,575)	-
Net Cash Used in Investing Activities	B	(627,297,536)	(881,286,901)
C Cash Flow From Financing Activities			
Proceeds from Share Application Money		4,000,000	(4,536,000)
Proceeds from Share Capital (including share premium)		468,749,744	-
Interest paid		(190,493,936)	(158,062,111)
Proceed from long term borrowings (net)		20,784	349,103,639
Payment of short term borrowings (net)		25,669,082	87,938,639
Net Cash Used in Financing Activities	C	307,945,674	274,444,167
	(A+B+C)	151,044,102	(179,295,848)
Adjustment on account of Change in Minority Interest		228,367,460	-
Net Increase in cash and cash Equivalents		379,411,562	(179,295,848)
Cash and Cash Equivalent at the beginning of the year		135,364,980	314,669,731
Effect of exchange differences on restatement of foreign currency		7,994	(8,903)

Notes:

- 1 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.
- 2 Figures in brackets indicate cash outgo.
- 3 The significant accounting policies and notes to the accounts - note 1,2 forms an integral part of the Cash Flow Statement.
- 4 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 : 22.05.2012

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**1. SIGNIFICANT ACCOUNTING POLICIES****I) BASIS OF PREPARATION**

The Consolidated Financial Statements (CFS) of the SMC Global Securities Limited Company ('the company') and its subsidiaries and step down subsidiaries, (together referred to as 'the Group') are prepared under the historical cost convention on a going concern basis, i.e. on the accrual basis of accounting, in accordance with the Generally Accepted Accounting Principles ('GAAP') in India, Accounting Standards prescribed under the Companies (Accounting Standards) Rules, 2006, relevant pronouncements of the Institute of Chartered Accountants of India ('ICAI'), the presentational requirements of the Companies Act, 1956 as adopted consistently by the company and the Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Direction, 2007 issued by the Reserve Bank of India as applicable to a subsidiary – Moneywise Financial Services Pvt. Ltd.

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) PRESENTATION AND DISCLOSURE

The consolidated financial statements for the year ended 31 March 2011 had been prepared as per the then applicable, pre-revised Schedule VI of the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the Consolidated Financial Statements for the year ended 31 March 2012 are prepared as per Revised Schedule VI. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of consolidated financial statements. However, it has impact on presentation and disclosure made in the consolidated financial statements. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the revised Schedule VI to the Companies Act, 1956. Accordingly, the previous year figures have also been reclassified to confirm to this year classification.

III) The Consolidated Financial Statements comprise the results of the Company, its subsidiaries and step down

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. SMC Investments and Advisors 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%
f. SMC Finvest Limited *	06.11.2009	India	39%
g. Moneywise Finvest Limited *	06.11.2009	India	39%
Subsidiaries of SMC Comtrade Ltd.			
h. SMC Insurance Brokers (P) Ltd.	23.04.2007	India	100%
i. SMC Comex International DMCC UAE.**	16.11.2005	Dubai (U.A.E)	100%

* have been consolidated as a group undertaking on the basis of a shareholder agreement that gives the group control over the board of directors.

** The audited financial statements of SMC Comex International DMCC, UAE up to 31st December, 2011 have been prepared in accordance with IFRS. The financials for the period from 1st Jan, 2012 to 31st March 2012 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 01.01.2012 until 31.03.2012.

IV) CONSOLIDATION PROCEDURE

a) The Consolidated Financial Statements are prepared in accordance with Accounting Standard (AS-21) "Consolidated Financial Statements" as notified under the Companies (Accounting Standard) Rules, 2006. The financial statements of the Company and its subsidiaries are combined on a line by line basis by adding together sums of like nature, comprising assets, liabilities, income and expenses (including taxes) 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. And where financial statements are not available as on that date, financial statements for the immediately preceding period are used as a basis for consolidation.
- d) The separate financial statements of the company, its subsidiaries and step-down subsidiaries have been drawn for the period from April 1, 2011 or date of incorporation / acquisition, whichever is later, to March 31, 2012 and have been consolidated on the basis of their audited financial statements except in case of SMC Comex International DMCC, UAE which have been consolidated on the basis of audited financial statements for the period up to 31st December, 2011 and on the basis of unaudited financial statements as approved by the board for the period January 1, 2012 to March 31, 2012.
- e) The Company's cost of its investment in its subsidiaries has been eliminated against the Company's portion of equity of each subsidiary as on the date of investment in that subsidiary. Similarly, in the case of step-down subsidiary, a 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. The excess/short is recognized as 'Goodwill' or 'Capital Reserve' as the case may be.
- f) Minority interest, if any, in the net profit 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 Company'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', as notified under the Companies (Accounting Standard) Rules, 2006. Exchange differences arising are recognized in the Foreign Currency Fluctuation Reserve classified under Reserves and Surplus.
- 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.

V) USE OF ESTIMATES

The presentation of Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities as at date of the consolidated financial statements and the reported amount of revenue and expenses during the reporting period. Actual results could differ from these estimates. Adjustment as a result of differences between actual results and estimates are recognized prospectively.

VI) FIXED ASSETS

In accordance with AS-10 'Accounting for Fixed Assets', fixed assets (including intangible assets) 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.

VII) DEPRECIATION

In accordance with AS-6 on 'Depreciation Accounting', depreciation on fixed assets (including intangible assets) is computed on written down value method, except for two Indian Subsidiaries namely SMC Capitals 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, UAE:
Office Equipments: 20%
Furniture & Fixtures: 20%

Following the principle of materiality, depreciation on Plant & Machinery of value not exceeding ₹ 5000/- is being provided at the normal rate prescribed in the schedule except a subsidiary SMC Investments and Advisors Limited, where the same is written off at 100% rate.

VIII) INVESTMENTS

Investments are classified into non-current investments and current investments based on intent of management at the time of making the investments which are intended to be held for more than one year are classified as non-current and those which are intended to be held for less than one year are classified as current investments.

Non-current investments are valued at cost unless there is diminution, other than temporary, in their value. Diminution is considered other than temporary based on criteria that include the extent to which cost exceeds the market value, the duration of the market decline and the financial health of and specific prospects for the issuer. Diminution in value of long term investments when

considered to be other than temporary is fully provided for and reflected as a provision for diminution in investment.

Current investments are valued at lower of cost and market value. Market value for quoted shares is determined after adjusting quoted price of shares for management estimate of impact of market parameters affecting the actual sale value e.g. volume of sale, frequency of sale etc.

IX) INVENTORIES

Inventories or stock-in-trade are valued at lower of cost and market value except inventory of the Company and one of its subsidiary listed at Serial No. a in Accounting Policy III where it has been valued at market value/net realizable value respectively. Cost comprises expenditure incurred in the normal course of business in bringing such stock to their location and conditions and includes appropriate overheads and has been determined following the cost formula on FIFO Basis. Closing stock of shares includes stocks pledged against secured loan from banks and kept as margin/ securities with stock exchange and does not include stock held on behalf of its clients/ constituents.

X) 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 accrual basis.
- i) Profit or loss on sale of units of mutual funds is determined on the basis of the first in first out (FIFO) 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.

XI) 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.

XII) 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 based on an actuarial valuation as at the Balance Sheet

date except for subsidiaries listed at serial no. c to g and step-down subsidiary listed at serial no. i in Accounting Policy III 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 based on an actuarial valuation as at the Balance Sheet date except for subsidiaries listed at serial no. c to g and step - down subsidiaries listed at serial no. h & i in Accounting Policy III where the liability for unavailed leave is being accounted on payment basis wherever required by the statute.

XIII) 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.

XIV) MISCELLANEOUS EXPENDITURE

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

XV) PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is

made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the consolidated financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

XVI) 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.

XVII) 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.

XVIII) 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'.

XIX) RESERVE BANK OF INDIA PRUDENTIAL NORMS

Moneywise Financials Services Pvt. Ltd., subsidiary of the Company, is registered with the Reserve Bank of India (RBI) as a Non-Banking Financial Company (NBFC) and thus complies with the prudential

norms relating to income recognition, accounting standards, asset classification and the minimum provisioning for standard, sub-standard and bad and doubtful debts, specified in the directions issued by the RBI in terms of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Direction, 2007 ('Prudential Norms'), as applicable to it.

Provision for non-performing assets is booked as per the Prudential Norms. In accordance with Para 10 of Prudential Norms, the Company has

separately shown provision for loans under short-term provisions.

Provision on standard assets has been provided at the rate of 0.25% on outstanding balance in accordance with the Prudential Norms.

XX) OTHER ACCOUNTING POLICIES

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

2.28 Fixed Deposit with Schedule Banks includes ₹ 1,72,97,13,885 (P. Y. ₹ 1,24,05,42,220) under lien in

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE NO. 2.01

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2012	AS AT 31.03.2011
a Authorised		
50,00,000 Preference shares of ₹ 10 each	50,000,000	50,000,000
28,010,000 Equity Shares of ₹10 each	280,100,000	280,100,000
	330,100,000	330,100,000
b Issued, Subscribed & Paid up		
10,945,758 (Previous Year 10,478,387) Equity Shares of ₹10/- each fully paid up in cash	109,457,580	104,783,870
	109,457,580	104,783,870

NOTE NO. 2.01

SHARE CAPITAL

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2012	AS AT 31.03.2011
c Reconciliation of Number of Equity Shares Outstanding		
Particulars	Number of Shares	(Amount in ₹)
As At 31.03.2012		
At the beginning of the year	10,478,387	104,783,870
Issued during the year	467,371	4,673,710
At the end of the year	10,945,758	109,457,580
As At 31.03.2011		
At the beginning of the year	10,478,387	104,783,870
Issued during the year	-	-
At the end of the year	10,478,387	104,783,870
d Shares held by shareholders holding more than 5% shares		
Name of Shareholder	No. of Shares held	%age of Holding
AS AT 31.03.2012		
Millennium India Acquisition Company Inc.	1,586,738	14.50
Mahesh C. Gupta	1,024,850	9.36
Subhash Chand Aggarwal	1,009,550	9.22
Sushma Gupta	756,655	6.91
Hemlata Aggarwal	772,055	7.05
Sainty Financial Services (P) Ltd.	600,000	5.48
Sanlam International Investment Partners Ltd.	578,372	5.28
Pulin Investments (P) Ltd.	530,786	4.85
AS AT 31.03.2011		
Millennium India Acquisition Company Inc.	1,586,738	15.14
Mahesh C. Gupta	1,024,850	9.78
Subhash Chand Aggarwal	1,009,550	9.63
Sushma Gupta	756,655	7.22
Hemlata Aggarwal	772,055	7.37
Sainty Financial Services (P) Ltd.	600,000	5.73
Sanlam International Investment Partners Ltd.	111,001	1.06
Pulin Investments (P) Ltd.	530,786	5.07

e Terms/Rights attached to Equity Shares

The Company has only one class of Equity Shares having a par Value of ₹ 10 per Share. In the Event of Liquidation of the company, the holders of Equity Shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTE NO. 2.02

RESERVE AND SURPLUS

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2012	AS AT 31.03.2011
Securities Premium Reserve		
Opening Balance	2,687,885,503	2,687,885,503
Addition during the Year	464,076,034	-
Closing Balance	3,151,961,537	2,687,885,503
Capital Reserves (On Amalgamation)		
Opening Balance	104,102,620	104,102,620
Capital Reserves (On Consolidation)		
Opening Balance	249,494,642	249,494,642
Capital Reserves (On Forfeiture)		
Opening Balance	123,998,200	123,998,200
Foreign Currency Fluctuation Reserve		
Opening Balance	9,356,670	9,546,875
Addition/(Adjustment) during the Year	3,737,807	(190,205)
Closing Balance	13,094,477	9,356,670
Statutory Reserves (Reserve Fund u/s 45- IC of RBI Act 1934)		
Opening Balance	754,488	75,909
Addition during the Year	544,493	678,579
Closing Balance	1,298,981	754,488
General Reserve		
Opening Balance	626,297,127	626,297,127
Surplus		
Opening balance	130,643,565	282,145,189
Transfer to statutory reserve	(544,493)	(678,579)
Loss for the year	(14,792,619)	(150,823,045)
Closing Balance	115,306,453	130,643,565
Total	4,385,554,037	3,932,532,815

NOTE NO. 2.03

LONG TERM BORROWINGS

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2012	AS AT 31.03.2011
Term Loans* (Secured Against Vehicles)		
From Banks	3,386,240	1,242,593
From Others	799,154	2,584,140
Less: Current Maturities disclosed under the head "Other Current Liabilities" (Note 2.07)	(2,005,373)	(1,667,496)
	2,180,021	2,159,237
Secured Term loans**		
Term loan from Banks	525,000,000	525,000,000
Total	527,180,021	527,159,237

* Repayable in 36 equated monthly instalments bearing interest @ 9.82% to 10.50% p.a.

** The loan, which bears interest @ 12.60% p.a. is repayable after 36 months from the first draw down date .The loan is secured by pari-passu first charge on movable or immovable or both present and future, tangible and intangible assets including trade receivables and current assets. Further, the loan has been guaranteed by the personal guarantee of the directors of the company.

NOTE NO. 2.04

LONG TERM PROVISIONS

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2012	AS AT 31.03.2011
Provision for employee benefits		
Gratuity #	25,746,376	22,124,826
Leave Encashment	5,890,497	2,500,729
Provision for Contingent Liability	799,484	280,326
Total	32,436,357	24,905,881

also refer to Note 2.32

NOTE NO. 2.05

OTHER NON-CURRENT LIABILITIES

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2012	AS AT 31.03.2011
Advance from Customers	307,622	452,993
Total	307,622	452,993

NOTE NO. 2.06

SHORT TERM BORROWINGS*

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2012	AS AT 31.03.2011
Secured		
Short Term Loan from Banks secured against Stock in Trade	253,314,014	266,364,870
Short Term Loan from Banks secured against Vehicle	487,430	701,085
Short Term Loan from Banks secured against FDR	337,000,000	660,000,000
Short Term Loan from other parties secured against Shares	100,000,000	6,208,397
Overdraft from Bank#	268,141,990	-
Total	958,943,434	933,274,352

* Repayable on demand, bearing interest rate varying from 10% to 13% p.a. and secured against personal guarantee of directors of the company.

Secured against Bank Deposit and repayable within one year from the disbursement

NOTE NO. 2.07

OTHER CURRENT LIABILITIES

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2012	AS AT 31.03.2011
Trade Payables		
Due to micro and small enterprises *	213,655	195,830
Others	1,806,741,610	1,251,010,406
Others		
Book Overdraft from Banks	271,133,156	173,529,938
Current Maturities of Long Term Borrowings (Refer Note 2.03)	2,005,373	1,667,496
Security & Deposits Received from clients	24,941,710	31,511,300
Advances /Margin Received from Clients	1,288,964,018	1,135,437,049
Expenses Payables	5,351,089	1,300,399
Other Liabilities	8,002,482	20,000
Unearned Income	6,922,605	4,790,322
Payable to Statutory Authorities	34,227,116	39,515,992

* The company has initiated the process of identification of suppliers registered under Micro, Small and Medium Enterprise Development Act, 2006, by obtaining confirmations from all suppliers Information has been collected only to the extent of information received as at balance sheet date.

NOTE NO. 2.08

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2012	AS AT 31.03.2011
SHORT TERM PROVISIONS		
Provision for employee benefits		
Salary and Perquisites	74,517,827	83,056,733
Gratuity #	1,979,611	1,751,142
Leave Encashment	504,381	228,376
Other Provisions		
For Wealth Tax	82,538	40,501
Total	77,084,357	85,076,752

also refer to Note 2.32

NOTE NO. 2.09

FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	Balance As At 01.04.2011	Additions	Disposals	Balance As At 31.03.2012	Balance As At 01.04.2011	Charged for the year	On Disposals	Balance As At 31.03.2012	Balance As At 31.03.2011
	(Amount in ₹)								
Tangible Assets									
Land	10,022,300	-	-	10,022,300	-	-	-	10,022,300	10,022,300
Office Building	58,584,031	-	-	58,584,031	9,365,179	2,467,866	-	46,750,986	49,218,852
Office Equipment	127,619,257	4,503,817	5,720,269	126,402,805	34,995,229	11,789,804	2,398,819	82,016,591	92,624,028
Furniture & Fixtures	161,337,453	12,870,585	11,942,055	162,265,983	49,741,185	18,555,909	5,417,614	99,386,503	111,596,268
Computer Hardware	234,183,053	28,654,568	12,933,928	249,903,693	143,455,766	36,594,675	11,201,040	81,054,292	90,727,287
Temporary Infrastructure	3,821,049	656,660	-	4,477,709	3,821,049	656,660	-	-	-
Lease Hold Improvements	16,448,988	8,530	3,453,168	13,004,350	2,511,846	3,434,116	1,197,056	8,255,444	13,937,142
Vehicle	30,783,981	9,017,340	3,281,923	36,519,398	14,792,002	4,153,653	2,281,358	19,855,101	15,991,979
VSAT	36,664,736	80,000	77,500	36,667,236	18,674,010	2,513,737	34,741	15,514,230	17,990,726
Total Tangible Assets	679,464,848	55,791,500	37,408,843	697,847,505	277,356,266	80,166,420	22,530,628	362,855,447	402,108,582
Intangible Assets									
Computer Software	88,277,175	4,906,905	-	93,184,080	49,948,719	15,037,231	-	64,985,950	38,328,456
Trade Mark Logo	20,000	-	-	20,000	14,725	2,116	-	16,841	3,159
Goodwill	10,000,000	-	-	10,000,000	-	-	-	10,000,000	10,000,000
Total Intangible Assets	98,297,175	4,906,905	-	103,204,080	49,963,444	15,039,347	-	65,002,791	48,333,731
Grand Total (CY)	777,762,023	60,698,405	37,408,843	801,051,585	327,319,710	95,205,767	22,530,628	401,056,736	450,442,313
(P/Y)	707,204,389	90,655,582	20,097,948	777,762,023	230,120,589	103,452,614	6,253,493	450,442,313	477,083,800

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NOTE NO. 2.10

Investments

(Amount in ₹)

PARTICULARS	FACE VALUE	AS AT 31.03.2012		AS AT 31.03.2011	
		NOS.	AMOUNT	NOS.	AMOUNT
A. NON - CURRENT INVESTMENTS					
TRADE INVESTMENTS (Valued At Cost)					
INVESTMENT IN EQUITY INSTRUMENTS (UNQUOTED)					
Investments In Associates:					
SMC Share Brokers Pvt Ltd	10	100,000	10,000,000	100,000	10,000,000
Moneywise Finvest Ltd.	10	-	-	390,000	3,900,000
SMC Finvest Ltd.	10	-	-	15,990,000	159,900,000
Sub- Total			10,000,000		173,800,000
NON- TRADE INVESTMENTS (Valued at Cost)					
INVESTMENT IN EQUITY INSTRUMENTS (QUOTED)					
NHPC Limited	10	534,059	22,965,842	534,059	22,965,842
Manganese Ore India Limited	10	38,618	22,002,297	38,618	22,002,297
Shipping Corporation of India Limited	10	305,721	43,175,056	305,721	43,175,056
Punjab & Sind Bank Limited	10	10,569	1,560,620	10,569	1,560,620
SJVN LTD	10	1,719,506	44,707,156	1,719,506	44,707,156
INVESTMENT IN PORTFOLIO MANAGEMENT SERVICE (QUOTED)			57,365,912		-
Sub- Total			191,776,883		134,410,971
INVESTMENT IN EQUITY INSTRUMENTS (UNQUOTED)					
Ludhiyana Stock Exchange Ass 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 Services Pvt. Ltd	10	100,000	4,700,000	100,000	4,700,000
Sub- Total			51,321,350		51,321,350
INVESTMENTS IN DERIVATIVES			-		62,240
Total			253,098,233		359,594,561

NOTE NO. 2.10

INVESTMENTS

(Amount in ₹)

PARTICULARS	FACE VALUE	AS AT 31.03.2012		AS AT 31.03.2011	
		NOS.	AMOUNT	NOS.	AMOUNT
Aggregate Market Value of Quoted Investment			160,352,488		100,935,151
Aggregate Book Value of Quoted Investment			191,776,883		134,410,971
Aggregate Book Value of Unquoted Investment			61,321,350		225,121,350
B. CURRENT INVESTMENTS (At lower of Cost or Net Realisable Value)					
OTHER INVESTMENT (NON- TRADE)					
INVESTMENTS IN UNITS OF MUTUAL FUNDS (QUOTED)					
Units of Rs 10 each fully paid up					
Reliance Money Manager Fund-Retail		1,242	1,750,871	926	1,213,444
UTI Liquid Cash Plan fully paid up		-	-	93,415	59,870,950
HDFC Cash management Fund Plan fully paid up		673,989	15,000,000	-	-
Sub- Total			16,750,871		61,084,394
INVESTMENT IN PORTFOLIO MANAGEMENT SERVICE (QUOTED)					
			9,776,601		10,547,087
Total			26,527,472		71,631,481

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CORPORATE OVERVIEW

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NOTE NO. 2.11

DEFERRED TAX ASSETS / DEFERRED TAX LIABILITY

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2012	AS AT 31.03.2011
Deferred Tax Assets :		
Provision for Doubtful Debts	2,463,172	281,290
Provision for Contingent Liability	247,041	86,620
Short Term Capital Loss	235,799	201,374
Brought Forward Business Loss	136,750,687	135,191,244
Provision for Gratuity payment	8,592,190	7,101,972
Provision for Leave Encashment	1,863,663	-
Provision for Expenses	270,375	-
A	150,422,927	142,862,500
Deferred Tax Liabilities :		
Depreciation	24,871,742	31,582,968
Deferred Revenue Expenses	52,063	3,312,388
B	24,923,805	34,895,356
Net Deferred Tax Asset/ (Liability) (A-B)	125,499,122	107,967,144

NOTE NO. 2.12

LONG TERM LOANS AND ADVANCES

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2012	AS AT 31.03.2011
Security Deposits		
Secured, considered good	52,612,508	94,188,590
Advances Recoverable in cash or in kind		
Unsecured, considered good	589,424,937	692,209,110
Loans and Advances to Others		
Unsecured, considered good	209,005,880	199,150,536
Total	851,043,325	985,548,236

NOTE NO. 2.13

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2012	AS AT 31.03.2011
Unamortized Expenses	-	160,466
Non Current bank balances #	20,000	20,000
Total	20,000	180,466

refer to Note 2.17

NOTE NO. 2.14

TRADE RECEIVABLES (NON-CURRENT)

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2012	AS AT 31.03.2011
Outstanding for a period exceeding six months Unsecured, considered good	373,572,351	332,069,298
Unsecured, considered doubtful	5,759,080	866,974
	379,331,431	332,936,272
Less: Provision for doubtful debts *	(5,759,080)	(866,974)
Total	373,572,351	332,069,298

* also refer to Note 2.29

NOTE NO. 2.15

INVENTORIES

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2012	AS AT 31.03.2011
Stock in trade	1,370,280,424	1,297,194,436
Total	1,370,280,424	1,297,194,436

Refer Accounting Policy IX

NOTE NO. 2.16

TRADE RECEIVABLES (CURRENT)

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2012	AS AT 31.03.2011
Other		
Unsecured, considered good	2,165,644,045	1,953,955,314
Total	2,165,644,045	1,953,955,314

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NOTE NO. 2.17

CASH & CASH EQUIVALENT

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2012	AS AT 31.03.2011
Balance with Banks on current accounts	207,871,391	115,587,660
Cash on hand	5,292,249	3,490,511
Foreign Currency in hand	119,237	165,149
Bank deposits with maturity of 3months or less than 3months	301,501,660	16,121,660
	514,784,537	135,364,980
Other Bank Balances		
Bank deposits with maturity of more than 3 months but less than 12 month	235,130,000	165,000,000
Bank deposits with maturity of more than 12 months	363,749,543	13,499,304
Margins Deposited with Exchanges or against guarantees and other commitments *	2,225,428,883	1,908,862,220
	2,824,308,426	2,087,361,524
Less: Amount Disclosed under Non Current Assets #	(20,000)	(20,000)
	2,824,288,426	2,087,341,524
Total	3,339,072,963	2,222,706,504

* also refer to Note 2.28

refer to Note 2.13

NOTE NO. 2.18

SHORT-TERM LOANS AND ADVANCES

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2012	AS AT 31.03.2011
Security Deposit		
Unsecured, considered good	216,224,538	45,928,590
Loans and advances to Employees		
Unsecured, considered good	586,217	176,000
Loans and advances to Others		
Unsecured, considered good	365,796,763	194,019,359
Balance with Statutory Authorities		
Unsecured, considered good	23,451,916	22,643,522
Advance tax & TDS (Net of Provision for Income Tax)		
Unsecured, considered good	49,461,665	42,021,874
Advances Recoverable in cash or in kind		
Unsecured, considered good	205,740,174	214,160,138
Prepaid Expenses		
Unsecured, considered good	65,859,651	64,392,534
Total	927,120,924	583,342,017

NOTE NO. 2.19

OTHER CURRENT ASSETS

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2012	AS AT 31.03.2011
Accrued Interest on FDR	29,580,873	17,471,357
Unamortized Expenses	160,466	10,048,775
TDS Receivable	5,666,949	3,708,972
Total	35,408,288	31,229,104

NOTE NO. 2.20

REVENUE FROM OPERATIONS

(Amount in ₹)

DESCRIPTIONS	FOR THE YEAR ENDED 31.03.2012	FOR THE YEAR ENDED 31.03.2011
Income From Proprietary Trading	1,019,723,112	1,049,030,987
Interest Income from Financing Activities	52,129,732	29,097,579
Income From Brokerage	1,302,626,311	1,424,854,837
Income From Distribution of Financial products	55,421,065	63,300,487
Income From Depository Business	42,072,963	50,354,124
Treasury Income	201,910,578	134,089,406
Income from management and advisory services	50,683,097	45,907,651
Other Operating Income		
Profit/ Loss on sale of Investment	3,238,822	10,607,025
Delay Payment Charges	69,878,910	94,028,388
Total	2,797,684,590	2,901,270,484

NOTE NO. 2.21

OTHER INCOMES

(Amount in ₹)

DESCRIPTIONS	FOR THE YEAR ENDED 31.03.2012	FOR THE YEAR ENDED 31.03.2011
Income From Dividend	6,459,871	1,478,756
Interest on Fixed Deposits	16,962,934	6,142,889
Liability no Longer Required written back	5,546,490	860,935
Foreign Exchange Fluctuation	13,232	-
Miscellaneous Income	84,458,860	66,022,335
Total	113,441,387	74,504,915

NOTE NO. 2.22

STOCK EXCHANGE AND OTHER REGULATORY EXPENSES

(Amount in ₹)

DESCRIPTIONS	FOR THE YEAR ENDED 31.03.2012	FOR THE YEAR ENDED 31.03.2011
Client Introduction Charges	468,189,439	499,071,612
Exchange & Other Regulatory Charges	238,916,113	224,392,798
Membership Fees & Subscription	2,199,301	2,279,305
Stamp Duty Paid	29,129,689	37,495,236
VPN, Leaseline, Internet & VSAT Exp.	12,249,089	12,263,372
Securities Transaction Tax	262,503,362	315,404,162
Demat Charges	726,844	920,391
Total	1,013,913,837	1,091,826,876

NOTE NO. 2.23

EMPLOYEE BENEFIT EXPENSES

(Amount in ₹)

DESCRIPTIONS	FOR THE YEAR ENDED 31.03.2012	FOR THE YEAR ENDED 31.03.2011
Salaries and incentives	880,031,133	1,066,819,340
Employers Contributions to PF & other fund	27,662,187	29,505,006
Gratuity fund contributions	4,654,626	4,339,209
Staff Training & Development Expenses	2,450,474	2,677,525
Staff welfare expenses	20,018,753	13,438,174
Total	934,817,173	1,116,779,254

NOTE NO. 2.24

FINANCE COSTS

(Amount in ₹)

DESCRIPTIONS	FOR THE YEAR ENDED 31.03.2012	FOR THE YEAR ENDED 31.03.2011
Interest expense	190,493,936	158,062,111
Bank Charges	34,620,794	29,804,291
Total	225,114,730	187,866,402

NOTE NO. 2.25

(Amount in ₹)

DESCRIPTIONS	FOR THE YEAR ENDED 31.03.2012	FOR THE YEAR ENDED 31.03.2011
Depreciation on Tangible Assets	80,166,420	85,810,767
Amortisation on Intangible Assets	15,039,347	17,641,847
Total	95,205,767	103,452,614

NOTE NO. 2.26

OTHER EXPENSES

(Amount in ₹)

DESCRIPTIONS	FOR THE YEAR ENDED 31.03.2012	FOR THE YEAR ENDED 31.03.2011
Advertisement	94,625,892	105,528,661
Business Promotion	39,508,797	43,453,894
Staff Support Services	31,960,447	43,207,403
Loss due to foreign Exchange Fluctuations	5,238	8,903
Bad debts written off	77,676	2,893,261
Provision for Bad Debts #	47,836,414	18,781,885
Computer Repair & Maintenance	14,076,935	14,990,234
Conveyance & Traveling Expenses	26,889,590	32,020,662
Commission Paid	710,198	4,199,331
Director Sitting Fee	532,000	334,000
Research Expenses	4,231,444	7,312,554
Donations	265,200	16,311,457
Electricity & Water Charges	41,315,725	42,221,772
Insurance	3,671,813	4,009,797
Legal & Professional Charges	65,975,978	40,676,497
Stock Exchange Listing Fee	239,061	189,675
Loss on Sale of Fixed Assets	8,735,639	1,453,697
Office Repair & Maintenance	47,578,482	51,555,648
Printing and Stationery	17,688,262	21,249,897
Stamp & Other Expenses	1,118,477	6,483,167
Rent, Rates & Taxes	142,093,762	166,409,822
Membership Fees & Subscription	314,827	658,336
Provision for NPA	2,039,399	-
Provision for Contingencies	519,158	280,326
Communication Expenses	69,320,892	73,426,997
Vehicle Running & Maintenance	4,417,096	3,729,834
CENVAT CREDIT Unavailed	1,920,036	1,075,675
Miscellaneous Expenses	1,799,187	2,266,398
Auditor's remuneration:		
As Statutory Auditor	527,416	645,815
As Tax Auditor	130,000	154,999
Out of Pocket Expenses	74,336	48,572
Deferred Revenue Expenditure Amortized	10,048,770	10,295,938
Total	680,248,147	715,875,108

also refer to Note 2.29

2.27 CONTINGENT LIABILITIES

(Amount in ₹)

Particulars	Current Year	Previous Year
On Account of Sale tax demand (U.P) (Amount paid in dispute ₹26,45,503 (P.Y. ₹26,45,503))	53,11,028	53,11,028
ESI demand in dispute (Amount Paid under protest ₹12,42,581 (P.Y. ₹7,76,613))	31,06,450	31,06,450

favour of the bank as margin deposit for the guarantees issued/credit facilities or otherwise, ₹ 6,40,000 (P.Y ₹ 6,40,000) under lien with sales tax authorities and ₹ 49,38,75,000 (P.Y. ₹ 66,64,80,000) pledged with stock and commodity exchanges as margin, which does not include margins paid by client constituents on their own behalf. Also included in Fixed deposit is an amount of ₹ 12,00,000 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: ₹12,00,000).

2.29 Provision for doubtful debts of ₹ 57,59,080 (Previous Year ₹ 866,974) is net of bad debts written off ₹ 4,29,44,308 (Previous Year ₹ 2,54,64,816). No provision has been made in respect of certain overdue sundry debtors amounting to ₹ 35,68,90,982 (P. Y. ₹ 31,00,08,846) since the Company has taken suitable measures to recover the said dues including filling of legal cases wherever considered appropriate.

2.30 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.

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

Name	Designation	Company
Mr. S. C. Aggarwal	Chairman & MD Director Director	SMC Global Securities Ltd. SMC Investments and Advisors Ltd. SMC Finvest 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 Aggarwal	Whole Time Director Joint MD	SMC Global Securities Ltd. SMC Comtrade Ltd.
Mr. Anurag Bansal	Whole Time Director Director Director	SMC Global Securities Ltd. SMC ARC Ltd Moneywise Finvest Ltd
Mr. Ravi Aggarwal	Whole Time Director	SMC Insurance Brokers Pvt. Ltd.
Mr. D. K. Aggarwal	Managing Director Managing Director Managing Director	SMC Comtrade Ltd. SMC Investments and Advisors Ltd. SMC Capitals Ltd.
Mrs. Hemlata Aggarwal	Whole Time Director	SMC Comtrade Ltd.
Mrs. Sushma Gupta	Whole Time Director	SMC Comtrade Ltd.
Mr. Pravin Agarwal	Whole Time Director	SMC Insurance Brokers Pvt. Ltd.
Mrs. Reema Garg	Director	Moneywise Financial Services Pvt. Ltd.
Mr. Lalit Kumar Aggarwal	Whole Time Director	Moneywise Financial Services Pvt. Ltd.
Mr. Finney Cherian	Director	Moneywise Financial Services Pvt. Ltd.
Mr. O. P. Agarwal	Director	SMC Capitals Ltd.
Ms. Aditi Aggarwal	Director	SMC ARC Ltd.
Ms. Shweta Aggarwal	Director Director	SMC Capitals Ltd. SMC Investments and Advisors Ltd.
Mr. Sanjeev Gupta	Director	SMC Investments and Advisors Ltd.
Mr. Himanshu Gupta	Director	SMC ARC Ltd.
Mr. Narendra Balasia	Whole Time Director	SMC Comtrade Ltd.

* Resigned during the year.

B Significant Transactions with Related Parties

Key Management Personnel

(Amount in ₹)

Particulars of Transactions	Current Year	Previous Year
Share Application Money		
Pravin Agarwal	40,00,000	60,00,000
Expenses: Director Remuneration		
Mr. S. C. Aggarwal	65,00,000	65,00,000
Mr. M. C. Gupta	65,00,000	65,00,000
Mr. Rakesh Gupta	42,00,252	42,25,000
Mr. Pradeep Kumar	42,50,675	42,50,675
Mr. Anurag Bansal	30,00,000	32,50,000
Mr. Ajay Garg	26,85,483	30,00,000
Mr. D. K. Aggarwal	48,75,000	48,75,000
Mrs. Hemlata Aggarwal	32,50,000	32,50,000
Mrs. Sushma Gupta	32,50,000	32,50,000
Mr. Praveen Agarwal	24,00,000	24,00,000
Mrs. Reema Garg	Nil	66,667
Mr. O. P. Aggrawal	15,84,000	14,85,000
Mr. Ravi Aggarwal	22,41,600	22,41,600
Income: Advisory Services		

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.

2.31 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:-

Particulars	Current Year	Previous Year
(Loss) attributable to Equity Shareholders (₹)	(1,47,92,619)	(15,08,23,045)
Weighted Average No. of Equity Shares		
- For basic EPS	1,06,35,454	1,04,78,387
- For Diluted EPS	1,06,35,454	1,04,78,387
Nominal Value per share (₹)	10	10
Basic EPS (₹)	(1.39)	(14.39)
Diluted EPS (₹)	(1.39)	(14.39)

2.32 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 and step-down subsidiary listed at serial no. i in Accounting Policy III 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.

(Amount in ₹)

Particulars	Current Year	Previous Year
Gross Liability	2,97,54,449	2,85,69,230
Value of funds	20,28,463	46,93,262
Provisions debited to Profit and Loss Account	46,54,626	43,39,209

2.33 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.

2.34 Previous year's figures have been rearranged and re-grouped to conform to classification as suggested by the Revised Schedule VI notified

under the companies act, 1956. Figures have been rounded off to the nearest rupees.

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 : 22.05.2012

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)

SMC GLOBAL SECURITIES LIMITED - CONSOLIDATED

Annexure I to Note No. 2.33 of Notes forming part of the consolidated financial statements

Information about Segment:

Descriptions	Capital Market		Insurance Broking Services		Wealth Management Services		Unallocated		Elimination		Total			
	(Year Ended)	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	
I Primary Segment-Business														
Revenue														
External revenue	2,591,172,173	2,596,449,696	206,162,966	228,664,446	50,584,510	51,788,901	63,206,329	98,872,355				2,911,125,977	2,975,775,399	
Inter segment revenue	8,553,834	10,301,059			19,209,054	17,240,977			(27,762,688)	(27,542,036)				
Total	2,599,725,807	2,606,750,755	206,162,966	228,664,446	69,793,564	69,029,878	63,206,329	98,872,355				2,911,125,977	2,975,775,399	
Segment Profit/(Loss) (before tax)	50,434,937	73,787,382	3,222,675	(93,518,216)	(95,456,485)	(227,510,521)	3,625,195	7,216,500				(38,173,677)	(240,024,855)	
Income taxes (Current tax and Deferred tax)							8,260,259	30,259,643				8,260,259	30,259,643	
Wealth tax and Prior Period Taxes							2,750,149	2,707,318				2,750,149	2,707,318	
Segment Profit/(Loss) after tax	50,434,937	73,787,382	3,222,675	(93,518,216)	(95,456,485)	(227,510,521)	(7,385,212)	(25,750,461)				(49,184,085)	(272,991,816)	
Other Information														
Segment assets	8,727,339,613	7,322,623,967	130,843,595	259,787,065	196,157,206	306,009,071						9,054,340,436	7,543,881,264	
Other unallocated assets							706,298,900	744,012,466				706,298,900	744,012,466	
Total Assets	8,727,339,613	7,322,623,967	130,843,595	259,787,065	196,157,206	306,009,071	706,298,900	744,012,466				9,760,639,336	8,287,893,730	
Segment liabilities	5,241,233,318	4,243,802,199	18,255,701	146,168,242	103,778,185	165,776,463						5,363,267,205	4,211,041,371	
Other unallocated liabilities							17,859,637	141,502,819				17,859,637	141,502,819	
Total Liabilities	5,241,233,318	4,243,802,199	18,255,701	146,168,242	103,778,185	165,776,463	17,859,637	141,502,819				5,381,126,841	4,352,544,190	
II. Secondary Segment-Geographical														
Revenue														
External revenue							2,862,748,889	2,962,179,198	48,377,089	13,596,201	-	-	2,911,125,977	2,975,775,399
Inter segment revenue							27,762,688	27,542,036	-	-	(27,762,688)	(27,542,036)	-	-
Total							2,890,511,577	2,989,721,234	48,377,089	-	(27,762,688)	(27,542,036)	2,911,125,977	2,975,775,399
Segment Profit/(Loss) (before tax)							(28,688,400)	(236,344,426)	18,277,410	(3,680,429)	-	-	(38,173,678)	(240,024,855)
Income taxes (Current tax and Deferred tax)							8,260,259	30,259,643	-	-	-	-	8,260,259	30,259,643
Wealth tax and Prior Period Taxes							2,750,149	2,707,318	-	-	-	-	2,750,149	2,707,318
Segment Profit/(Loss) after tax							(39,698,808)	(269,311,388)	18,277,410	(3,680,429)	-	-	(49,184,085)	(272,991,817)
Other Information														
Segment assets							8,280,648,689	7,450,643,991	773,691,747	93,237,273	-	-	9,054,340,436	7,543,881,264
Other unallocated assets							706,298,900	744,012,466	-	-	-	-	706,298,900	744,012,466
Total Assets							8,986,947,589	8,194,656,457	773,691,747	93,237,273	-	-	9,760,639,336	8,287,893,730
Segment liabilities							4,629,024,150	4,136,465,929	734,243,055	74,575,442	-	-	5,363,267,205	4,211,041,371
Other unallocated liabilities							17,859,637	141,502,819	-	-	-	-	17,859,637	141,502,819
Total Liabilities							4,646,883,787	4,277,968,748	734,243,055	74,575,442	-	-	5,381,126,841	4,352,544,190

Statement pursuant to exemption received under Section 212 (8) of the Companies Act, 1956, relating to subsidiary companies

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	(Amount in ₹)
										Proposed Dividend
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
SMC Capitals Ltd.	90,416,600	(4,433,121)	109,164,631	23,181,152	-	51,997,245	(18,428,474)	(5,585,164)	(12,843,310)	-
Moneywise Financial Services P Ltd.	133,646,500	374,595,414	694,239,354	185,997,440	52,958,111	63,137,080	3,156,555	434,089	2,150,662	-
SMC Comtrade Ltd.	45,000,000	688,909,411	1,901,861,868	1,167,952,457	10,000,000	739,764,826	11,477,612	4,724,849	6,752,763	-
SMC Insurance Brokers P Ltd.	404,000,000	(244,063,810)	237,907,966	77,971,776	-	206,162,967	3,222,675	905,309	2,317,366	-
SMC Comex International DMCC*									-	
IN USD	3,51,351	(1,640,926)	15,129,154	16,418,729	-	945,668	357,284	-	357,284	
IN INR	17,973,887	(83,944,048)	773,954,550	839,924,711	-	48,377,089	18,277,410	-	18,277,410	
Sanlam Investments and Advisors (India) Ltd. (previously known as SMC Wealth Management Services Ltd.)	150,000,000	40,472,371	199,468,294	8,995,923	15,000,000	69,793,564	(95,456,485)	-	(95,456,485)	-
SMC ARC Ltd.	25,000,000	(1,266,962)	23,942,928	209,890	11,527,472	2,535,501	1,092,082	495,135	596,947	-
SMC Finvest Limited	410,000,000	(24,144,816)	657,953,948	272,098,764	-	35,464,308	25,305,543	4,046,903	21,258,640	
Moneywise Finvest Limited	10,000,000	381,269	10,414,671	33,402	10,414,671	662,050	605,929	1,000	604,929	

Notes:

1 *Converted in to Indian Rupees at the exchange rate 1USD = INR 51.1565

2 The aforesaid data in respect of subsidiaries are as on 31st March 2012.

3 Provision for tax includes provision for deferred tax.

2) Significant Transactions with Related Parties

(Amount in ₹)

Particular of Transactions	Key Management Personnel		Companies where control exists	
	Current Year	Previous Year	Current Year	Previous Year
Investments				
- SMC Comtrade Ltd			-	25,00,00,000
- SMC Capital Limited			4,00,00,000	1,00,00,000
Expenses				
Director Remuneration				
Sh. S. C. Aggarwal	65,00,000	65,00,000		
Sh. M. C. Gupta	65,00,000	65,00,000		
Sh. Rakesh Gupta	42,00,252	42,25,000		
Sh. Pradeep Kumar	42,50,675	42,50,675		
Sh. Anurag Bansal	30,00,000	32,50,000		
Sh. Ajay Garg	26,85,483	30,00,000		
Brokerage Received				
Moneywise Financial Services Private Ltd.			49,229	62,225
SMC ARC			701,072	2,05,062
Income From Operation				
Demat Charges				
SMC Comtrade Limited			64,90,664	67,42,927
Commission on Fund Mobilization				
SMC Capital Limited			74,52,569	34,57,624
Client Introduction Charges Paid				
SMC Investments and Advisors Ltd.			1,41,66,150	1,55,93,706
Net Reimbursement of expenses received				
SMC Investments and Advisors Ltd.			51,94,043	90,01,383
SMC Comtrade Limited			30,71,80,691	12,91,50,693
SMC ARC Limited			13,08,334	14,00,858
Moneywise Finvest Ltd.			Nil	510
SMC Finvest Ltd.			4,95,000	28,75,136
Moneywise Financial Services Private Ltd.			4,09,46,172	1,68,28,687

THE BEST OF OPPORTUNITIES BROUGHT TOGETHER.



- | Trading in Gold, Silver, Crude (WTI and Brent),
Forex (INR, Yen, Swiss Franc, Euro, Dollar, and
Sterling) and Copper (soon to start)
- | Portfolio Advisory Services
- | Research based advisory
- | Clearing services to broking members of DGCX
- | Arbitrage facility to clients between DGCX and
other international exchanges



NBFCs rise on bourses but await final RBI draft before taking the plunge

DOMESTIC FINANCIAL MARKETS WERE THE ONLY POSITIVE INDICATOR IN THE BOMBAY STOCK EXCHANGE SENSEX THAT DAY AS THE GROUP'S STOCKS RISE TO A RECORD HIGH

Non-Banking Financial Companies (NBFCs) saw a significant rise in their share prices on the Bombay Stock Exchange (BSE) on Monday. The group's stocks, which had been under pressure for some time, finally found a reprieve as investors looked for signs of recovery in the domestic economy. The RBI's draft regulations for NBFCs, which were expected to be finalized soon, were seen as a positive development. The group's stocks, including those of Bajaj Finance, Bajaj Finserv, and others, saw a sharp increase in volume and price. Analysts believe that the RBI's draft regulations, which are expected to be finalized soon, will provide a clear framework for the industry. This, in turn, is expected to boost investor confidence and lead to a further rise in the group's stocks. The RBI's draft regulations are seen as a positive development for the industry, as they provide a clear framework for the industry. This, in turn, is expected to boost investor confidence and lead to a further rise in the group's stocks.

Countries like India will continue to get \$15-20 b of FII inflows: SMC Investments

Investment in US, China is expected to keep the momentum going

Mr. U.K. Aggarwal, Chairman & Managing Director, SMC Investments, says that countries like India will continue to attract FII inflows of \$15-20 billion. He believes that investment in the US and China will keep the momentum going. Mr. Aggarwal says that the Indian economy is growing at a healthy rate of seven per cent and is expected to continue to do so. He believes that the Indian economy is growing at a healthy rate of seven per cent and is expected to continue to do so. He believes that the Indian economy is growing at a healthy rate of seven per cent and is expected to continue to do so. He believes that the Indian economy is growing at a healthy rate of seven per cent and is expected to continue to do so.

Market to turn volatile ahead of F&O expiry



Subhash C. Aggarwal, Chairman & Managing Director, SMC Investments, says that the market is expected to turn volatile ahead of the F&O expiry. He believes that the market is expected to turn volatile ahead of the F&O expiry. He believes that the market is expected to turn volatile ahead of the F&O expiry. He believes that the market is expected to turn volatile ahead of the F&O expiry.



Subhash C. Aggarwal
Chairman & Managing Director, SMC Investments

Investing via MFs is still the safe bet: SMC Investments

Mr. U.K. Aggarwal, Chairman & Managing Director, SMC Investments, says that investing via Mutual Funds (MFs) is still the safe bet. He believes that investing via MFs is still the safe bet. He believes that investing via MFs is still the safe bet. He believes that investing via MFs is still the safe bet.

Short-term Factors likely to Drag Down Sensex Further

By invitation
Mr. U.K. Aggarwal, Chairman & Managing Director, SMC Investments, says that short-term factors are likely to drag down the Sensex further. He believes that short-term factors are likely to drag down the Sensex further. He believes that short-term factors are likely to drag down the Sensex further. He believes that short-term factors are likely to drag down the Sensex further.

Report on Sensex growth due to F&O expiry

Category	Value
Market Capitalization	1,23,45,67,89,01
Free Float Market Capitalization	98,76,54,32,10
Market Turnover	5,67,89,01,23,45
Free Float Market Turnover	4,56,78,90,12,34
Market Depth	3,45,67,89,01,23
Free Float Market Depth	2,34,56,78,90,12
Market Liquidity	1,23,45,67,89,01
Free Float Market Liquidity	0,12,34,56,78,90

WHAT'S ONLINE AT WWW.LIVEMINT.COM

MINT VIDEOS
the mint report

The Mint Report
Markets recover after six days, CMI leads gains for the third straight day. The jobs deficit (www.livemint.com/mintreport)

Fight or flight?
Jagdish Chhabra, Director of SMC Capital, says while people are looking for a safe haven, they are also looking for a better return. (www.livemint.com/mintreport)

Playing It Safe In Volatile Markets
The effect of the volatility on global markets has been significant. Investors are looking for a safe haven. (www.livemint.com/mintreport)

AGANNAHAM THUNIGUNTLA
AT ₹72,00,00,000, TOTAL NET OF ALL LISTED COMPANIES NOW EXCEEDS THEIR TOTAL MARKET CAPITALIZATION WHICH IS AT ₹41,00,00,00,000

REACHING FOR THE STARS
Employees' views and opinions form an essential building block while implementation/improvement of any policies.

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MINT BLOGS LiveWire
Cordelia Jenkins
In the wake of the first quarter report of Infosys, the international and local markets explored the recovery of the company. (http://blog.livemint.com/livewire)

Live-Lounge
Rishabh Singupta
Rishabh Singupta talks about the challenges of the Indian market. (http://live.livemint.com/livemint)

REACHING FOR THE STARS
Employees' views and opinions form an essential building block while implementation/improvement of any policies.

Reaching for the stars
Subhash C. Aggarwal, Chairman & Managing Director, SMC Investments, says that reaching for the stars is essential for success. (www.livemint.com/mintreport)

EXPERT SPEAK
Traditional equity has remained sufficiently tough to beat the inflation. (www.livemint.com/mintreport)

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