

SMC Global Securities Ltd.

Registered Office: 11/6B, Shanti Chamber,
Pusa Road, New Delhi - 110005

E-mail - smc@smcindiaonline.com

Website - www.smcindiaonline.com



Moneywise. Be wise.

NOTICE OF 19TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Nineteenth Annual General Meeting of the Members of SMC Global Securities Limited will be held at "URDU GHAR" 212, Rouse Avenue, Deen Dayal Upadhyaya Marg, New Delhi – 110002 on Saturday the 28th Day of September, 2013 at 10.15 A. M. for transaction of the following businesses :

ORDINARY BUSINESS :

1. To consider and adopt the Accounts of the Company for the financial year ended 31st March, 2013, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Finney Cherian, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Narain Dass Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. R.C. Jindal, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Statutory Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as Ordinary Resolution:

"RESOLVED THAT M/s Atul & Rajinder, Chartered Accountants (Firm Registration No. 005402N), the retiring auditors, be and are hereby appointed as the Statutory Auditors of the Company to hold office from conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting of the Company, at a remuneration as may be decided by the Board of Directors."

SPECIAL BUSINESS:

To consider, and if thought fit, to pass, with or without modification(s), the following resolution:

AS ORDINARY RESOLUTION:

6. Appointment of Mr. Chandra Wadhwa as Director

"RESOLVED THAT pursuant to the provisions of Section 257 and other applicable provisions (including any modification or re-enactment thereof), if any, of the Companies Act, 1956, and subject to the approval of shareholders in general meeting, Mr. Chandra Wadhwa, who was appointed as an Additional Director on 3rd September, 2012 in the meeting of the Board of Directors and whose term expires at the ensuing Annual General Meeting of the Company and for the appointment of whom the Company has received a notice in writing proposing his candidature for the office of the Director, be and is hereby appointed as an Independent and Non-Executive Director of the Company and the period of his office is liable to determination by retirement of Directors by rotation."

7. Appointment of Mr. Hari Das Khunteta as Director

"RESOLVED THAT pursuant to the provisions of Section 257 and other applicable provisions (including any modification or re-enactment thereof), if any, of the Companies Act, 1956, and subject to the approval of shareholders in general meeting, Mr. Hari Das Khunteta, who was appointed as an Additional Director on 12th October, 2012 in the meeting of the Board of Directors and whose term expires at the ensuing Annual General Meeting of the Company and for the appointment of whom the Company has received a notice in writing proposing his candidature for the office of the Director, be and is hereby appointed as an Independent and Non-Executive Director of the Company and the period of his office is liable to determination by retirement of Directors by rotation."

AS SPECIAL RESOLUTION:

8. Re-appointment of Mr. Ajay Garg as Whole-Time Director of the Company

"RESOLVED THAT in accordance with the provisions of Section 198, Section 269, Section 309, Section 310,

Section 311, Section 317 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof) and subject to the approval of the Central Government, if necessary, and such other approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities in granting such approvals, permissions and sanctions, the consent of the Company be and is hereby accorded for the re-appointment of Mr. Ajay Garg as Whole-Time Director of the Company, whose office is liable to retire by rotation, for a further period of 5 years from 28th Day of March, 2014 to 27th Day of March, 2019, on a Monthly remuneration of ₹ 2,50,000/- (Rupees Two Lacs Fifty Thousands Only) (including the components of remuneration which shall not be considered in computing the ceiling on minimum remuneration) which will be considered as the minimum remuneration paid to him pursuant to the provisions of and ceiling limits prescribed under Section II of Part II of Schedule XIII of the Companies Act, 1956.

FURTHER RESOLVED THAT the Company shall have the absolute discretion to pay bonus to Mr. Ajay Garg, in addition to his Monthly remuneration.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to fix, vary or increase the Monthly remuneration of Mr. Ajay Garg upto ₹ 4,00,000/- (Rupees Four Lacs Only) per month on the recommendation of the Remuneration Committee and in accordance with the Schedule XIII and other applicable provisions of the Companies Act, 1956, as it may deem fit from time to time.

FURTHER RESOLVED THAT where in any financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, the Company may, for three years or such lesser period as is available in his tenure, pay to him such remuneration as minimum remuneration as prescribed in Section II of the Part II of the Schedule XIII of the Companies Act, 1956 from time to time.

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board of Directors ("the Board" which term shall be deemed to include any duly authorised Committee thereof, for the time being exercising powers conferred on the Board by this resolution) be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary, proper or desirable and to settle any question(s), difficulty(s) or doubt(s) that may arise in this regard."

9. Re-appointment of Mr. Anurag Bansal as Whole-Time Director of the Company

"RESOLVED THAT in accordance with the provisions of Section 198, Section 269, Section 309, Section 310, Section 311, Section 317 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof) and subject to the approval of the Central Government, if necessary, and such other approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities in granting such approvals, permissions and sanctions, the consent of the Company be and is hereby accorded for the re-appointment of Mr. Anurag Bansal as Whole-Time Director of the Company, whose office is liable to retire by rotation, for a further period of 5 years from 28th Day of March, 2014 to 27th Day of March, 2019, on a Monthly remuneration of ₹ 2,50,000/- (Rupees Two Lacs Fifty Thousands Only) (including the components of remuneration which shall not be considered in computing the ceiling on minimum remuneration) which will be considered as the minimum remuneration paid to him pursuant to the provisions of and ceiling limits prescribed under Section II of Part II of Schedule XIII of the Companies Act, 1956.

FURTHER RESOLVED THAT the Company shall have the absolute discretion to pay bonus to Mr. Anurag Bansal, in addition to his Monthly remuneration.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to fix, vary or increase the Monthly remuneration of Mr. Anurag Bansal upto ₹ 4,00,000/- (Rupees Four Lacs Only) per month on the recommendation of the Remuneration Committee and in accordance with the Schedule XIII and other applicable provisions of the Companies Act, 1956, as it may deem fit from time to time.

FURTHER RESOLVED THAT where in any financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, the Company may, for three years or such lesser period as is available in his tenure, pay to him such remuneration as minimum remuneration as prescribed in Section II of the Part II of the Schedule XIII of the Companies Act, 1956 from time to time.

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board of Directors (the "Board" which term shall be deemed to include any duly authorised Committee thereof, for the time being exercising powers conferred on the Board by this resolution) be and is hereby authorised to do all such acts,

deeds, matters and things as it may in its absolute discretion, deem necessary, proper or desirable and to settle any question(s), difficulty(s) or doubt(s) that may arise in this regard."

By order of the Board

Sd/-

Suman Kumar

{E.V.P. (Corporate Affairs) & Company Secretary}

Date: 12th August, 2013

Place: New Delhi

Notes:

1. The Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, is given below and forms part of the Notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE (ON A POLL ONLY) INSTEAD OF HIMSELF / HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING (**Annexure A-1**).
3. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote on their behalf at the meeting.
4. Pursuant to Section 154 of the Companies Act, 1956, and Clause 16 of the Listing Agreement, the Register of Members and Share Transfer Books of the Company will remain closed from **Tuesday the 24th Day of September, 2013 to Saturday the 28th Day of September, 2013**.
5. The Register of Directors' shareholding will be available for inspection at the meeting.
6. Members/ Proxies should bring the attendance slips (**Annexure A-2**) duly filled in for attending the meeting and further requested to bring their copy of annual report.
7. Members seeking any information/document relating to the Accounts, Legal and other matters with respect to the businesses to be transacted at the Annual General Meeting may write to the Company Secretary at the Registered Office of the Company at least seven days in advance of the Meeting.
8. The identities/ signatures of members holding shares in electronic mode (Dematerialized form) are liable for verification with the specimen signatures as may be furnished by NSDL/ CDSL to the Company. Such members are requested to bring their Demat A/c number that is Client ID No. (Beneficiary Owners A/c with DP) and DPID also.
9. Members have facility for dematerializing equity shares of the Company with National Securities Depository Ltd. and Central Depository Services (India) Ltd. The ISIN No. allotted to the Company is INE103C01036. Any member desirous of dematerializing his holding may do so through any Depository Participant.
10. Members are requested to visit the website of the Company 'www.smcindiaonline.com' for viewing the quarterly & annual financial results and for more information about the Company.
11. Members may please note that all investor related communication may be addressed to the Registrar and Share Transfer Agent at the following address:

Link Intime India Pvt. Ltd.
Unit: SMC Global Securities Ltd.
44, Community Centre, 2nd floor
Naraina Industrial Area Phase- I
Near PVR Naraina, New Delhi-110 028

Tel no. 011-41410592, 93
Fax no. 011-41410591
E-mail id: delhi@linkintime.co.in

For effecting changes in address/bank details, members are requested to notify:

(i) the R&T Agent of the Company, viz. Link Intime India Pvt. Ltd., if shares are held in physical form; and
(ii) their respective Depository Participant (DP), if shares are held in electronic form.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**ITEM NO. 6**

Mr. Chandra Wadhwa has been appointed by the Board of Directors of the Company as an Additional Director with effect from 3rd Day of September, 2012, he holds office up to the date of this Annual General Meeting, pursuant to provisions of Section 260 of the Companies Act, 1956 and Article 120 of the Articles of Association of the Company.

In terms of Section 257 of the Companies Act, 1956, the Company has received a notice in writing from a member signifying his intention to propose the candidature of Mr. Chandra Wadhwa for the office of Director of the Company.

None of the Directors except Mr. Chandra Wadhwa are concerned or interested in the said resolution.

The Board of Directors of your Company recommends passing of the aforesaid Ordinary Resolution.

ITEM NO. 7

Mr. Hari Das Khunteta has been appointed by the Board of Directors of the Company as an Additional Director with effect from 12th day of October, 2012, he holds office up to the date of this Annual General Meeting, pursuant to provisions of Section 260 of the Companies Act, 1956 and Article 120 of the Articles of Association of the Company.

In terms of Section 257 of the Companies Act, 1956, the Company has received a notice in writing from a member signifying his intention to propose the candidature of Mr. Hari Das Khunteta for the office of Director of the Company.

None of the Directors except Mr. Hari Das Khunteta are concerned or interested in the said resolution.

The Board of Directors of your Company recommends passing of the aforesaid Ordinary Resolution.

ITEM NO. 8

The term of appointment of Mr. Ajay Garg from the office of Whole-Time Director will expire on 27th of March, 2014. Further pursuant to sub section 3 of Section 317 of the Companies Act, 1956 your consent is being sought for the re appointment of Mr. Ajay Garg as Whole-Time Director of the Company for a further period of five years from 28th day of March, 2014 to 27th day of March, 2019.

Except Mr. Ajay Garg, none of the Directors are concerned or interested in the said resolution.

The Board of Directors of your Company recommends passing of the aforesaid Special Resolution.

The information required under the Sub-clause B of Para I of Section II, Part II of the Schedule XIII to the Companies Act 1956

I. General Information:

1. Nature of Industry	Financial Services (Stock Broking)	
2. Date or expected date of commencement of Commercial Production	Not Applicable	
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable	
4. Financial performance based on given indications:		
Particulars	Year ended 31st March, 2013 (Amount in ₹)	Year ended 31st March, 2012 (Amount in ₹)
Total Income	1,773,917,253	1,726,491,167
Net Profit after Taxation	10,600,0165	7,841,869
5. Export performance and net foreign exchange collaborations	Not Applicable	
6. Foreign investments or collaborators, if any.	Nil	

II. Information about the appointee:

1. Background details	Mr. Ajay Garg, aged about 39 years, is a Fellow Member of the Institute of Chartered Accountants of India (ICAI).
2. Past remuneration	Monthly remuneration of ₹ 2,50,000/- (Rupees Two Lacs Fifty Thousands Only)
3. Recognition or awards	Nil
4. Job profile and his suitability	He is a Whole-Time Director of the Company. Mr. Ajay Garg has the versatile and rich experience of more than 16 years in the field of Financial Market. He leads the broking Operation of SMC Group including Business development, Entire Technological Function of the business, Risk Management & surveillance, compliance, Corporate Communications and Brand Management and IT and Software Development. 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.

5. Remuneration Proposed	Presently the appointment is proposed on monthly remuneration of ₹ 2,50,000/- (Rupees Two lacs Fifty Thousands Only) which can further be increased upto ₹ 4,00,000/- (Rupees Four Lacs Only) per month on the recommendation of the Remuneration Committee and approval from the Board of Directors of the Company.
6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The proposed remuneration is in justification with the industry norms, expertise of the candidate, profile and position.
7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Mr. Ajay Garg is not related directly or indirectly with the Company or with managerial personnel except in the manner described above.

III. Other Information:

1. Reasons for loss or inadequate profits.	While the Company has delivered strong operating and financial performance in the past, but the unprecedented global developments leading to uncertainty, volatility and lower activity resulted in the lower performance for FY 2012-13. Due to non-favorable market condition, the performance of the Company was adversely affected. Though, the Company recorded profits in the year 2012-13, the same were insufficient for payment of remuneration to Whole-Time Director under the applicable provisions of the Companies Act, 1956.
2. Steps taken or proposed to be taken for improvement	Company is in the process of expanding its business in a big way. It is also focusing on the best utilization of its resources and also penetrating in the new arena of Financial services. Company is hopeful to perform better in coming Financial Year.
3. Expected increase in productivity and profits in measurable terms	The management is confident to achieve better turnover and net profit in the financial year ending 31st March, 2014 compared to last financial year.

IV. Disclosure:

1. Presently the appointment is proposed on monthly remuneration of ₹ 2,50,000/- (Rupees Two Lacs fifty Thousands Only) which can further be increased upto ₹ 4,00,000/- (Rupees Four Lacs Only) per month on the recommendation of the Remuneration Committee and approval from the Board of Directors of the Company.
2. The relevant disclosures have been made in the Corporate Governance Report attached to the Annual Report.

ITEM NO. 9

The term of appointment of Mr. Anurag Bansal from the office of Whole-Time Director will expire on 27th day of March, 2014. Further pursuant to sub section 3 of section 317 of the Companies Act, 1956 your consent is being sought for the re-appointment of Mr. Anurag Bansal as Whole-Time Director of the Company for a further period of five years from 28th Day of March, 2014 to 27th day of March, 2019.

Except Mr. Anurag Bansal, none of the Directors are concerned or interested in the said resolution.

The Board of Directors of your Company recommends passing of the aforesaid Special Resolution.

The information required under the Sub-clause B of Para I of Section II, Part II of the Schedule XIII to the Companies Act 1956 is given here below:

I. General Information:

1. Nature of Industry	Financial Services (Stock Broking)	
2. Date or expected date of commencement of Commercial Production	Not Applicable	
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable	
4. Financial performance based on given indications:		
Particulars	Year ended 31st March, 2013 Amount in ₹	Year ended 31st March, 2012 Amount in ₹
Total Income	1,773,917,253	1,726,491,167
Net Profit after Taxation	10,600,0165	7,841,869
5. Export performance and net foreign exchange collaborations	Not Applicable	
6. Foreign investments or collaborators, if any.	Nil	

II. Information about the appointee:

1. Background details	Mr. Anurag Bansal, aged about 38 years, 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.
2. Past remuneration	Monthly remuneration of ₹ 2,50,000/- (Rupees Two Lacs Fifty Thousands Only)
3. Recognition or awards	Nil
4. Job profile and his suitability	He is a Whole-Time Director of the Company. Mr. Anurag Bansal has the versatile and rich experience of more than 16 years in the field of Capital Market. His roles and responsibilities include management and supervision of Business development in the field of primary and secondary market through branches spread all over the country, Institutional equities Business and distribution Division apart from legal and other strategic functions of the organization.
5. Remuneration Proposed	Presently the appointment is proposed on monthly remuneration of Rs. 2,50,000/- (Rupees Two Lacs Fifty Thousands Only) which can further be increased upto Rs. 4,00,000/- (Rupees Four Lacs Only) per month on the recommendation of the Remuneration Committee and approval from the Board of Directors of the Company.
6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The proposed remuneration is in justification with the industry norms, expertise of the candidate, profile and position.
7. Pecuniary relationship directly or with indirectly with the Company, or relationship with the managerial personnel, if any	Mr. Anurag Bansal is not related directly or indirectly with the Company or managerial personnel except in the manner described above

III. Other Information:

1. Reasons for loss or inadequate profits.	While the Company has delivered strong operating and financial performance in the past, but the unprecedented global developments leading to uncertainty, volatility and lower activity resulted in the lower performance for FY 2012-13. Due to non-favorable market condition, the performance of the Company was adversely affected. Though, the Company recorded profits in the year 2012-13, the same were insufficient for payment of remuneration to Whole-Time Director under the applicable provisions of the Companies Act, 1956.
2. Steps taken or proposed to be taken for improvement	Company is in the process of expanding its business in a big way. It is also focusing on the best utilization of its resources and also penetrating in the new arena of Financial services. Company is hopeful to perform better in coming Financial Year.
3. Expected increase in productivity and profits in measurable terms	The management is confident to achieve better turnover and net profit in the financial year ending March 31st, 2014 compared to last financial year.

IV. Disclosure:

- Presently the appointment is proposed on monthly remuneration of ₹ 2,50,000/- (Rupees Two Lacs Fifty Thousands Only) which can further be increased upto ₹ 4,00,000/- (Rupees Four Lacs Only) per month on the recommendation of the Remuneration Committee and approval from the Board of Directors of the Company.
- The relevant disclosures have been made in the Corporate Governance Report attached to the Annual Report.

ADDITIONAL INFORMATION AS PER CLAUSE 49 (IV) (G) (i) OF THE LISTING AGREEMENT

Brief Resume and other information in respect of directors seeking appointment/re-appointment at the Annual General Meeting are given below:-

MR. CHANDRA WADHWA

Mr. Chandra Wadhwa, aged about 55 years, son of Shri H. C. Wadhwa, born on 6th day of June, 1958, joined the Company on 03-09-2012. Mr. Chandra Wadhwa is a Fellow member of the Institute of Cost Accountants of India and the Institute of Company Secretaries of India. He is also a Bachelor of Laws and Master of Commerce from Delhi University. He has over 18 years of experience in financial, cost and management accounting including cost and management audits. He holds the Directorship in the following Company:

S. No.	Name of the Company
1.	Wadhwa Financial Services (P) Ltd

MR. HARI DAS KHUNTETA

Mr. Hari Das Khunteta, aged about 61 years, son of Shri Raman Das Gupta, born on 20th day of July, 1952, joined the company on 12-10-2012. He is a Member of the Institute of Chartered Accountants of India and holds a bachelor's degree in commerce from the University of Rajasthan. He has about 37 years of professional experience in the area of financial management including resource mobilization from domestic and international markets, investor servicing and corporate governance. He was a Director of Finance of Rural Electrification Corporation Limited from May 2004 to July 2012 and served as Chairman and Managing Director of rural Electrification Corporation Limited from April 2011 to November 2011. He also served as Executive Director of Finance and Accounts at National Hydroelectric Power Corporation. He holds the Directorship in the following Companies:

S. No.	Name of the Company
1.	Altius Finserv Private Limited
2.	Usher Eco Power Limited
3.	NSL Nagapatnam Power and Infratech Limited

Mr. AJAY GARG

Mr. Ajay Garg, aged about 39 years, is a Fellow Member of the Institute of Chartered Accountants of India (ICAI). He has the versatile and rich experience of more than 16 years in the field of Financial Market. He leads the broking Operation of SMC Group including Business development, Entire Technological Function of the business, Risk Management & surveillance, compliance, Corporate Communications and Brand Management and IT and Software Development. 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. He holds the Directorship in the following Companies:

S.No.	Name of the Company
1.	SMC Insurance Brokers Pvt. Ltd.
2.	DEE Faces Herbal Pvt. Ltd.
3.	Moneywise Financial Services Pvt. Ltd.

MR. ANURAG BANSAL

Mr. Anurag Bansal, aged about 38 years, 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. He has the versatile and rich experience of more than 16 years in the field of Capital Market. His roles and responsibilities include management and supervision of business development in the field of primary and secondary market through branches spread all over the country, institutional equities business and distribution division apart from legal and other strategic functions of the organization. He is on the Board of three Companies named as Under :

S.No.	Name of the Company
1.	SMC ARC Ltd.
2.	Pulin Investments Pvt. Ltd.
3.	Moneywise Finvest Ltd.

SMC GLOBAL SECURITIES LIMITED
 (11/6B, SHANTI CHAMBER, PUSA ROAD, NEW DELHI-110005)

Annexure A-1

PROXY FORM

FOR DEMAT SHARES	FOR PHYSICAL SHARES
DPID	REGD. FOLIO NO.
CLIENTID	NO. OF SHARES HELD

I/We Son of/Wife
 of/ Daughter of residing at
 being a member/ members of SMC Global Securities
 Limited, do hereby appoint Mr./Mrs./Ms Son of/Wife
 of/ Daughter of residing at
 or failing him
 Mr./Mrs./Ms. Son of/ Wife of/ Daughter
 of residing
 at whose specimen signature (s) are
 given hereunder to vote for me/us and on my/our behalf at 19th Annual General Meeting of the Company to be held on
 Saturday the 28th Day of September, 2013 at 10.15 A. M. at "URDU GHAR" 212, Rouse Avenue, Deen Dayal Upadhyaya
 Marg, New Delhi-110002 and at any adjournment thereof.

Specimen Signature of the Proxy(s)

1.

2.

Date:



Notes:

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE (ON A POLL ONLY) INSTEAD OF HIMSELF / HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED, SIGNED AND MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

SMC GLOBAL SECURITIES LIMITED
 (11/6B, SHANTI CHAMBER, PUSA ROAD, NEW DELHI-110005)

Annexure A-2

ATTENDANCE SLIP

(THE ATTENDANCE SLIP DULY FILLED IN IS TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL)

FOR DEMAT SHARES	FOR PHYSICAL SHARES
DPID	REGD. FOLIO NO.
CLIENT ID	NO. OF SHARES HELD

Full name of the member attending: Name of the Proxy (To be filled in if Proxy Form has been duly deposited with the Company)

I hereby record my presence at the 19th Annual General Meeting of the Company on Saturday, the 28th Day of September, 2013 at 10:15 AM at "URDU GHAR" 212, Rouse Avenue, Deen Dayal Upadhyaya Marg, New Delhi-110002.

Name of the Member/Proxy In Block Letters

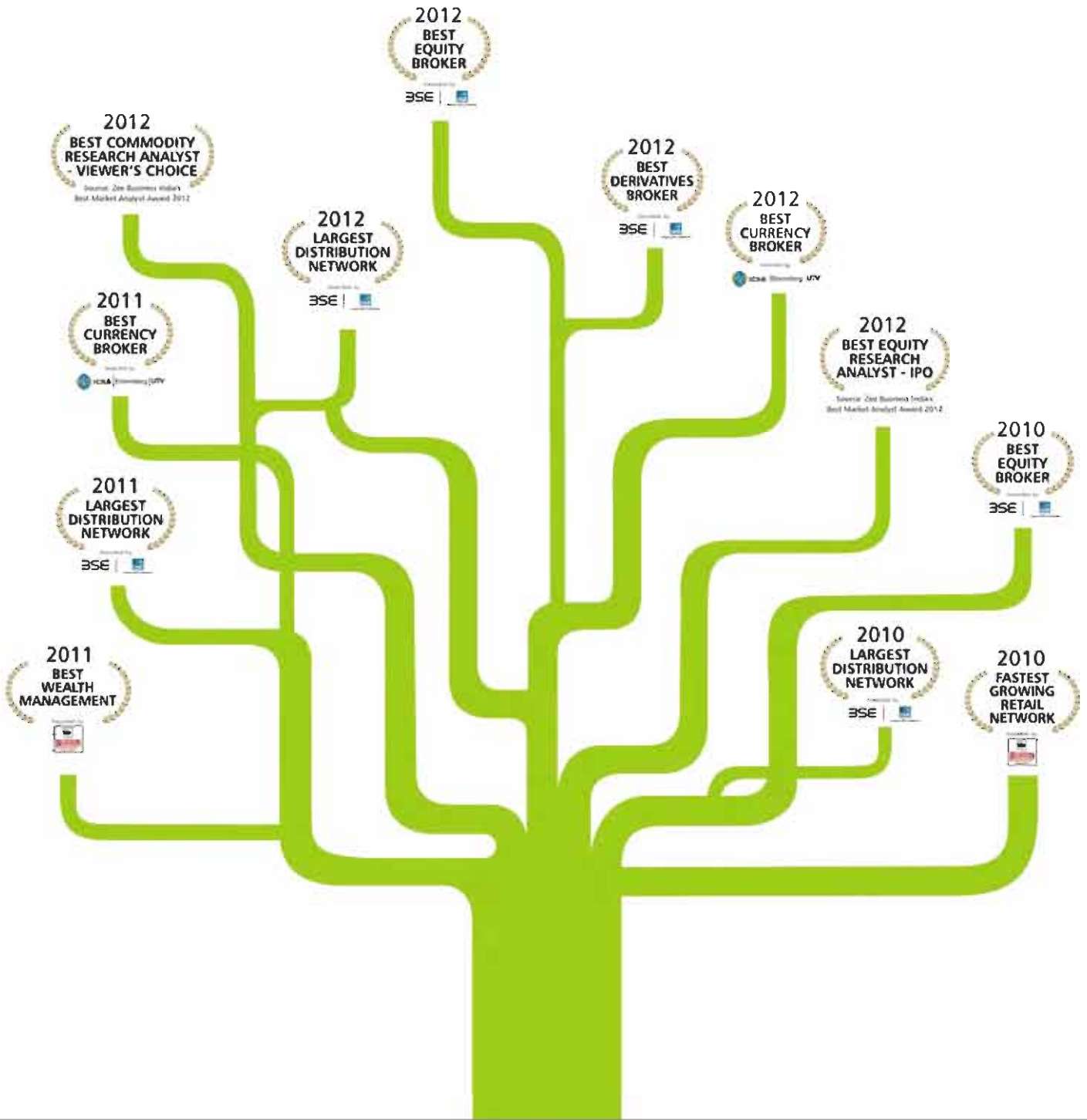
Name of the Member/Proxy In Block Letters

Note: Persons attending the annual general meeting are requested to bring their copies of annual report.

19TH ANNUAL REPORT 2012-13



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MESSAGES FROM THE MANAGEMENT

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19th Annual General Meeting

Day: Saturday

Date: 28th day of September, 2013

Time: 10.15 A.M.

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



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MESSAGE FROM THE CHAIRMAN

Mr. S.C. Aggarwal
Chairman & Managing Director

Dear Fellow Shareholders,

"Change is the nature of life, but challenge is the way of life. So you have to challenge the changes, not change the challenges...."

In FY 2012-13 global growth was tepid and the persistent fiscal and financial risks challenged domestic growth prospects. Amidst a continuing weak global backdrop, the Indian economy faced major headwinds. FY13 GDP (5%YoY growth) witnessed deceleration in investments as well as the consumption sentiment. Substantial slowdown in the industries and services segments pulled down the overall GDP growth. Persistent food inflation and high fuel inflation tracking several price hikes remained major concerns. Despite inflation remaining beyond RBI's comfort level, lower growth led to the RBI easing repo rates. The year witnessed actions to address the elevated twin deficits. While these attracted capital flows and funded the current account, the Rupee remained under pressure. The policy juggled between spurring growth and curbing the CAD and price pressures. India's growth is currently expected at sub-5%, vis-à-vis the 9% trend growth seen pre-crisis.

The business environment continues to remain challenging with a volatile currency, reducing FII interest, rising interest rates and poor industrial growth. SEBI's cap on Mutual Fund commission rates has substantially impacted income from domestic institutional broking. SEBI limits on currency open interest have impacted revenue from the currency segment. The ongoing controversy in the NSEL segment may impact revenues and investor confidence. To summarize, the coming twelve months are expected to be testing.

HOWEVER IN THESE CHALLENGING CIRCUMSTANCES, DURING THE FY 2012-13, YOUR COMPANY REPORTED STANDALONE REVENUE OF ₹ 17739.17 LACS AS COMPARED TO THE PREVIOUS YEAR'S STANDALONE REVENUE OF ₹ 17264.91 LACS. THIS RESULTED IN A STANDALONE PROFIT AFTER TAX OF ₹ 1060.00 LACS VIS-À-VIS A STANDALONE PROFIT AFTER TAX OF ₹ 78.42 LACS IN FY 2011-12.

During the same period the consolidated revenue stood at ₹ 29454.40 lacs as compared to the previous year's consolidated revenue of

₹ 29148.86 lacs. This resulted in a consolidated profit after tax of ₹ 2037.55 lacs vis-à-vis a consolidated loss of ₹ 491.84 lacs in FY 2011-12.

SUBSIDIARIES:

Your company has as on date 10 subsidiaries having presence in all segments. SMC Securities Pvt. Ltd. has become the ultimate subsidiary of SMC Global Securities Ltd. w.e.f. 8th February, 2013 during the FY 2012-13. Your Company is in process to strengthen its core competencies and to enhance our presence in real estate broking by incorporating your company's new subsidiary SMC Securities Pvt. Ltd. With this new development, SMC Global Securities Ltd. now has in all, ten verticals 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, Real Estate Broking etc. under one roof.

THIS YEAR ONE OF SUBSIDIARIES, SMC INSURANCE BROKERS PVT. LTD. HAS REGISTERED PROFIT AFTER TAX OF ₹ 539.67 LACS COMPARED TO PAT OF ₹ 23.17 LACS IN THE PREVIOUS FY 2011-12.

The Indian government has decided to allow 49 percent foreign direct investment (FDI) in the insurance sector and this is a positive for the industry as well to us and we expect it will augur well for SMC Insurance Brokers Pvt. Ltd.

ROAD AHEAD: YOUR COMPANY HAS RECEIVED SEBI'S NOD FOR PROPOSED ISSUE THROUGH FPO. SEBI THROUGH ITS LETTER DATED 10TH MAY, 2013 HAS GIVEN ITS APPROVAL FOR THE FPO AND SMC IS MANDATED TO BRING THE PROPOSED ISSUE WITHIN A PERIOD OF 12 MONTHS FROM THE DATE OF ISSUANCE OF THE APPROVAL. HOWEVER WE ARE TRYING TO COME OUT WITH PROPOSED FPO AS SOON AS POSSIBLE AND COMPANY IS WAITING FOR THE APPROPRIATE MARKET CONDITIONS AS TO WHEN TO BRING ABOUT THIS ISSUE.

Further Moneywise Financial Services Pvt. Ltd. another subsidiary which is a non-banking financial company registered with RBI and is

engaged in the business of providing loans and advances, lending against securities, lending money against mortgage of immovable property or pledge of movable property. Your Board of Directors foresee immense potential in NBFC business and have confidence in lending business so there are conscious effort from our end to scale the NBFC business and also want to grow its equity base.

Your Company has requisite verticals and infrastructure in place and we are confident that your Company would en-cash the good market conditions whenever the opportunity arrives.

HUMAN RESOURCES:

Your Company firmly believes that human resource is the capital on which our business is built and it is an asset that enables us to reap rich dividends. We are determined to make work an enjoyable experience for employees by providing a right balance between fun and work. Recently Company has celebrated its foundation day on 16th July, 2013 as "Jashn", it was an conscious attempt to promote employee bonding and a sense of belonging and pride in working for the organization.

SMC is very much conscious about its social responsibility. In that direction and benefit of its employees as well as the society at large, SMC has organized multi-faceted events including

Yoga Workshops, Nutritionist Counseling Camp, Blood Donation Camp, Stress Management workshop, Independence Day Celebration, Women's Day Celebration and other festive celebrations, which received tremendous response from the employees.

CORPORATE GOVERNANCE:

Your Company is a loyal adherent to the principles of Corporate Governance and considers it as an ethical requisite than a regulatory issue and believes that the best results are achieved with the highest standards of Corporate Governance. Accordingly, the Company has set very high standards of Corporate Governance.

ACKNOWLEDGEMENTS:

I would like to take this opportunity to thank the Members of the Board for their valuable guidance, support and prudent counsel. My colleagues on the Board and I place on record our appreciation for the continued support and guidance received from the Government of India, the SEBI, the Stock Exchanges as also other regulatory authorities and banks.

We also place on record our appreciation for the unwavering trust and support of our shareholders, customers and our employees.

Thanking you.

sd/-

S. C. Aggarwal
(Chairman & Managing Director)



It's good
to have an
investment
choice.

EQUITY BROKING | COMMODITY BROKING | CURRENCY BROKING | WEALTH MANAGEMENT |
RESEARCH | INSURANCE BROKING | INVESTMENT BANKING | IPOs & MF DISTRIBUTION | FDs &
BONDS DISTRIBUTION | FINANCING | INSTITUTIONAL BROKING



Moneywise. Be wise.



MESSAGE FROM THE VICE-CHAIRMAN

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

Dear Shareholders,

"The ultimate measure of a man is not where he stands in moments of comfort and convenience, but where he stands at times of challenge and controversy."

Dr. Martin L. King, Jr.

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. We are proud to share that we are one of the few leading brokerage houses in India which provide whole gamut of financial and broking services under one roof. It has been our philosophy to focus on delivering best of financial services and investment platform to ensure that we can sustain growth levels in the long run and benefit all the stakeholders at large.

While there was boost to consumption, coupled with supply side constraints which led to higher inflation and monetary policy tightening, even as external headwinds to growth increased and consequent slowdown resulted, especially in FY 2012-13, with no sector of the economy unaffected, we managed to perform extremely well and earned substantial profit compared to last fiscal. Since the market conditions were not conducive enough to increase the top line significantly, we did managed cost, which

resulted into increase in our Consolidated and standalone profits. Although top Line has less space for growth but it was due to our control on expenses that provided us the present bottom-line. In recent past your Company was recognized for its performances. All these accolades would not have been possible without your unstinted support, trust and appreciation.

Segment Wise Performance

Today, the business 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, IPOs, Fixed Deposits and Real Estate Broking etc. Now recently your Company has extended its arms in real estate broking by incorporating new subsidiaries SMC Securities Pvt. Ltd. Our Market share in the entire Broking segment has significantly increased as compared to the last financial year.

SMC Global Securities Ltd. provides broking services in Equity (both cash & F&O) and Currency segment. Indian equities and bonds have done well in FY 2012-13, despite the macro economy seeing headwinds and the Indian Rupee (INR) showing weakness. The Sensex and Nifty have given return over 8.5% in FY 2012-13. The INR has weakened substantially against USD. Indian GDP growth has come from 6.2% levels seen in FY 2010-11 to 5% level in FY 2012-13. The positive performances of SENSEX and NIFTY were driven by FII inflows. However FII flows didn't help the INR as the rising CAD had a more telling effect on currency. In these trying conditions we have performed satisfactorily. On the Risk front

which is present in form of mid-term poll, weak monsoon in some parts of country and global economic issues, inspite of that we remain positive, although there will be volatility in market.

SMC Comtrade Ltd. has international presence also with its wholly owned subsidiary SMC Comex International, DMCC. During the FY 2012-13, Combined Total Turnover of SMC Comtrade Ltd. on MCX & NCDEX has increased. SMCgroup with one of the largest retail networks in the country also offers a complete range of insurance solutions through its subsidiary company, SMC Insurance Broker Pvt. Ltd.

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 decades of experience in the business.

OUR INSURANCE SEGMENT HAS ADAPTED SWIFTLY TO STAY ABREAST OF CHANGE AND TO EXPLOIT THE FULL POTENTIAL THAT INDIA PRESENTS. IN THIS FY 2012-13, PROFITABILITY HAS IMPROVED SIGNIFICANTLY. GOVERNMENT'S RECENT MOVE TOWARDS INCREASING THE FOREIGN DIRECT INVESTMENT (FDI) IN INSURANCE SECTOR FROM CURRENT 26% TO 49% WILL DEFINITELY HELP TO BOOST THE SECTOR IN FUTURE AND THIS ALSO AUGURS WELL FOR SMC INSURANCE.

Moneywise Financial Services Pvt. Ltd. is a non-banking financial company registered with RBI as a residuary non-deposit taking assets finance company which is engaged in the business of making loans and advances, lending money against a mortgage of immovable property or pledge of movable property and we are looking for increasing our business in this segment.

We have very sound IT policy originating from the business and we keep on investing and upgrading our technological powers to world class level so that it may help us in providing the best possible services to our customers. Its role is not simply to automate processes, rather it is a strategic tool to simplify and revamp procedures and processes. There is a growing need to provide a real-time services and transactions to customers. Hence the dependence of business on IT will keep growing. Our websites offers online trading which is supported by high bandwidth leased lines, secure servers and a custom-built user interface that gives the customers an International level of trading experience. Information and research is a vital ingredient for success in an industry that relish on information flows and where the ability of its people to understand the markets and foreseen trends, which is what makes a Company stand apart. Research is close to our heart. Our Research team contributes regularly to the various TV channels, newspapers and other media.

Our research reports are exhaustive and specific too. "WISE MONEY" is our weekly newsletter which gives the customers comprehensive information in all the segments including Equity,

commodity, F&O, Mutual Funds, IPOs, insurance products alongwith tutorial, fundamental as well as technical analysis.

Robust risk management is at core of our very existence. With the 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. Our comfort to expand across geography comes from the fact that our risk management is very robust. Our strict adherence to systems ensures that our clients and stakeholders can have their quota of the much needed peaceful sleep.

People, it is often said, are a company's biggest resource. This is doubly true in a service industry like securities business. Our success lies in the fact that we have been able to hire, train and then retain the desired people. Our team has just the right blend of youth and experience. Competitiveness remains SMC's mantra within the overall theme of 'Building people, Building SMC'.

In more than a decade of existence, SMC has always endeavored to provide best available services to its customers and maximize the wealth of the shareholders. In realm of prudent financial management, we have and will continue to be the benchmark for others to follow.

With warm 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. HARI DAS KHUNTETA
(Independent & Non-Executive Director)

MR. CHANDRA WADHWA
(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

STATUTORY 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.

44, Community Centre, 2nd Floor
Naraina Industrial Area Phase- I

Near PVR Naraina, New Delhi-110 028

Tel no. 011-41410592, 93

Fax no. 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, 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, DCB Bank.



Award
winning
research
at your
door step

Backed by an experienced research team, SMC brings well researched insights into the market moves.



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JOURNEY SO FAR

<p>1990 Founders Mr. S. C. Aggarwal & Mr. Mahesh C. Gupta took the membership of DSE.</p>	<p>1995 Equity Brokerage Company Started providing a trading platform for equities to its clients Arbitrage Engaged in 'Arbitrage' operations employing both proprietary & client funds, for monetizing the market mis-pricings</p>	<p>2000 Research Services (Equity & Commodities) Fundamental & Technical Research</p>	<p>2003 Commodity Brokerage Providing trading platforms to clients For trading in commodities</p>	<p>2006 Distribution of Financial Products Distribution of IPOs & Mutual Funds Products Insurance Distribution Distribution of Life and General Insurance products</p>	<p>2007 NRI Business NRI Trading and Advisory Services Institutional Desk Institutional Trading and Advisory Services</p>	<p>2008 Online Trading Facility to trade online in Equities, Derivatives & Commodities Wealth Management Services Client based portfolio & Wealth management Services</p>	<p>2008 NBFC Providing Margin funding & IPO financing to clients</p>	<p>2008 Investment Banking Fund Raising Through IPO, Debt & PE routes</p>	<p>2008 Currency Brokerage Providing trading platforms to clients for trading in currency</p>	<p>2010 Corporate Hedging Desk Corporate Desk for Currency & Commodity Hedging</p>	<p>2012 QFI Business Facility for QFIs to invest directly in MFs & Equities of Indian Companies.</p>
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SMC BY NUMBERS

2900+

dedicated employees are part of SMC's workforce

21,000+

channel partners for third party product distribution

presence in

500+

cities in India

wide spread network of

2500+

subbrokers and authorized persons across the country

10,000+

trading terminals

Cumulative asset under administration/management

₹ 1250 cr+

45

Branches across the country

7,00,000+

investors



Opportunity
to partner
with the best.

Opportunity to join hands with India's Best Equity, Derivatives & Currency Broking House with the Largest Distribution Network in India (Sources: BSE-IPF & D&B Equity Broking Awards 2012; Bloomberg UTV Financial Leadership Awards 2012)



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THE GUIDING LIGHT



SMC IS GUIDED BY A CLEAR VISION AND CORE VALUES THAT LIE CLOSE TO HEART OF EVERY SMCIAN

OUR VISION

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

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.

THE BUSINESS APPROACH



OUR APPROACH TO BUSINESS AIMS FOR A TRANSPARENT AND CUSTOMER CENTRIC DEALINGS.

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.



ONE STOP INVESTMENT SOLUTIONS

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

MERCHANT BANKING

Category- I Merchant Banker, registered with SEBI

INSURANCE

Direct Insurance Broker for Life & General Insurance, registered with IRDA

IPOs & MUTUAL FUNDS

Distributor of IPOs & Mutual Funds, registered with AMFI

PMS

Portfolio Management Services (PMS), registered with SEBI

NBFC

Non Banking Financial Company (NBFC), registered with RBI

THE PREFERRED BRAND



Outdoor Branding



Press Ads



Branding at Terminal 1B Arrival, Mumbai Airport



SMC TV Commercial featuring Rajat Kapur



SMC TV Commercial featuring Rajat Kapur



Now trade
anywhere,
anytime.

Enjoy trading experience on our online trading platform for iPad and android based tablet PCs.
Trade anywhere, anytime in equities, commodities & currency on multiple exchanges with ease and safety with SMC **tabtrade** and SMC **mobitrade**.

Available on:   



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CSR ACTIVITIES



“ In a free enterprise, the community is not just another stakeholder in business but in fact the very purpose of its existence.”

Jamsetji Tata

Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.

Enterprises can no longer continue to focus only on economic performance, without paying attention to what is happening around them. It is our responsibility, and it is in our own interest, to become involved in the social and societal lives of people where we do business. Our social responsibility is reflected by the variety of the actions we take and by our projects to support women empowerment, education, health and well being of the people associated with us to make an overall positive impact on society.

SMC is always on fore front for social causes, whether it is related to blood donation camps or organizing help and supplying essential items to people in need. Recently, when natural calamities has struck uttrakhand, immediately essential items likeration, clothes medicines were rushed to ground zero.



SMC has always supported the NGOs who were supporting the causes of society. Recently Our honorable chairman has visited Asha (NGO) at New Delhi with Australian prime minister and rendered support to them. Asha is engaged in providing the education to underprivileged children.



SMC provides monetary & non monetary support to Sharda Devi Sanskrit Vidyapeeth in the form of books, computers, stationary etc, for providing better education to the students.

SMC also provided woollen clothes to support the social cause of Rahat winter initiated by GOONJ to save lives of poor & needy people from chilling winter.

SMC has regularly organized tours/trips for its employees alongwith their family members so that there must be fine balance of fun, health and work and respite from boring monotonous official work. SMC officials alongwith their family visited Satpura National Park in 2nd Week of January 2013 and Dubai in last week of March, 2013.



SMC has been very active over the past years in providing a range of welfare programs for its staff which includes free healthcare screening and services but also a range of activities such as yoga, marathon on wellbeing.

Investothon- running for the love of green: Participated in Investothon (Organized by CNBC-NSE) with the theme "Love for the Green" to increase the awareness for Go Green. We have been awarded as

SMC is also addressing the social issues through its publication and from volume 8 onwards, we have started to relate each of our HR Newsletter to a social cause. Volume 8 of the Newsletter (Humtum) was based on "Sarva Shiksha Abhiyan to support education for all.

"Maximum Participation" in Investothon as more than 800 employees have participated in the cause for "Go Green.



We at SMC recognize this fact and as it is saying that Charity begins at Home, We make sure that along with our society we must take care of our Employees also. SMC believes that the primary purpose of a business is to improve the quality of life of people associated with it and community at large.

SMC shall volunteer its resources, to the extent it can reasonably afford, to sustain and improve healthy and prosperous environment and to improve the quality of life of the employees and the Communities it serves.

- SMC shall conduct its business ever mindful of its social accountability, respecting applicable laws with regards to the dignity
- SMC believes in improving overall happiness in the workplace because employee happiness is the key to Company retention and its capacity to



Attract, Develop, and Retain the talent into the system which in turn assist in the long term success of the Organization.

- Long-term success of the Company depends on its ability to ensure that the Employee is aligned with the mission & vision of the Organization. For this purpose, SMC inspires and honors efficient and competent employees who can create a cutting edge into the market with the aim of evolution of a better society.

The 24th Founder's Day celebration in SMC was a program which was dedicated to its employees. It was an event "for the employees and By the Employees" and was named as JASHN. The entire Management interacted with the employees on that special day and dedicated the entire growth & success of SMC to its employees.



SMC believes in Women empowerment as Women face many social challenges today. Against the background of the patriarchal system of society, the women need special attention to ensure their development and participation in the decision making process at home, in the community and governance.

With the objective of bringing about economic and social development of women and improving their status in the community, we at SMC encourage Women through various programs. SMC has celebrated the Women's Day on 8th March at Pusa Road office.



SMC encourages and welcomes the participation of all the stakeholders towards realization of Corporate goal. Company has organized residential ensemble in various geography across India, where business associates of those region assembled at one place under one slogan "Together We win". These gatherings encourages belongingness with Company and encourages concerted effort towards achievement of goal. The assembly was also for recreation and enjoyment and group participation. This was way to get the participants refreshed and motivated.



During 13th -14th October,2012, SMC has orgnized two day residential gathering of 3business associates at Lonavala(Mumbai).

Together We Win" an ensemble of all the business associates from Eastern Region was organized at Kolkatta, on 11th-12th January 2013. The program



was thoroughly enjoyed and became a big hit amongall



The SMC group is participating and sponsoring various educational initiatives that empower the society at large. SMC has partnered with a number of National Conferences, workshops and Seminars to support the various social causes including education and safety.

Seminar for Pension Funds Co- Sponsored by SMC

2nd National Conference on Security in High Rise buildings Co-sponsored by SMC



HUM TUM with a social Cause- Quarterly Newsletter with a Social Theme like - For promoting environmental concern we at SMC endorse various

social cases through our 'quarterly Newsletter such as Education to Poor (Each one, Teach One), Go Green etc



For your
A to Z
insurance
needs.

Life Insurance, Car Insurance, Health Insurance, Travel Insurance,
Home Insurance, Other Insurance



EVENTS, CONFERENCES AND SEMINARS



Mr. D. K. Aggarwal (CMD, SMC Investments & Advisors Ltd.) sharing thoughts with elite gathering during India 2020: Economy Outlook, 26-Jul-2012.



Mr. S. C. Aggarwal (CMD, SMC Group) sharing thoughts with elite gathering during Business meeting with the Prime Minister of Australia, 17-Oct-2012.



Mr. S. C. Aggarwal (CMD, SMC Group) participating in the panel discussion on The Indian Budget 2013: Middle East Impact, 5-Mar-2013 in Dubai.



Ms. Reema Garg (WTD- Moneywise Financial Services Pvt. Ltd.) while releasing publication during Annual HR Summit, 8-Sep-2013



Mr. Mahesh C Gupta (Vice Chairman & MD, SMC Group) (extreme right) participating in prize distribution to the winner at the Exporters Excellence Awards 2012, 24-Nov-2012.



Mr S C Aggarwal (CMD, SMC Group) being telecited during National Conference on Capital Markets, 9-Jan-2013



Mr S. C. Aggarwal (CMD, SMC Group) sharing thoughts with elite gathering during National Conference on Corporate Compliance & Role of Independent Director, 15-Feb-2013.



Mr. Mahesh C. Gupta (Vice Chairman & MD, SMC Group) participating the 13th Mutual Fund Summit along with other dignitaries.



Mr. S. C. Aggarwal (CMD, SMC Group) sharing thoughts with elite gathering during Business Meeting with the King of Spain, 26-Oct-2012



Mr. S. C. Aggarwal (CMD, SMC Group) along with fellow panellist while release of publication during National Conference on Mergers & Acquisitions, 19- Dec-2012.



SMC research analyst being awarded with Best Commodity Research Analyst Award during 2nd International Commodities Convention, 27-Oct-2012.

DIRECTORS OF SMC GROUP



Mr. S. C. Aggarwal
Chairman & Managing Director

Mr. Subhash Chand Aggarwal is the Chairman & Managing Director of our Company. He is one of our Promoters and has been a Director of our Company since December 19, 1994. He is a fellow member of the Institute of Chartered Accountants of India. He has over 24 years of experience in securities market and financial services. He is the chairman of the India European Union Business Promotion Council of ASSOCHAM, co-chairman of the National Council of Capital Markets and a senior member of the management committee of ASSOCHAM. He has also acted as a member of the expert group on behalf of ASSOCHAM Working Group constituted by the Ministry of Corporate Affairs and the Cost Accounting Board. He is also Chairman of India- EU Business Promotion Council of ASSOCHAM.



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

Mr. Mahesh Chand Gupta is the Vice-Chairman and Managing Director of our Company. He did his bachelors in commerce from Delhi University and is a fellow member of the Institute of Chartered Accountants of India. He is one of our Promoters and is the managing director of our Company since September 1, 2007. He looks after the policy, vision and major part of the operational activities of the group. He has over 24 years of experience in securities market and financial services.



Mr. D. K. Aggarwal
CMD-SMC Comtrade Ltd., SMC Capitals Ltd. and SMC Investments & Advisors Ltd.

Damodar Krishan Aggarwal, aged 50 years, is one of our Promoters. He is a fellow member of the Institute of Chartered Accountants of India. He has more than 21 years of experience in Equity and Commodity Broking and Arbitrage. Currently he is the Chairman & Managing Director of SMC Comtrade Limited, SMC Investment & Advisors Limited and SMC Capitals Limited.



Mr. Pradeep Kumar Aggarwal
Whole-Time Director

Mr. Pradeep Aggarwal is the Whole-Time Director of our Company. He graduated from the University of Delhi with a Bachelor of Arts in 1992. He has over 18 years of experience in equity and commodity market.



Mr. Ajay Garg
Whole-Time Director

Mr. Ajay Garg is the Whole-Time Director of our Company. He is a member of the Institute of Chartered Accountants of India. He has over 16 years of experience in securities market and financial services.



Mr. Anurag Bansal
Whole-Time Director

Mr. Anurag Bansal is the Whole-Time Director of our Company. He is a member of the Institute of Chartered Accountants of India. He has over 16 years of experience in securities market and financial services.



Mr. N. D. Gupta
Independent & Non-Executive Director

Mr. Narain Dass Gupta is an Independent and Non Executive Director of our Company. He is a fellow member of the Institute of Chartered Accountants of India. He has over 43 years of experience in corporate affairs and taxation. He is also the managing partner at Dass Gupta & Associates, Chartered Accountants. He was also president of the Institute of Chartered Accountants of India during 2001-2002.



Mr. Satish Chandra Gupta
Independent & Non-Executive Director

Mr. Satish Chandra Gupta is an Independent and Non Executive Director of our Company. He is a commerce graduate from Agra University, master of commerce from Meerut University and also a certified associate of Indian Institute of Bankers. He has over 42 years of experience in banking. He was also a former Chairman & Managing Director of Punjab National Bank and Indian Overseas Bank.



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

Mr. Kundan Mal Agarwal is an Independent and Non Executive Director of our Company. He is a fellow member of the Institute of Chartered Accountants of India and has over 36 years of experience in taxation and corporate matters including over 18 years experience in securities market.



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

Mr. Pawan Kumar Bansal is an Independent and Non Executive Director of our Company. He is a commerce graduate from Delhi University and has over 26 years of experience in the power sector.



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

Mr. Roop Chand Jindal is an Independent and Non Executive Director of our Company. He is a fellow member of the Institute of Chartered Accountants of India and has over 36 years of experience in auditing. He is also a partner at Bubber Jindal & Co. Chartered Accountants.



Mr. Hari Das Khunteta
Independent &
Non-Executive Director

Mr. Hari Das Khunteta is a Non Executive Director of our Company. He is a member of the Institute of Chartered Accountants of India and holds a bachelors degree in commerce from the University of Rajasthan. He has about 37 years of professional experience in the area of financial management including resource mobilization from domestic and international markets, investor servicing and corporate governance. He was a director of Finance of Rural Electrification Corporation Limited from May 2004 to July 2012 and served as chairman and managing director of Rural Electrification Corporation Limited from April 2011 to November 2011. He also served as Executive Director of Finance and Accounts at National Hydroelectric Power Corporation.



Mr. Chandra Wadhwa
Independent &
Non-Executive Director

Mr. Chandra Wadhwa is an Independent and Non Executive Director of our Company. He is a fellow member of the Institute of Cost Accountants of India and the Institute of Company Secretaries of India. He is also a Bachelor of Laws and Master of Commerce from Delhi University. He has over 18 years of experience in financial, cost and management accounting including cost and management audits.



Mr. Finney Cherian
Non-Executive Director

Mr. Finney Cherian is a Nominee and Non Executive Director of our Company. He holds a Bachelor of Arts degree in accounting information systems from Queens College, New York and Masters in Business Administration in international finance from St. John's University, New York. He has over 18 years of experience in business restructuring, evaluating undervalued assets. He is the chief executive officer of Millennium India Acquisition Company Inc., USA.



Mr. JHP Van Der Merwe
Non-Executive Director

Mr. Johannes Hendrik Petrus Van Der Merwe is a Non Executive Director of our Company. He holds a Master in Commerce from University of Cambridge, Master in Philosophy from University of Cambridge, Charter Accountant (South Africa) and attended advance management programme at Harvard Business School.



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

Ravi Aggarwal is a member of the Institute of Chartered Accountants of India. He has 13 years of experience in the field of equities, commodities and insurance broking. He is currently acting as a director on the board of SMC Insurance Brokers Private Limited, our subsidiary company and is actively involved in the development of insurance broking business. Prior to joining us, he has worked with SAM Global Securities Limited as a director.

KEY MANAGEMENT PERSONNEL OF SMC GROUP



Mr. Pravin Agarwal
Whole-Time Director
SMC Insurance
Brokers Pvt. Ltd.

Pravin Agarwal holds B.Com degree from Agra University. He has 11 years of experience in the field of insurance broking. He is currently acting as a director on the board of SMC Insurance Brokers Private Limited, our subsidiary company and is actively involved in the development of our insurance broking business. Prior to joining our Company, he has worked with A&M Insurance Brokers Private Limited as a director.



Mr. Himanshu Gupta
Director-SMC ARC Ltd

Himanshu Gupta is B.Com (Hon's) from the University of Delhi and is also a member of the Institute of Chartered Accountants of India. He began his career with us in 2011 as senior vice president (operations) and looks after finance, accounts and surveillance functions. He also looks after the development of our finance business through our NBFC arm, Moneywise Financial Services Private Limited. He is also a director in SMC ARC Limited, our wholly owned subsidiary.



Ms. Reema Garg
WTD- Moneywise Financial
Services Pvt. Ltd.

Reema Garg holds a master of computer applications degree from Indira Gandhi National Open University. She has 7 years of experience in the field of human resources. She is currently in charge of our human resources and looks after our learning and development programs. Prior to joining our Company, she worked with SAM Global Securities Limited as a manager.



Mr. Jagannadham Thunuguntla

Jagannadham Thunuguntla is a member of the Institute of Chartered Accountant of India and Institute of Cost Accountants of India. He has over 9 years of experience in the securities market. He is currently acting as our strategist and head of research. Mr. Jagannadham has been associated with SMC since 2007. Prior to joining our Company, he was head of the investment banking operations in SMC Capitals Limited. Before joining our group, he served at NDG management Consultants as a director and Morgan Stanley Capital Market & Financial Institution Group as an associate.



Mr. Vinod Kumar Jamar

Vinod Kumar Jamar is a member of the Institute of Chartered Accountant of India. He is currently acting as Senior Vice President (Financial Accounting & Taxation) in our Company and has over 28 years of experience in taxation, finance, accounts, strategic planning, auditing and fund management. Prior to joining our Company, he was head taxation and chief risk officer at Bajaj Allianz General Insurance Company Limited.



Mr. Suman Kumar

Suman Kumar is a Fellow Member of The Institute of Company Secretaries of India and also Bachelor of Law from the University of Delhi. He has a rich experience of more than 12 years in corporate and legal affairs. He is currently acting as Executive Vice President (Corporate Affairs) & Company Secretary. Prior to joining our Company, he was associated with Elite Stock Management Limited as company secretary and manager of depository participant operations. He is looking after the corporate and legal affairs of SMC.



Mr. Mohit Shyngle

Mohit Shyngle holds a B.Com degree from the University of Delhi. He has 21 years of experience in the field of trading, operations and financial services marketing. He is currently acting as senior vice president and looks after sub-broker network and business development. Prior to joining our Company, he has worked with S&F Securities Private Limited as a manager.

KEY MANAGEMENT PERSONNEL OF SMC GROUP



Mr. Mahesh Kumar Gupta

Mr. Mahesh Kumar Gupta holds B.Com. degree from Maharshi Dayanand University, Rohtak and also has an M.B.A. (Finance & Marketing) from Sikkim Manipal University. He has over 24 years of experience in distribution of financial products. He is currently acting as senior vice president and looks after marketing financial products through our distribution network. Prior to joining our Company, he has worked with Edelweiss Financial Services Limited as vice president (syndication and retail distribution).

Mr. Ashok Kumar Aggarwal

Mr. Ashok Kumar Aggarwal is a fellow member of the Institute of Chartered Accountants of India. He has 33 years of experience in the field of audit, taxation and corporate matters. He is currently acting as senior vice president and looks after depository participant operations. Prior to joining our Company, he was practising as a chartered accountant.

TESTIMONIALS & ENDORSEMENTS BY CAPTAINS OF THE INDUSTRY

ON THE EVE OF FOUNDER'S DAY CELEBRATION ON 16TH JULY, 2013 SMC HAS RECEIVED WELL WISHES FROM THE INDUSTRY CAPTAINS



Mr. G V Nageswara Rao
Managing Director & CEO | NSDL

On this important landmark achievement, I congratulate SMC Group on its Silver Jubilee and take this opportunity to commend SMC Group for their customer-centric financial services and investment solutions they have provided to Clients. I sincerely appreciate SMC's innovation, commitment, passion and contribution to the Indian financial market. NSDL has a long standing relationship with SMC Group and we look forward to further strengthening it to achieve common goals such as investor education and awareness.

On behalf of NSDL, I once again congratulate SMC Group and wish them great success in future endeavours.

Mr. Ashish K Chauhan
Managing Director & CEO | BSE Ltd.

On the occasion of 24th Foundation Day of SMC, I take this opportunity to wish SMC and its entire team all the very best. In current competitive scenario, SMC has been able to differentiate itself by providing excellent research and services to investors. I am sure, SMC will not only continue but build further on this tradition of excellence in research and investors services to set example for other members to follow.

Mr. P S Reddy
Managing Director & CEO | CDSL

My heartfelt congratulations to the management and staff of SMC on the occasion of their 24th Founder's day. The SMC Group has rendered invaluable service to investors with their customer centric approach and has played an important role in facilitating the growth of capital markets. I hope that SMC Group continues to successfully contribute to the growth of our markets and I wish them great success in all their future endeavours.

Mr. Samir Shah
Managing Director | NCDEX

I feel privileged to take this opportunity to congratulate all of you at SMC Global Securities, as you celebrate the 24th Founder's Day. As a leading financial services and investment solution conglomerate, the remarkable growth story of SMC has been crafted out of a single minded focus on meeting the investor needs. The financial Markets in India have evolved over the last quarter of a century and SMC has played a very significant role in this transformation and supported the growth momentum.

SMC has also been at the forefront of the Commodity future market in India, since their inception a decade ago. As the trusted partner of clients, helping them take informed decisions, your role in market ecosystem is fundamental to its growth. As the leading agri commodity future exchanges of the country, we have closely worked with you for the development of the commodity markets and needless to add, your contribution has been exemplary.

On behalf of NCDEX, I wish you continued success as you celebrate this important milestone.



Mr. Milind Barve
Managing Director
HDFC Asset Management
Company Ltd.

Congratulations on completion of 23 years of being in the financial products distribution business. SMC Global Securities Limited is an integrated distributor of financial products and has been able to add value to its clients with its differentiated offerings. We wish SMC all the success in the coming years and hope they will continue to partner us in achieving greater heights.



Mr. Amitabh Chaudhry
MD & CEO | HDFC Life

My heartiest wishes to you and the team on completion of 23 years in the world of financial services. I believe it is because of the Group's long term vision and customer focus, that SMC is growing by leaps and bounds. This is reflected in the innumerable illustrious accolades that have been received by you and your organization. Though HDFC Life's association with SMC is not that old, I believe that with our shared values and focus on customer centricity, we will be able to create new benchmarks in the life insurance industry. I wish both the teams good luck.



Mr. Rakesh Jain
CEO | Reliance General Insurance

I might fall short of words to rightfully express my sincere appreciation for SMC Group. On this propitious occasion of your 23rd anniversary, we at Reliance General Insurance feel proud of you being a part of our growth for the past six years. It is because of partners like you that today we feature among one of the leading private firms in general insurance domain.

In the current volatile economic scenario, SMC continues to play a dominant role in guiding its customers towards the right path of investment and insurance which is backed by thorough research and wide distribution of the group.

Going ahead, we see a tremendous growth opportunity in the General Insurance space. However, it would be important for SMC to spread product portfolio and use IT platform as an enabler to reach the masses.

It is extremely heartening to see how SMC management had laid a vision for their team and has grown over years through a forward looking approach. We wish that it continues to achieve new heights.



Mr. Sundeep Sikka
Managing Director & CEO
Reliance Mutual Fund

We are proud to be associated with SMC. Their customer centric practices, strong business ethics, professional approach and innovative services clearly set them apart.



Mrs. Zarin Daruwala
President | ICICI Bank Ltd.

Congratulations on this momentous day to you and team SMC. I wish you the very best and hope you continue to achieve even greater success in years to come.



Mr. D S Rawat
Secretary General
ASSOCHAM

My warmest congratulations on wonderful achievements to SMC Global Securities Ltd, a great company with a wonderful group of people and we all know that great people make great companies. My heartiest congratulations especially to Mr. S. C. Aggarwal, on your company's 24th Founders Day. Through your leadership and dedication, you were able to build such a group and we are all proud of you.

ASSOCHAM is proud to have SMC Global Securities Ltd, as one of its very important members. The contribution made by the company in various initiatives of ASSOCHAM at the Domestic and International activities is highly appreciable and commendable. ASSOCHAM had the benefit of cooperation from SMC Global Securities Ltd in the fields of capital market, future markets, SMEs, insurance sectors etc and for various international events which were organized by ASSOCHAM with Heads of the states of various countries and ministerial delegations.

We wish you continued success as you celebrate this important



**JASHN: 24TH
FOUNDER'S DAY
CELEBRATIONS (SMC)**





Moneywise. Be wise.

11/6B, Shanti Chamber, Pusa Road, New Delhi-110005

Tel - 91-11-30111000 • Fax + 91-11-25754365

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

55 DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 19th Annual Report along with the Audited Accounts for the Financial Year ended on 31st March, 2013.

FINANCIAL RESULTS (STANDALONE)

	Year ended March 31st, 2013 (Amount in ₹)	Year ended March 31st, 2012 (Amount in ₹)
Total Income	1,773,917,253	1,726,491,167
Net Profit before Taxation	129,730,231	13,802,844
Less: Provision for Taxation	23,730,066	5,960,975
Net Profit after Taxation	106,000,165	7,841,869

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

In view of the expansion and diversification plans, the company requires additional working capital, which shall be partly funded from internal accruals. Hence the Directors have decided not to recommend any dividend this year.

FIXED DEPOSITS

As on 31st March, 2013, 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 and the Company has not accepted any deposits during the financial year.

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

During the year, the Company has approved to split/sub-divide 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 its liquidity in the capital market, widen shareholder base and to make the shares affordable to the small investors.

Further, on 18th August, 2012, the Board of Directors of the Company has issued and allotted bonus shares in the ratio of 1:1 (One bonus equity share for each one equity share held) to the shareholders of the Company, in terms of approval of the shareholders during their Annual General Meeting on 31st July, 2012. The said Bonus shares got listed on the Delhi Stock Exchange Ltd., Ludhiana Stock Exchange Ltd., The Calcutta Stock Exchange Ltd., Gauhati Stock Exchange Ltd. and Ahmedabad Stock Exchange Ltd., where the equity shares of the Company are listed.

CHANGE IN SHARE CAPITAL DURING THE FINANCIAL YEAR 2012-13

On 18th August 2012, the Company has approved to split/sub-divide the face value of equity shares of face value of ₹ 10/- each into 5 (Five) equity shares of the face value of ₹ 2/- each. Consequently, the paid up capital of the Company now consist of 56,567,225 equity share capital of face value of ₹ 2/- each instead of 11,313,445 equity share capital of face value of ₹ 10/- each.

On 18th August 2012 the Board of Directors of your Company has issued and allotted Bonus Shares in the ratio of 1:1 (One bonus equity share for each one equity share held) to the existing shareholders of the Company. Consequently, the paid up equity share capital of the Company has risen to ₹ 226,268,900 from ₹ 113,134,450 (113,134,450 equity shares of face value of ₹ 2/- each from 56,567,225 equity shares of face value of ₹ 2/- each).

DIRECTORS

Mr. Chandra Wadhwa, has been appointed as Independent and Non-Executive Director of the Company w.e.f. 3rd September, 2012.

Mr. Hari Das Khunteta, has been appointed as Independent and Non-Executive Director of the Company w.e.f. 12th October, 2012.

Mr. R. L. Sudhir was appointed as Independent and Non-Executive Director of the Company w.e.f. 3rd September, 2012 and ceased to become the Director w.e.f. 30th January, 2013 due to the resignation tendered by him.

Mr. Mahesh Chand Gupta, Vice-Chairman and Managing Director of the Company, has been re-appointed as Managing Director of the Company w.e.f. 1st September, 2012 for further period of five years.

Mr. Finney Cherian, 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. Narain Dass Gupta, Independent and 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. R. C. Jindal, Independent and Non-Executive 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, 2013, 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, 2013 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 2013-14.

LISTING AGREEMENTS

The securities of the Company are listed on Delhi Stock Exchange Ltd. (DSE), The Calcutta Stock Exchange Ltd. (CSE), Ludhiana Stock Exchange Ltd. (LSE),

Ahmedabad Stock Exchange Ltd. (ASE) and The Gauhati Stock Exchange Ltd. (GSE). The Company has paid Annual Listing Fee of all the five stock exchanges.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

As on 31st March, 2013 following ten 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 known as Sanlam Investments and Advisors (India) Ltd.) (Wealth Management & PMS)
5. Moneywise Financial Services Private Ltd. (NBFC - Margin Financing in Secondary Market and Public Offerings of IPOs, FPOs, Bonds etc.)
6. SMC Capitals Ltd. (Category-I Merchant Banker)
7. SMC ARC Ltd. (Proposed ARC Business)
8. SMC Finvest Ltd. (Formerly known as Sanlam Investment Management (India) Ltd.)
9. Moneywise Finvest Ltd. (Formerly known as Sanlam Trustee Company (India) Ltd.)
10. SMC Securities Private Ltd. w.e.f. 8th February, 2013

During the Financial Year 2012-13, one new Company namely SMC Securities Pvt. Ltd. (wholly owned subsidiary of SMC Finvest Ltd.) has been added as the ultimate subsidiary of the Company.

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 2012-13, 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 31-03-2013 has been disclosed in this Annual Report.

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

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

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.

However, your Company has filed Draft Red Herring Prospectus (DRHP) with SEBI on 1st November, 2012, for further public issue of 15,867,380 equity shares of face value of ₹ 2/- each, which comprises of fresh issue of 7,933,690 equity shares by our Company and an offer for sale of 7,933,690 equity shares by Millennium India Acquisition Company Inc., your Company has received in-principle approval on 10th May, 2013 with reference to DRHP filed on 1st November, 2012 for the proposed public issue which can be open for subscription within a period of 12 months subject to other regulatory compliances.

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

There are no foreign exchange earnings during the year under review. However, foreign exchanges outgo of ₹ 545,702,537/- has been reported during the year on account of Purchase of Investments, Management and Advisory Services and Foreign Tour.

PARTICULARS OF EMPLOYEES

Statement of particulars of employees as required under Section 217(2A) of the Companies Act, 1956 and the rules framed thereunder forms part of this Report. However, as per the provisions of Section 219 (1)(b)(iv) of the Companies Act, 1956, the reports and accounts are being sent to all the members and others entitled thereto excluding the statement of particulars of employees under Section 217(2A) of the Companies Act, 1956. Any member interested in obtaining a copy of the statement may write to the Company Secretary of the Company at the registered office of the Company.

ACKNOWLEDGEMENT

Your Directors wish to express their grateful appreciation for the valuable support and co-operation received from sub-brokers, business associates, vendors, bankers, financial institutions, investors, shareholders, registrar and share transfer agent, media and 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: 12th August, 2013

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, 2013 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)

Place : New Delhi
Date : 23.04.2013

sd/-

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



With a vast range of investment options available, you need an expert to help you meet your financial goals. Your relationship manager at SMC provides you expert investment advice based on your specific needs.



It's good
to have a
family
advisor.



Moneywise. Be wise.

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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 our belief that we should take measures to move closer towards our aspirations of becoming a leading Company in India and that our Corporate Governance standards must be globally benchmarked. This gives us the confidence of having put in the right building blocks for future growth and ensures that we achieve our ambitions in a prudent and sustainable manner. Good Corporate Governance implies optimum utilization of the resources and ethical behavior of the enterprise to enhance the stakeholder's value with strong emphasis on transparency, accountability and integrity.

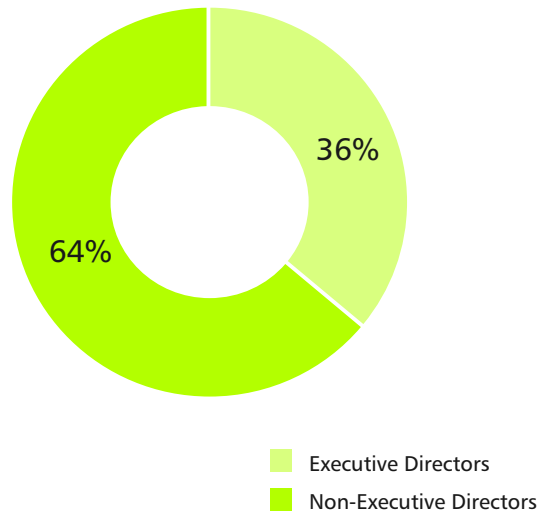
The Company has a mission to provide sustainable advanced solutions and services to our customers, long term partnership with its investors, maximizing value to our stakeholders and the communities we serve. The Company works with the mission of becoming a vibrant organization, where openness, trust, teamwork, simplicity, responsibility and innovation are valued and promoted. The Company's activities are carried out in accordance with good governance practices as per Clause 49 of the Listing Agreement. The Company is listed with five Stock Exchanges viz., Delhi Stock Exchange Ltd., The Calcutta Stock Exchange Ltd., Ludhiana Stock Exchange Ltd., The Gauhati Stock Exchange Ltd. and Ahmadabad Stock Exchange Ltd. The governance practices followed by the Company have played a vital role in its journey of continued success.

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 fourteen Directors with an Executive Chairman, out of which 5 are Executive Directors and nine are Non-Executive Directors. Out of nine Non-Executive Directors seven are Independent Directors and out of five executive Directors three are Whole-time Directors and two are Managing Directors.

Composition of Board of Directors



At present, composition of the Board is as under:

Sr. No.	Name & Designation
1.	Mr. Subhash Chand Aggarwal Chairman & Managing Director
2.	Mr. Mahesh Chand 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. Kundan Mal Agarwal Independent & Non- Executive Director
7.	Mr. Narain Dass Gupta Independent & Non-Executive Director
8.	Mr. Pawan Kumar Bansal Independent & Non-Executive Director
9.	Mr. Satish Chandra Gupta Independent & Non-Executive Director
10.	Mr. Hari Das Khunteta Independent & Non-Executive Director

11. Mr. Chandra Wadhwa
Independent & Non-Executive Director
12. Mr. Roop Chand Jindal
Independent & Non-Executive Director
13. Mr. Finney Cherian
(Non-Executive Director)
14. Mr. JHP Van Der Merwe
(Non-Executive Director)

The Board has constituted different Committees for focusing on different functions. The Board and its Committees meet at regular intervals.

MEETINGS AND ATTENDANCE

Seven Meetings of the Board of Directors were held during the financial year ended 31st March, 2013. The meetings were held on 22nd May, 2012; 18th June, 2012; 29th June 2012; 31st July, 2012; 1st September, 2012; 23rd October, 2012 and 30th January, 2013.

- a) Attendance of Directors at Board Meetings during the Financial year 2012-13, last Annual General Meeting (AGM) and number of other Directorship and Chairman/ Membership of committees in various Companies are as follows:

Name of the Directors	Designation	Attendance		No. of Directorships in other Companies##	Committee Memberships (including this company)###	
		Board	AGM#		Chairman	Member
Mr. S. C. Aggarwal	Chairman & Managing Director	7	Y	2	NIL	NIL
Mr. Mahesh C. Gupta	Vice-Chairman & Managing Director	7	Y	2	NIL	NIL
Mr. Pradeep Aggarwal	Whole-time Director	5	N	1	NIL	NIL
Mr. Ajay Garg	Whole-time Director	4	N	NIL	NIL	NIL
Mr. Anurag Bansal	Whole-time Director	6	Y	2	NIL	NIL
Mr. K. M. Agarwal	Independent & Non-Executive Director	7	N	1	NIL	2
Mr. N. D. Gupta	Independent & Non-Executive Director	2	N	3	NIL	1
Mr. P. K. Bansal	Independent & Non-Executive Director	6	Y	4	NIL	1
Mr. R. C. Jindal	Independent & Non-Executive Director	6	N	1	NIL	2
Mr. S. C. Gupta	Independent & Non-Executive Director	6	N	8	1	NIL
Mr. Hari Das Khunteta (Appointed w.e.f. 12.10.2012)	Independent & Non-Executive Director	2	N.A.	1	1	NIL
Mr. Chandra Wadhwa (Appointed w.e.f. 03.09.2012)	Independent & Non-Executive Director	2	N.A.	0	NIL	NIL
Mr. R. L. Sudhir	Independent & Non-Executive Director	1	N	Appointed w.e.f. 03/09/2012 and Ceased w.e.f. 30/01/2013		
Mr. Finney Cherian	Non-Executive Director	0	N	0	NIL	NIL
Mr. JHP Van Der Merwe	Non-Executive Director	1	N	NIL	NIL	NIL

Y stands for YES, N stands for NO.

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

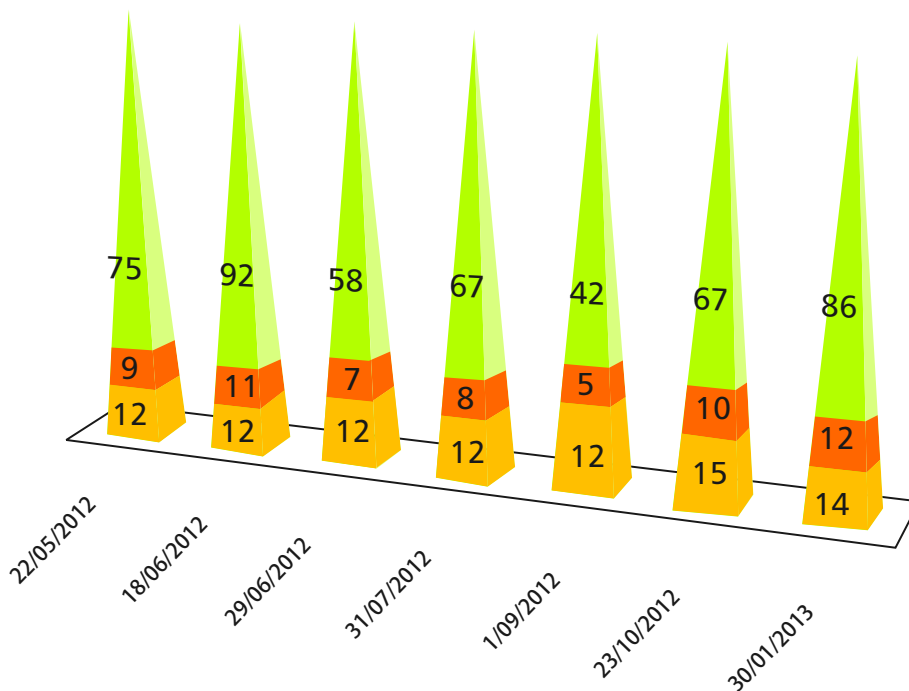
Only the following Board Committees have been considered for this purpose: Audit Committee and Shareholders' / Investors' Grievance Committee.

(b) Details of Board Meetings held during the year 1st April, 2012 to 31st March, 2013 and the number of Directors present:

Date of BM	Total Strength of the Board	No. of Directors Present	% age of Directors Presence
22nd May, 2012	12	9	75%
18th June, 2012	12	11	92%
29th June, 2012	12	7	58%
31st July, 2012	12	8	67%
1st September, 2012	12	5	42%
23rd October, 2012	15	10	67%
30th January, 2013	14	12	86%

Graph Representing details of Board Strength, No. of Directors present and their percentage of presence during the F.Y. 2012-13 is as under:

Details of Board Meeting held during the F.Y. 2012-2013



■ Total % of Directors Present
 ■ No. of Directors Present
 ■ Total Strength of the Board

3. COMMITTEES OF THE BOARD

As on 31st March, 2013 Company has the following six Committees of the Board:

- 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)
- vi) FPO Committee

3 (i) AUDIT COMMITTEE

The Audit Committee of the Company acts as a link between the management, the statutory, internal and cost auditors and the Board of Directors. The Committee provides reassurance to the Board on the existence of an effective control environment that ensures:

- Efficiency and effectiveness of operations.
- Safeguarding of assets and adequacy of provisions for all liabilities.
- Reliability of financial and other management information and adequacy of disclosure.
- Compliance with all relevant statutes.

The Audit Committee is empowered, pursuant to its terms of reference, inter alia, to:

- A. To investigate any activity within its terms of reference or in relation to the compliance with the provisions of the Companies Act, 1956 or referred to it by the Board.
- B. To seek information from any employee.
- C. To obtain outside legal or other independent professional advice.
- D. To secure attendance of outsiders with

relevant expertise, if it considers necessary.

ROLE OF THE AUDIT COMMITTEE INCLUDES THE FOLLOWING:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the Statutory Auditors and fixation of audit fees.
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
4. Reviewing, with management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters required being included in the Directors' Responsibility Statement to be included in 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 judgment 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 and adequacy of internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up thereon.
9. Reviewing the findings of any internal investigations by the internal auditors into

matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

10. Discussions with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower Mechanism, in case the same is existing.
- 12A. Approval of appointment of CFO (i.e. the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background etc. of the candidate.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

COMPOSITION OF THE AUDIT COMMITTEE:

It comprised of five Independent & Non-Executive Directors. The composition of Audit Committee as on 31st March, 2013 was as under:

Name	Designation	Category
Mr. S. C. Gupta	Chairman	Independent & Non-Executive Director
Mr. K.M. Agarwal	Member	Independent & Non-Executive Director
Mr. R. C. Jindal	Member	Independent & Non-Executive Director
Mr. N. D. Gupta	Member	Independent & Non-Executive Director
Mr. H. D. Khunteta*	Member	Independent & Non-Executive Director

*Mr. H. D. Khunteta is being part of Audit Committee w.e.f. 30/01/2013.

DETAILS OF AUDIT COMMITTEE MEETINGS AND THEIR ATTENDANCE DURING THE YEAR

Five Meetings of the Audit Committee were held during the financial year on dates mentioned below: 22nd May, 2012; 31st July, 2012; 1st September, 2012; 23rd October, 2012 and 30th January, 2013.

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

Date	Names of the Directors				
	Mr. N. D. Gupta	Mr. K. M. Agarwal	Mr. P. K. Bansal*	Mr. S. C. Gupta	Mr. R. C. Jindal
22nd May, 2012	N	Y	Y	Y	Y
31st July, 2012	N	Y	Y	Y	Y
1st September, 2012	N	Y	Y	N	N
23rd October, 2012	N	Y	N	Y	Y
30th January, 2013	Y	Y	Y	Y	Y
No. of Audit Committee Meetings during the Financial Year	5	5	5	5	5
Attended	1	5	4	4	4
Absent	4	NIL	1	1	1
% of Attendance	20%	100%	80%	80%	80%

*Mr. P. K. Bansal is not being part of Audit Committee w.e.f. 30/01/2013.

Managing Director, Senior V. P. (Financial Accounting and Taxation) and Internal Auditor along with the Statutory Auditors were invited and attended the meetings of the Audit Committee. The Company Secretary is the Secretary of the Committee.

3(ii) REMUNERATION COMMITTEE:

The Remuneration Committee of the Company, inter alia recommends to the Board the

compensation terms of the Executive Directors and other senior management personnel.

COMPOSITION OF THE REMUNERATION COMMITTEE:

It comprised of five Independent & Non-Executive Directors. The composition of Remuneration Committee as on 31st March, 2013 was as under:

Name	Designation	Category
Mr. K. M. Agarwal (w.e.f. 30/01/2013)	Chairman	Independent & Non-Executive Director
Mr. R. C. Jindal	Member	Independent & Non-Executive Director
Mr. P. K. Bansal	Member	Independent & Non-Executive Director
Mr. N. D. Gupta	Member	Independent & Non-Executive Director
Mr. Chandra Wadhwa (w.e.f. 30/01/2013)	Member	Independent & Non-Executive Director

The Remuneration Committee has been authorized to determine the Company's policy on remuneration of Directors including compensation payment and other related issues.

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

During the financial year ended 31st March, 2013 only one meeting of the Committees was held on 22nd May, 2012.

REMUNERATION POLICY

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

Remuneration decided by committee is fair, transparent, and simple to administer.

REMUNERATION OF DIRECTORS (for the year ended 31st March, 2013)

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	60,00,000/-	Nil	Nil
Mr. Mahesh C. Gupta	None	Nil	Nil	60,00,000/-	Nil	Nil
Mr. Pradeep Aggarwal	None	Nil	Nil	39,23,700/-	Nil	Nil
Mr. Ajay Garg	None	Nil	Nil	30,00,000/-	Nil	Nil
Mr. Anurag Bansal	None	Nil	Nil	30,00,000/-	Nil	Nil
Mr. N. D. Gupta	None	30,000	Nil	Nil	Nil	Nil
Mr. R. C. Jindal	None	90,000	Nil	Nil	Nil	Nil
Mr. K. M. Agarwal	None	1,35,000	Nil	Nil	Nil	Nil
Mr. S.C. Gupta	None	90,000	Nil	Nil	Nil	Nil
Mr. P. K. Bansal	None	90,000	Nil	Nil	Nil	Nil
Mr. Hari Das Khunteta	None	30,000	Nil	Nil	Nil	Nil
Mr. Chandra Wadhwa	None	45,000	Nil	Nil	Nil	Nil
Mr. R. L. Sudhir	None	30,000	Nil	Nil	Nil	Nil
Mr. Finney Cherian	None	Nil	Nil	Nil	Nil	Nil
Mr. JHP Van Der Merwe	None	Nil	Nil	Nil	Nil	Nil

Notes:

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

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 (RTA) of the Company. The RTA approves all these matters regularly.

COMPOSITION OF THE SHAREHOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE:

It comprises of four Independent & Non-Executive Directors. The composition of Shareholders'/ Investors' Grievance Committee as on 31st March, 2013 was as under:

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

*Mr. H. D. Khunteta is being part of Shareholders'/Investors' Grievance Committee w.e.f. 30/01/2013.

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

Mr. Suman Kumar, Company Secretary of the Company is acting as Compliance Officer and looks after the investor's grievances.

A detail of shareholder's Complaints received and disposed during the financial year 2012-13 is as under:

- | | |
|------------------------------------------------------------------------|-----|
| a) Number of Shareholder's complaints received during the year | 1 |
| b) Number of Shareholder's complaints resolved during the year | 1 |
| c) Number of Complaints not solved to the satisfaction of shareholders | Nil |

- d) Number of complaints pending Nil

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

ODM Committee has been constituted to urgently deal with 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 immediately following meeting.

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

- 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 otherwise specified.

COMPOSITION OF THE ODM COMMITTEE:

Composition of ODM committee as on 31st March, 2013 is as under:

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

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

BIL Committee has been 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 considered and taken on record by the Board of Directors of the Company in its immediately following meeting.

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

- To avail bank guarantee, overdraft facility, borrowings and other credit facilities from the bankers;
- To borrow money;
- To acquire, by way of subscription, purchase or otherwise the securities of any other body corporate or to otherwise invest the funds of the company;
- To make any loan(s);
- To provide corporate guarantee/ other guarantee, security in favour of bankers for the facilities availed by its group companies/ subsidiary companies/ business associates;

COMPOSITION OF THE BIL COMMITTEE:

Composition of the BIL Committee as on 31st March, 2013 is as under:

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

3(vi) FPO COMMITTEE

The FPO Committee has been constituted for the purpose of handling various matters of the Company with respect to issue of Follow on Public Offer and any other matter ancillary and incidental thereto.

POWERS OF THE FPO COMMITTEE

- To investigate any activity within its terms of reference.
- To seek information from any employee/ department of the Company.

- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.
- Power to delegate any of its role/duties/powers to any persons within its terms of reference.

COMPOSITION OF THE FPO COMMITTEE:

Composition of the FPO committee as on 31st March, 2013 is as under:

Sr. No.	Name	Designation
1	Mr. Subhash Chand Aggarwal	Chairman
2	Mr. Mahesh Chand Gupta	Vice- Chairman
3	Mr. K. M. Agarwal	Member
4	Mr. Finney Cherian	Member
5	Mr. Suhel Lal Kanuga	Member
6	Mr. S. C. Gupta	Member
7	Mr. Chandra Wadhwa	Member

4. DETAILS OF GENERAL BODY MEETINGS:

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

Year	Location	Date	Day	Time	Detail of Special Resolution/s Passed
2009-10	"URDU GHAR" 212, Rouse Avenue, Deen Dayal Upadhyaya Marg, New Delhi-110002	29th September, 2010	Wednesday	11.00 A.M.	1. Re-Appointment of Mr. Subhash Chand Aggarwal as Managing-Director of the Company.
2010-11	"URDU GHAR" 212, Rouse Avenue, Deen Dayal Upadhyaya Marg, New Delhi-110002	30th September, 2011	Friday	11.00 A.M.	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.
2011-12	"URDU GHAR" 212, Rouse Avenue, Deen Dayal Upadhyaya Marg, New Delhi-110002	31st July, 2012	Tuesday	10.15 A.M.	1. Re-appointment of Mr. Pradeep Aggarwal as Whole-time Director of the Company.

POSTAL BALLOT:

No resolution was passed through Postal Ballot last year

5. DISCLOSURES:

- i. There are no materially significant related party transactions with its Promoters, the Directors or the Management and their subsidiaries or relatives etc., that may have potential conflict with the interest of the Company at large.
- ii. No penalties and strictures were imposed on the Company on account of disciplinary action taken either by Stock Exchange(s), where the securities of the Company are listed or SEBI or any statutory authority, on any matter related to Capital Market, during the last three years.
- iii. The Company has laid down a Whistle Blower Policy and the same has been posted on the official Website of the Company. Any Employee may make a Disclosure regarding malpractices and events covered under this policy by presenting the same in writing before any of the members of the Committee or through addressing an e-mail at whistleblower@smcindiaonline.com which will be accessible to all the members of the Committee. No employee is denied of opportunity to meet the members of the Whistle Blower Committee.
- iv. The Company has complied with all the mandatory requirements of the clause 49 and also adopted clause (2) of Annexure ID of the Clause 49, on the Remuneration Committee.

6. MEANS OF COMMUNICATION:

Publication of Quarterly Financial Results of Company in newspaper:

The half- yearly/ quarterly financial results are regularly submitted to the stock exchanges and also regularly published in English Newspapers "Economic Times" and also in Newspapers of vernacular language "Navbharat Times" (Hindi) as required by the Listing Agreement of the Stock 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. COMPLIANCE CERTIFICATE BY THE AUDITORS

The statutory auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange and the same is annexed.

8. RECONCILIATION OF SHARE CAPITAL

As per SEBI (Depositories & Participants) Regulation, 1996, Certificate of Reconciliation of Share Capital Audit issued by a Practicing Company Secretary, confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held in NSDL and CDSL, is placed before the Board on a quarterly basis and also submitted to the Stock Exchange.

9. GENERAL SHAREHOLDER INFORMATION:

Registered office of the Company:
11/6B, Shanti Chamber, Pusa Road,
New Delhi-110005.

Tel.: 91-11-30111000, 40753333

Fax: 91-11-25754365

E-mail: smc@smcindiaonline.com

Website: www.smcindiaonline.com

Delhi Office :
8B, 9B, 17, Netaji Subhash Marg, Darya Ganj,
New Delhi-110002.

Tel.: 91-11-30111333, 66221100

Fax: 91-11-23263297, 23258027

Mumbai Office :
1st Floor, Dheeraj Sagar Building,
Opp. Goregaon Sports Club, Link Road,
Malad (West) Mumbai-400064.

Tel: 91-22-67341600

Fax: 91-22-28805606

Kolkata Office :
18, Rabindra Sarani, "Poddar Court",
Gate No.4, 4th Floor, Kolkata-700001.

Tel.: 91-33-39847000

Fax: 91-33-39847004

Chennai Office :
Salzburg Square, Flat No. 1
IIIrd Floor, Door No 107
Harrington Road, Chetpet
Chennai-600031

Tel: 91-44-39109100-120

Fax: 91-44-24661798

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

Tel: +97143963120, +971502612483

Fax: +97143963122

E-mail: pankaj@smccomex.com

Annual General Meeting

Date : 28th September, 2013

Day : Saturday

Time : 10:15 A.M.

Venue : Urdu Ghar, 212, Rouse Avenue,
Deen Dayal Upadhyaya Marg,
New Delhi-110002

Financial Year : 1st April, 2012 to 31st March, 2013

Date of Book : 24th Day of September, 2013

Closure : to 28th Day of September, 2013
(Both days inclusive)

Listing on : Delhi Stock Exchange Ltd.

Stock : The Calcutta Stock Exchange Ltd.

Exchanges : 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. : INE103C01036

Share Transfer : Link Intime India Private Limited.

Agent : 44, Community Centre, 2nd floor,
Naraina Industrial Area, Phase I
near PVR Naraina, Delhi-110028
Tel: 91-11-41410592-94
Fax: 91-11-41410591

E-mail: delhi@linkintime.co.in

Demat Details : 85.62% shares of the company
have been in dematerialized
form as on 30th June, 2013.

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 58.62% and Non Promoters 41.38% as on 30th June, 2013

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

SHAREHOLDING OF NON- EXECUTIVE DIRECTORS

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

SHARE TRANSFER SYSTEM

The Board of Directors has delegated the power of approving transfer and transmission of shares and other matters like consolidation of share certificates, issue of duplicate share certificates, dematerialization / re- materialization of shares to registrar and share transfer agents of the Company. All these matters are

approved by the RTA regularly. Shareholders may correspond to the:

Registrar and Share Transfer Agent:
Link Intime India Private Limited.
44, Community Centre, 2nd floor, Naraina Industrial Area, Phase I, Near PVR Naraina, 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

DISTRIBUTION OF SHAREHOLDING AS ON 30TH JUNE, 2013

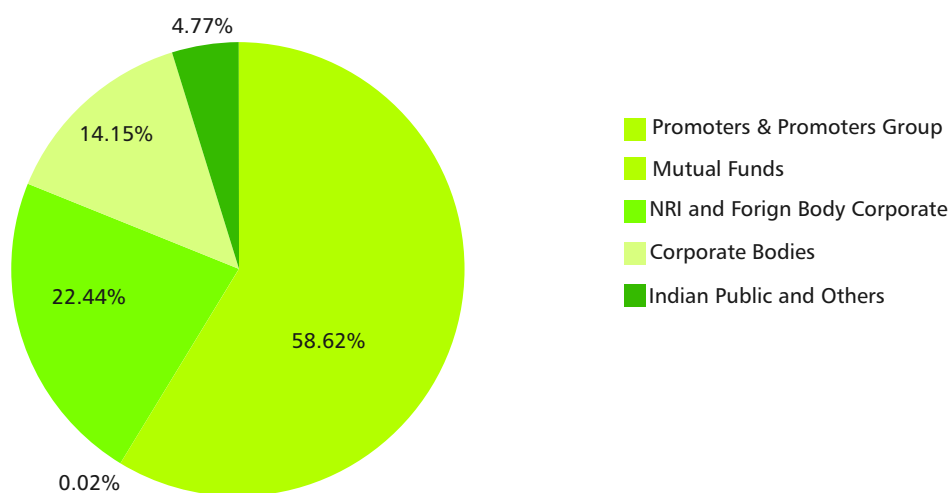
BY SIZE

Range of Shares	Number of shareholder	% of shareholders	Number of shares	% of shares
Upto 2500	817	61.016	1202880	0.532
2,501 - 5000	240	17.924	962180	0.425
5,001- 10,000	96	7.17	791220	0.35
10,001 - 20,000	63	4.705	1012800	0.448
20,001 - 30,000	35	2.614	906580	0.401
30,001 - 40,000	17	1.27	632340	0.279
40,001 - 50,000	8	0.597	384000	0.17
50,001 - 1,00,000	16	1.195	1278660	0.565
1,00,001 & Above	47	3.51	219098240	96.831

BY CATEGORY

Category	No. of Shares	% of Equity
Promoters & Promoters Group	66321340	58.62
Mutual Funds	19000	0.02
NRI and Foreign Body Corporate	25380970	22.44
Corporate Bodies	16012090	14.15
Indian Public and Others	5401050	4.77
Total	113134450	100.00

Shareholding category as 30th June, 2013



DEMATERIALIZATION OF SHARES AND LIQUIDITY

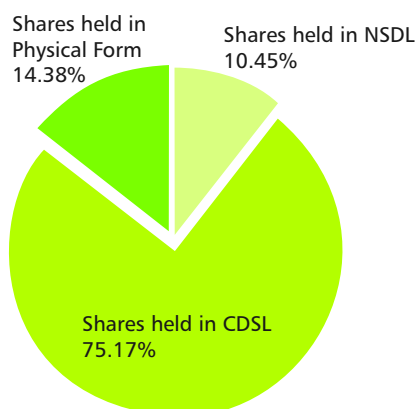
As on 30th June, 2013 a total of 96,862,720 equity shares of the Company representing 85.62% of total

Equity Share Capital, was held in dematerialized form.

The bifurcation of shares held in Physical and Demat form as on 30th June, 2013 is as under:

Status of Dematerialization	No. of Equity Shares	% of total shares
Shares held in NSDL	11,820,141	10.45
Shares held in CDSL	85,042,579	75.17
Shares held in Physical Form	16,271,730	14.38

Demat Status as on 30th June, 2013



Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on Equity

Not applicable as Company has not made any such issue.

Address for Correspondence:

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

DECLARATION

[Under Clause 49 I (D) (ii) of Corporate Governance]

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

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

For SMC Global Securities Ltd.

sd/-

S. C. Aggarwal
(Chairman & Managing Director)

Date: 12th August, 2013

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, 2013, 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 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 information 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, 2013.

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
Chartered Accountants
F.R.N. 005402N**

sd/-
**Rajinder Malhotra
Proprietor
(M. No. F083680)**

**Date: 12th August, 2013
Place: New Delhi**



Legal & Secretarial team with their families at Satpura National Park.



Interdepartmental Cricket Team of SMC.



SMC investments and Advisors believes that your unique aspirations define the way your precious wealth should be structured.



You relax
when wealth
experts are
working
for you.



Building Wealth,
Enriching Lives...

83 MANAGEMENT DISCUSSION & ANALYSIS REPORT

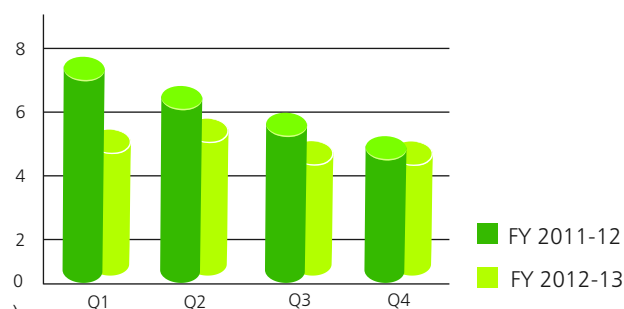
i. INDUSTRY STRUCTURE AND DEVELOPMENT BUSINESS OVERVIEW

The Indian economy continued its downward slide throughout FY2012-13, recording a lower GDP growth of 5% compared to 6.2% for FY2011-12. The downward trend was also pronounced on a quarterly basis as it could be seen in the charts below :

Growth rate in GDP (% change over corresponding period of the previous year)

SL NO.	QUARTER	FY 2011-12	FY 2012-13
1	Q1	7.5	5.4
2	Q2	6.5	5.2
3	Q3	6	4.7
4	Q4	5.1	4.8
		6.2	5

(Source: - Ministry of Statistics and Programme Implementation)



After achieving growth rates of 8.6% in FY2009-10 and 9.3% in FY2010-11, the inflationary pressures started mounting. The RBI started tightening the monetary policy, resulting in lower growth rate in last two years. The moderation in growth is primarily attributable to weakness in industry. The growth in agriculture has been weak in FY2012-13, following lower than normal rainfall. All the three major segments, agriculture, allied industry and services, have displayed softening trend, quarter-over-quarter during last two years. Q3 FY2012-13 GDP growth was the slowest in 15 quarters at 4.7%

Policy actions, both domestic and global, augured well for the Indian financial markets in Q4 of FY 2013. Nonetheless, limited policy space and political uncertainties continued to weigh down the markets. The easing trend in G-sec yields reversed at the end of the year due to the same reasons. Primary equity markets remained

subdued. Sustained commitment to reforms and policy action to reduce external sector risks, and improvement in the global economy are crucial to boosting market sentiments and support capital raising. On the asset price front, house price inflation remains high.

Growth slowdown, persistent inflation and the twin deficit risks came to the fore during FY2012-13 and unnerved the Indian economy endangering the reversal of its declining growth path. Amidst trade-offs, monetary policy factored in increased growth risks and shifted its stance to calibrated easing to address the growth slow down as headline inflation gradually moderated. The government also launched concerted policy action and reforms during H2 FY2012-13. These reforms, with fuller implementation, are expected to arrest the downward spiral and kick in a modest recovery in FY2013-14.

INDIAN CAPITAL MARKET

Overview

The BSE Sensex was up 8% for the fiscal FY2013, after declining 10% in FY2012. It saw positive returns in each of the first three quarters of FY2013. But a decline of 3% in Q4 FY2013 lowered Sensex returns for the full year. On a relative basis, the Sensex performed better than the benchmarks of emerging market peers like China, Brazil, but underperformed developed markets like USA, UK, Germany and Australia. In terms of the broader market, the BSE Midcap Index was down 4% for the fiscal year. With macroeconomic headwinds and policy uncertainties impacting sentiments, domestic retail and institutional investors shied away from Indian equities. However, following deferment of GAAR proposals, FII's pumped in net inflows this fiscal. FIIs are now the second biggest holders of Indian equities after the promoters. Inflation, interest rates and currency had an impact on profit margins of companies. As mean reversal occurs in the economic variables, it should help corporate by fuelling operating cash flows, improving margins, reducing debt, and eventually lead to an uptick in market performance.

With the growth in the economy, India's share within the global market cap pool is higher than its share within global GDP. BSE market cap's share went up from 0.9% to 2.3% between 2003 and 2012. In the same period, its GDP share was up from 1.6% to 2.7%. Benchmark indices of emerging markets have underperformed compared to those of developed markets over the last fiscal year

ii. OPPORTUNITIES AND THREATS:

Opportunities:-

- Growing Financial services Industry.
- Long-term economic positive outlook will generate opportunity for capital market services.

- Governmental support and regulatory reforms would facilitate larger participation
- With the passage of higher FDI in Insurance sector would create new opportunities.

Threats:-

- Market trends sometimes positions other assets as more attractive as Investment Avenue.
- Short term economic slowdown impacting investor sentiments
- Slowdown in global liquidity flows
- Increased intensity of competition from local and global players

Competitive Strengths

We believe the following are our core competitive strengths:

Wide range of financial products and services:-

Through a wide-range of products and services, we cater to corporate, institutional, high net worth individuals and other retail clients. We offer broking and commission generating products and services across various asset classes such as equity, commodities and currency, and other services such as depository services, clearing services, insurance broking, and the distribution of third-party financial products. We also offer advisory services to our clients through investment banking, research and wealth management services.

We believe we are amongst the leading financial institutions in India in the broking and financial products distribution segment.

Large and diverse distribution network:-

As on 31st March, 2013, we service our broking clients through a network of 45 branches and 2,545 registered sub-brokers and authorized persons spread in more than 500 cities and towns. In order to expand our network in India and efficiently monitor our operations, we have established our own branches at all major cities, which then look after the operations of the regional sub-broker and authorized persons network. The reach of our offices allows us to service our existing customers and attract new customers through personal relationships cultivated by proximity and frequent interaction by our employees and business partners. Our widespread office network allows us to apply best practices developed in one region to others.

Strong and well-established brand:-

We believe that the SMC brand is well established in the broking and financial services sector throughout India. We believe that Our clients associate our brand with high quality services, competitiveness as well as our corporate values of integrity and honesty. Our expertise in our field and the individual solutions that we provide to our customers has aided us in increasing customer loyalty; earn repeat business and customer referrals. As a part of our marketing initiative, we have an advertising treaty with Bennett, Coleman & Co Limited, which provides us with advertising and branding rights in their print and non-print media.

Experienced board of directors and management team:-

Our Board consists of 14 directors, most of whom have extensive experience in the financial services sector. Our Promoters, Mr. Subhash Chand Aggarwal and Mr. Mahesh Chand Gupta,

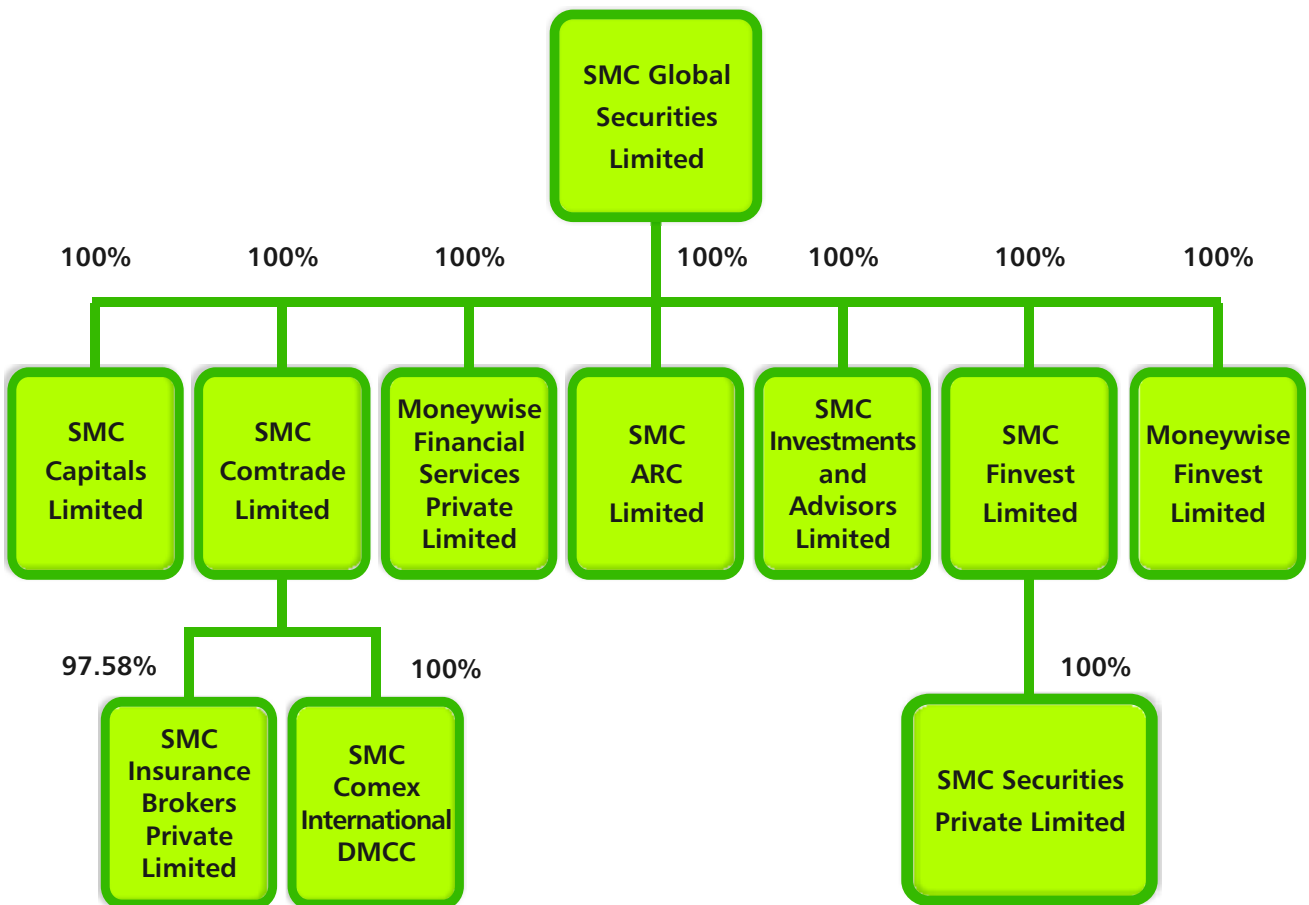
are qualified chartered accountants with over two decades of experience each in the financial services industry. We believe that our senior and middle management personnel have significant experience and in-depth industry knowledge and expertise and are supported by a capable and motivated pool of employees.

Our technology infrastructure

Our technology infrastructure is the foundation of our business and a key factor in our growth. As we continue to expand the scale of our operations, we intend to further develop and integrate our technology to support our growth and improve the quality of our services. We believe we have deployed effective technology to minimize the various risks faced by our businesses and have made significant investments in developing our IT-infrastructure to support our anticipated growth. We operate in an industry which requires constant technology upgrades and we believe that our technical expertise and experience enable us to obtain speedy and efficient technological solutions.

iii. SEGMENT-WISE OR PRODUCT-WISE REVIEW

OUR GROUP STRUCTURE



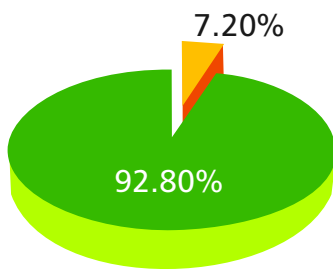
a. EQUITY BROKING:

Our Company is a member of NSE, BSE and MCX-SX in the cash equities and derivative segments. We offer broking services to our retail customers, high net worth individuals (both resident and non-resident Indians), qualified foreign investors, institutional and corporate clients.

Our dedicated sales team and relationship managers provide research and sales support to our clients and keep them informed about market conditions. We also have dedicated desks of dealers, who provide personalized

trade and execution services to active traders, retail investors, high net worth individuals and institutional investors. Our registered customers can avail of our online trading facilities at our website at www.smctradeonline.com. These customers also have access to real time quotes, personalized portfolio tracking tools, charting and quote applications, real time market commentary, real time quotes and news. We had started providing trading facilities on mobile handsets and tablet computers in the year 2011 and 2012, respectively.

Overall turnover of SMC in Equity Market



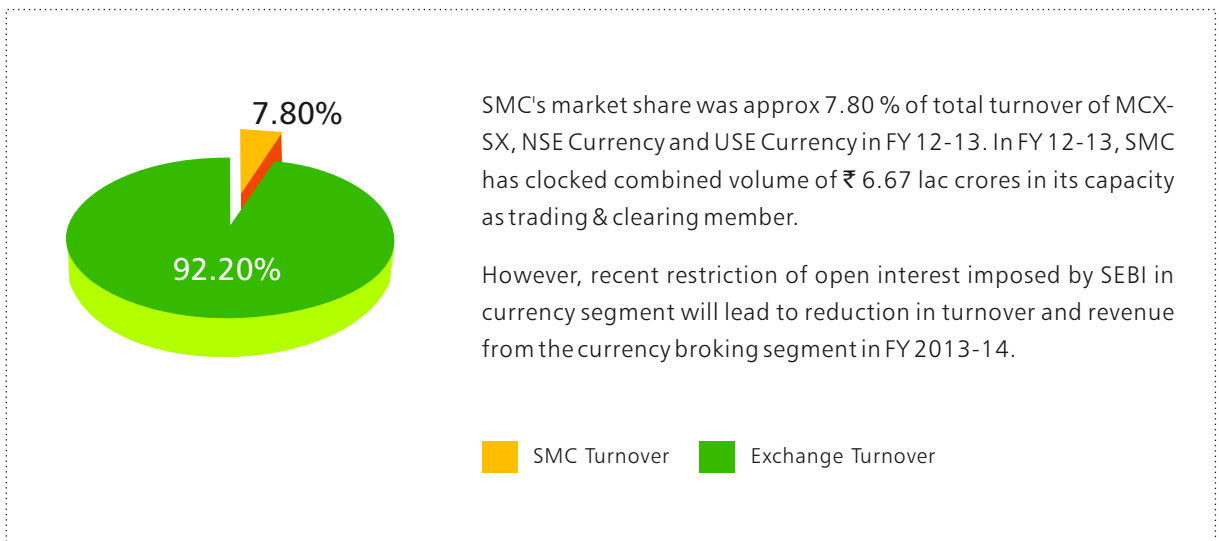
SMC's market share was approximately 7.20 % of total turnover of NSE, BSE & MCX-SX in FY 12-13. It has been successful in generating a combined turnover of approx ₹30.19lacs crores in its capacity as trading & clearing member.

b. CURRENCY BROKING:

SMC Global Securities is a Trading cum Clearing Member of NSE, MCX-SX & USE in India for the currency segment. SMC firmly

believes that wider market participation will bring more strength to the market & this can be achieved through disseminating education & information among various market participants.

Overall turnover of SMC in Currency Market



c. COMMODITY BROKING:

SMC Comtrade Ltd., Wholly Owned Subsidiary of SMC Global Securities Limited, is member of all major commodity exchanges in India i.e. Multi Commodity Exchange of India Ltd. (MCX), National Commodity and Derivative 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 and Universal Commodities Exchange of India (UCX).

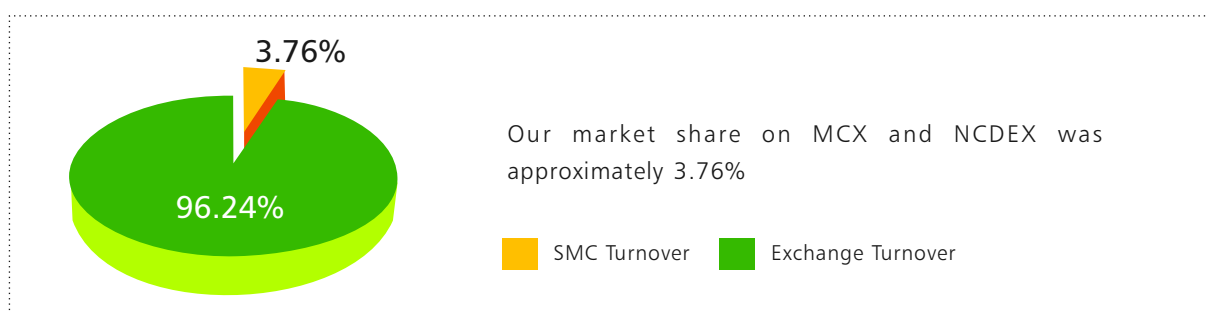
SMC Comtrade Limited has international presence also through its wholly owned subsidiary, SMC Comex International DMCC, which is a member of Dubai Gold and Commodity Exchange (DGCX) Maximum fall was seen in bullion futures, while agriculture

commodities witnessed a marginal drop during the FY 2012-13, the Forward Markets Commission (FMC) said in a statement. As per the FMC data, the cumulative business at commodity bourses has taken a hit for the first time in the last five years. The turnover has been growing each year since 2007. During FY 2010-11 and FY 2011-12, the business had grown by more than 50 percent

During FY2012-13, total turnover of SMC Comtrade Ltd. on MCX and NCDEX was ₹ 6.20 lacs crore in its capacity as a Trading & Clearing Member.

SMC Research team received India's Best Commodity Analysts-Fundamentals 2012 from Commodity Participant Association of India (CPAI) during 2nd International Commodity Convention.

Overall turnover of SMC in Commodity Market



d. INSTITUTIONAL BROKING:

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

Our Institutional Desk comprises of a research team to analyze various sectors and the Indian economy to identify equity & trading ideas for Institutional clients. In the month of July 2013 our research analyst got Best Market Analyst Award – under the category Equity Infrastructure by the TV new channel Zee Business. Our sales & trading team comprises of professionals with understanding of the International as well as the Indian Financial Markets which translates our research in to actionable advice for our clients. Our consistent efforts towards research and services to our clients have added seven new Institutional clients in FY2012-13 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 around 3.50 Lac policies during FY2012-13 and in the Life Insurance category added over 10,000 customers capable of generating recurring renewal revenues. For the FY2012-13 in Honda Assure, (Exclusive arrangement between Honda Siel Cars India Ltd and SMC Insurance), we have sold 1,58,389 policies against 98900 policies in last FY 2011-12. SMC Insurance has also started a rural retail insurance programme for micro customer in tie-up with "FINO".

f. FINANCIAL PRODUCTS DISTRIBUTION:

SMC offers distribution services of IPO, Mutual Fund, other public issues, Company Fixed deposits and Bonds through its 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:

- Consistently among Top 10 mobilisers in IPO segment – Retail category.
- Procured more than ₹ 1300 Cr. in Corporate fixed deposits segment in the year 2012-13 and established among top mobilisers.
- Developed network of 21,000 + channel partners for distribution of third party products.
- Nominated among top 3 in UTI MF & CNBC-TV-18 Financial Advisor Awards 2012-13 under National Level Broker Category.
- Mobilised ₹ 1271 Cr. in various schemes of Mutual Funds during 2012-13.
- Ranked among Top 3 in UTI MF & CNBC-TV18 Financial Advisor Awards 2012-13 under National level Broker Category.
- Procured more than ₹ 523 Cr. In REC & NHAI Capital Gain Bonds under section 54EC (private Placement Bonds) in the year 2012-13.
- Mobilised ₹ 164 Cr. in Tax Free Bonds with 5488 applications in 2012-13.
- Procured more than ₹ 158 Cr. with 26803 applications in IPO & FPO segment in the year 2012-13.
- We have built a cumulative Asset Under Administration (AUA) of ₹ 922 Cr. and having more than 2.67 Lacs Folio in Mutual Fund segment as on 31st Mar' 2013.

- Over 24,000 running SIPs 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 area of Equity Capital Market, M&A advisor services, private equity and Debt Capital Market. The investment banking group is lead by professionals having more than 15 years experience in the business.

SMC Capitals Ltd. was the exclusive M&A advisor to Coromandel International Limited to acquire promoters' stake of up to 56.28% in Liberty Phosphate Limited (LPL) majority stake in Liberty Phosphate Group of companies comprising Liberty Phosphate Ltd., Liberty Urvarak Ltd and Tungabhadra Fertilisers & Chemicals Ltd). Liberty Phosphates is one of the leading players in Single Super Phosphate in India. The total transaction size was ₹ 3500 million. We acted as sole strategic and financial advisor to Coromandel International Ltd.

h. FINANCING BUSINESS:

The company is engaged in the business of providing loans and advances, lending against securities, lending money against mortgage of immovable property or pledge of movable property. Having more than 3000 registered clients, the total paid up capital & reserves of Moneywise Financial Services Private Limited stands at ₹ 52.21 crores as on 31st March, 2013.

i. WEALTH MANAGEMENT:

We offer wealth management services through our wholly owned subsidiary, SMC Investment and Advisors Limited ("SMCIAL"). SMCIAL has been registered with SEBI as portfolio management service provider. We offer customized investment management services including planning, advisory, execution and monitoring of a range of investment products to our customers. We cater these services to high net worth individuals and corporates. SMCIAL is a registered sub-broker and also empanelled with various asset management companies for distribution of their mutual fund products.

The Company offers wealth management advisory services through its offices located in Mumbai, Delhi, Kolkata and Bangalore.

On operational and financial front, operating cost of the Company has come down by more than 35% as compared to last year although revenue was lower only by 1.5%. This operational efficiency resulted into reduction in net loss by more than 60% in FY2012-13.

During the FY2012-13, status of the Company changed from subsidiary to wholly owned subsidiary of SMC Global Securities Limited.

iv. Outlook for Fiscal 2013-14:

The slowdown in the Indian economy persisted, with growth hobbled by structural bottlenecks and adverse global conditions. While demand-

side inflation pressures reduced, high consumer price inflation along with the current account deficit (CAD) well above sustainable levels limits the space for monetary policy to support growth. The business confidence remains subdued despite reforms and policy initiatives since September 2012. Against this backdrop, a recovery in FY2013-14 is likely to be slow-paced. It would require further all-round efforts that include initiatives to remove structural impediments and improve governance. Resolving outstanding issues that constrain infrastructure investment and a public investment stimulus rebalanced by revenue spending cuts holds the key to the economy's revival.

The Group, despite constraints, expects to fare reasonably well in FY2013-14

v. RISKS AND CONCERNS:

Risk Management is "a systematic way of protecting the concern's resources and income against losses so that the aims of the business can be achieved without interruption". The management of safety risk is focused on prevention and mitigation of harm. At SMC, Risk management is integrated seamlessly into business strategy. The objective of our risk management process is to insulate the Company from risks associated with the business while simultaneously creating an environment conducive for growth. It entails a comprehensive estimation, control and review of risks to protect organizational value.

We have adopted risk management techniques since they are crucial to the success of our

operations. Our Company's internal audit team works under the supervision of the audit committee of the Board and makes objective evaluations of the adequacy and efficiency of our internal controls by undertaking a comprehensive risk-based audit of various operating units. We have instituted a well-documented risk management policy across the organization which defines criteria for collection of client margins, ageing calculation mechanism, payment and shares release mechanism and exposure limit providing mechanism. Despite all the surveillance and risk mitigating measures Company has some potential risks associated with its operations;

- *Market Risks:- The financial services sector is aligned to a variety of factors linked to the domestic economic development and also global development. Any economic event happening across the globe can have a direct or indirect impact on Company.*
- *Reputation Risk:- Our Company has entered into several agreements including shareholders' and share subscription agreements and our inability to comply with such covenants may result in violation of certain provisions of these agreements leading to breach of our contractual obligations*
- *Compliance risk:- We operate in businesses which are subject to extensive regulatory requirements and any failure to comply with any of such regulations could subject us to penalties or sanctions. We face intense competition in our*

businesses, which may limit our growth and prospects. Our growth will depend on our ability to develop our brand and failure to do so will negatively impact our ability to effectively compete in this industry

vi. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Responsibility for the internal control system lies with the Board of Directors as a whole, which establishes policies and periodically verifies its adequacy and effective functioning. The Company's internal control system - and of the SMC Group in general - is set up to guarantee that correct information is provided and adequate control of all Group activities is implemented, with a special focus on areas considered potentially at risk. The internal control system is first of all a "management" tool, in that it is useful and necessary for the Board of Directors and managers in general for correctly and effectively performing the tasks assigned them. The internal control system permits monitoring of compliance with the rules and procedures governing performance of all the Company's business activities. SMC's internal control system has been developed as a direct process aimed at pursuing the values of substantial and procedural fairness, transparency and accountability, ensuring: (i) efficiency, transparency and traceability of transactions and management activities in general; (ii) reliability of accounting and management data and financial information; (iii) compliance with laws and regulations; (iv) protection of the company's integrity. The Company has adequate system of

internal controls for business processes, with regard to operations, financial reporting, fraud control, compliance with applicable laws and regulations, etc. Regular internal audits and checks ensure that responsibilities are executed effectively. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvement for strengthening the existing control system in view of changing business needs from time to time

vii. FINANCIAL PERFORMANCE

The Economic Survey 2012-13, 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 2013-14 and further surge during 2014-15. However SMC has performed reasonably well in these trying conditions, some of the highlights of our financial health is highlighted below;

- SMC Global Securities Ltd. (Consolidated)- Total revenue was higher by 1.05% to ₹ 29,454.40 Lacs, as against ₹ 29,148.86 Lacs in F.Y. 2011-12, whereas total Expenses were lower by 8.63 % to ₹ 26,983.36 Lacs as against ₹ 29,530.61 Lacs in F.Y. 2011-12. This resulted into increase in Profit before Tax by 747.30 % to ₹ 2,471.04 Lacs as against Loss before tax of ₹ 381.75 Lacs in F.Y. 2011-12.
- SMC Global Securities Ltd. (Standalone)-Total revenue was higher by 2.75% to ₹ 17,739.17 Lacs, as against ₹ 17,264.91 Lacs in F.Y. 2011-12, whereas total Expenses were lower by 4 % to ₹ 16,441.87 Lacs as against ₹ 17,126.88 Lacs in F.Y. 2011-12. This resulted into increase in Profit before Tax by 839.87 % to ₹ 1,297.30 Lacs as against ₹ 138.03 Lacs in F.Y. 2011-12.
- SMC Comtrade Ltd. - Total revenue was lower by 17.70% to ₹ 6,088.43 Lacs, as against ₹ 7,397.76 Lacs in F.Y. 2011-12; similarly total Expenses were lower by 16.67 % to ₹ 6,069.06 Lacs as against ₹ 7,282.99 Lacs in F.Y. 2011-12. As a result Profit before Tax decrease to ₹ 19.37 Lacs as against ₹ 114.78 Lacs in F.Y. 2011-12.
- Moneywise Financial Services pvt. Ltd. - Total revenue was lower by 28.46% to ₹ 451.69 Lacs, as against ₹ 631.37 Lacs in F.Y. 2011-12; similarly total Expenses were lower by 57.46 % to ₹ 255.16 Lacs as against ₹ 599.80 Lacs in F.Y. 2011-12. As a result Profit before Tax increase to ₹ 196.53 Lacs as against ₹ 31.57 Lacs in F.Y. 2011-12.
- SMC Comex International DMCC - Total revenue was higher by 113.34% to ₹ 1,032.08 Lacs, as against ₹ 483.77 Lacs in F.Y. 2011-12, similarly total Expenses were higher by 95.32 % to ₹ 587.90 Lacs as against ₹ 301.00 Lacs in F.Y. 2011-12. This resulted into increase in Profit before Tax to ₹ 444.18 Lacs as against ₹ 182.77 Lacs in F.Y. 2011-12.
- SMC Capitals Ltd. - Total revenue was higher by 39.21% to ₹ 723.85 Lacs, as against ₹ 519.97 Lacs in F.Y. 2011-12, whereas total Expenses were lower by 1.40 % to ₹ 694.40 Lacs as against ₹ 704.26 Lacs in F.Y. 2011-12. This resulted into increase in Profit before Tax to ₹ 29.45 Lacs as against Loss before tax of ₹ 184.28 Lacs in F.Y. 2011-12.

- SMC Insurance Brokers Pvt. Ltd. - Total revenue was higher by 35.30% to ₹ 2,789.33 Lacs, as against ₹ 2,061.63 Lacs in F.Y. 2011-12, similarly total Expenses were higher by 2.35 % to ₹ 2,077.18 Lacs as against ₹ 2,029.40 Lacs in F.Y. 2011-12. This resulted into increase in Profit before Tax to ₹ 712.15 Lacs as against ₹ 32.23 Lacs in F.Y. 2011-12.
- SMC Investments & Advisors Ltd. - Total revenue was lower by 1.51% to ₹ 687.42 Lacs, as against ₹ 697.93 Lacs in F.Y. 2011-12; similarly total Expenses were lower by 35.51 % to ₹ 1,065.66 Lacs as against ₹ 1,652.50 Lacs in F.Y. 2011-12. As a result Loss before Tax decrease to ₹ 378.24 Lacs as against ₹ 954.56 Lacs in F.Y. 2011-12.
- SMC Finvest Ltd. - Total revenue was lower by 25.87% to ₹ 262.90 Lacs, as against ₹ 354.64 Lacs in F.Y. 2011-12; similarly total Expenses were lower by 15.78 % to ₹ 85.56 Lacs as against ₹ 101.59 Lacs in F.Y. 2011-12. As a result Profit before Tax decrease to ₹ 177.34 Lacs as against ₹ 253.05 Lacs in F.Y. 2011-12.
- Money Wise Finvest Ltd. - Total revenue was lower by 7.77% to ₹ 6.11 Lacs, as against ₹ 6.62 Lacs in F.Y. 2011-12; similarly total Expenses were lower by 52.45 % to ₹ 0.27 Lacs as against ₹ 0.57 Lacs in F.Y. 2011-12. As a result Profit before Tax decrease to ₹ 5.83 Lacs as against ₹ 6.05 Lacs in F.Y. 2011-12.
- SMC ARC Ltd.-Total revenue was lower by 78.34% to ₹ 5.49 Lacs, as against ₹ 25.35 Lacs in F.Y. 2011-12; similarly total Expenses were lower by 66.76 % to ₹ 4.80 Lacs as against ₹ 14.43 Lacs in F.Y. 2011-12. As a result Profit before Tax decrease to ₹ 0.69 Lacs as against ₹ 10.92 Lacs in F.Y. 2011-12.

- SMC Securities Pvt. Ltd.- Total revenue was ₹ (13.98) Lacs in FY2012-13, and total Expenses were ₹ 6.20 Lacs. This resulted into Loss before Tax of ₹ 20.18 Lacs. The company was formed during the year hence comparative figures are not available.

viii. HUMAN RESOURCES

SMC firmly believes that its employees play a key role in driving performance and developing a competitive advantage. The emphasis has been on proper recruitment of talent and empowerment while devoting resources for their continuous development. The company's approach is to unlock the people potential while continuously developing their functional, operational and behavioral competencies. The company aims to build a team of dedicated employees who work with passion, zeal and a sense of belongingness and play a defining role in significantly accelerating the growth and transformation of the Company. We have received award for continuous innovation in HR Strategy by EBA (Employer Branding Awards) during Best Employer Award 2013.

CAUTIONARY STATEMENT

Statements in this 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 statements on the basis of any subsequent developments, information or events.



SMC offers Systematic Investment Plan (SIP),
MY STOCKSIP & MY COMMSIP for investment in Equities, Gold & Silver.



When it comes
to investment,
I trust only
SMC.



Moneywise. Be wise.

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Standalone

AUDITORS' REPORT

To,

The Members

SMC Global Securities Limited

1. We have audited the accompanying financial statements of SMC Global Securities Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.
2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
6. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure statement on the matters specified in paragraphs 4 and 5 of the Order.
7. As required by section 227(3) of the Act, we report that:
 - (a) 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;
 - (b) 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;

- (c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- (e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it

issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

- 8. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
 - b) in the case of the Statement of Profit and 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
CHARTERED ACCOUNTANTS
F. R. N. : 005402N

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

PLACE : NEW DELHI
DATE : 23.04.2013

ANNEXURE

Referred to in paragraph 6 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.
3.
 - a) 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.
 - b) 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 ₹ 101.33 crore and the year end balance is ₹ 31.39 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 Act 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 ₹ 5 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 thereunder.
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, 2013 and it has not incurred any cash losses in the financial year ended on that date and 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 investments 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. During the course of our examination of books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by management.

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

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

**PLACE : NEW DELHI
DATE : 23.04.2013**

BALANCE SHEET

AS AT 31ST MARCH, 2013

(Amount in ₹)

PARTICULARS	NOTE NO.	AS AT 31.03.2013	AS AT 31.03.2012
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	2.01	226,268,900	109,457,580
Reserves and surplus	2.02	4,973,569,257	4,574,372,638
NON-CURRENT LIABILITIES			
Long-term borrowings	2.03	347,062	525,971,594
Deferred tax liabilities (Net)	2.04	-	5,104,848
Long-term provisions	2.05	23,296,026	23,974,841
CURRENT LIABILITIES			
Short-term borrowings	2.06	197,968,660	603,013,970
Other current liabilities	2.07	2,815,405,199	2,075,584,125
Short-term provisions	2.08	28,729,830	59,776,047
	TOTAL	8,265,584,934	7,977,255,643
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	2.09		
Tangible assets		198,453,785	244,492,692
Intangible assets		18,457,771	23,876,497
Non-current investments	2.10	2,525,938,176	1,614,977,217
Deferred tax Assets (Net)	2.04	14,922,411	-

(Amount in ₹)

PARTICULARS	NOTE NO.	AS AT 31.03.2013	AS AT 31.03.2012
Long-term loans and advances	2.11	513,986,627	588,115,364
Trade Receivables	2.12	269,928,102	356,890,982
CURRENT ASSETS			
Current Investment	2.10	-	46,951,241
Inventories	2.13	748,789,113	974,006,936
Trade receivables	2.14	1,243,462,630	1,803,254,090
Cash and Bank balances	2.15	2,233,024,235	1,714,508,254
Short-term loans and advances	2.16	478,134,024	592,035,796
Other current assets	2.17	20,488,060	18,146,574
TOTAL		8,265,584,934	7,977,255,643
Significant accounting policies and notes to the financial statements	1& 2		

In terms of our Audit Report of even date attached

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

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/-
 SUMAN KUMAR
 (COMPANY SECRETARY)

PLACE : NEW DELHI
 DATE : 23.04.2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in ₹)

PARTICULARS	NOTE NO.	FOR THE YEAR ENDED 31.03.2013	FOR THE YEAR ENDED 31.03.2012
Revenue:			
Revenue from operations	2.18	1,757,023,035	1,701,219,367
Other incomes	2.19	16,894,218	25,271,800
Total Revenue		1,773,917,253	1,726,491,167
Expenses:			
Stock Exchange & Other Operating expenses	2.20	758,861,130	779,151,891
Employee benefits expenses	2.21	379,666,446	400,218,281
Finance costs	2.22	141,265,717	186,341,152
Depreciation and amortization expenses	2.23	50,621,630	62,462,695
Other expenses	2.24	313,772,099	284,514,304
Total expenses		1,644,187,022	1,712,688,323
Profit before Tax		129,730,231	13,802,844
Tax expense:			
Current tax		44,941,306	15,546,687
Deferred tax		(20,027,259)	(11,316,406)
Wealth tax		30,649	28,578
Prior Period Taxes		(1,214,630)	1,702,116
Profit for the year		106,000,165	7,841,869
Earning per Equity Share of ₹ 2 /- each			
- Basic & Diluted	2.32	0.94	0.07
Significant accounting policies and notes to the financial statements	1 & 2		

In terms of our Audit Report of even date attached

FOR ATUL & RAJINDER
CHARTERED ACCOUNTANTS

F.R.N. : 005402N

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/-
SUMAN KUMAR
(COMPANY SECRETARY)

PLACE : NEW DELHI
DATE : 23.04.2013

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in ₹)

PARTICULARS	FOR THE YEAR ENDED 31.03.2013	FOR THE YEAR ENDED 31.03.2012
A Cash Flow From Operating Activities		
Profit before Tax	129,730,231	13,802,844
Add:		
Depreciation & Amortization	50,621,630	62,462,695
Deferred revenue expenses amortized	160,466	9,874,243
Provision for Doubtful Debts	31,935,767	42,536,414
Loss on sale / Discarded Fixed assets	82,313	5,220,567
Provision for Gratuity	(1,576,227)	1,788,338
Provision for Leave encashment	(248,503)	4,251,736
Interest Expenses on Secured Loans	127,783,674	173,687,787
Operating Profit before Working Capital Changes	338,489,351	313,624,624
Adjustments for:		
Changes in assets and liabilities		
Liabilities and Provisions	709,920,774	17,761,678
Trade Receivables	614,818,572	(443,626,160)
Loans & advances and Other Assets	(54,602,600)	275,237,626
Cash Generated from Operations	1,608,626,097	162,997,768
Direct Taxes Paid (net of refunds)	(43,757,325)	(17,277,381)
Net Cash From Operating Activities	1,564,868,772	145,720,387
B Cash Flow from Investing Activities		
(Purchase) of Fixed Assets	(14,427,520)	(32,246,345)
Sale of Fixed Assets	15,181,210	3,874,774
Sale / (Purchase) of Current Investments (net)	46,951,241	(46,951,241)
(Purchase) of non-current Investments	(910,960,959)	(40,000,000)
Net Cash (used) in Investing Activities	(863,256,028)	(115,322,812)

(Amount in ₹)

PARTICULARS	FOR THE YEAR ENDED 31.03.2013	FOR THE YEAR ENDED 31.03.2012
C Cash Flow From Financing Activities		
Proceeds from Issue of Share Capital (including premium)	410,007,774	468,749,744
Interest expense on Secured Loans	(127,783,674)	(173,687,787)
(Payment) of short term borrowings	(405,045,310)	(323,350,900)
(Payment) / proceeds from Secured Loan from Banks (net)	(525,624,532)	231,571
Net Cash Used in Financing Activities C	(648,445,742)	(28,057,372)
Net Increase in cash and cash Equivalents (A+B+C)	53,167,002	2,340,203
Cash and Cash Equivalent at the beginning of the year	44,044,369	41,704,166
Cash and Cash Equivalent at the end of the year (refer Note No. 2.15)	97,211,371	44,044,369

Notes:

- 1 The above Cash flow statement has been prepared under the indirect method set out in AS-3 notified u/s 211(3C) of the Companies Act, 1956.
- 2 Figures in brackets indicate cash outgo.
- 3 The significant accounting policies and notes to the financial statement (refer note no. 1 & 2) forms an integral part of the Cash Flow Statement.

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/-
SUMAN KUMAR
(COMPANY SECRETARY)

PLACE : NEW DELHI
DATE : 23.04.2013

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

1. SIGNIFICANT ACCOUNTING POLICIES

1.01 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

1.02 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.

1.03 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.

1.04 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.

Following the Principle of Materiality, depreciation on Assets of value not exceeding ₹ 5000/- is being provided at the normal rate prescribed in the schedule.

1.05 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.

1.06 INVENTORIES

1.06.1 Inventories of Securities are valued at market value.

1.06.2 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.

1.07 REVENUE RECOGNITION

1.07.1 Revenue on account of trading in

securities is recognized on the basis of each trade executed at the stock exchange during the financial year.

- 1.07.2 In respect of non delivery based transactions such as derivatives, the profit or loss is accounted for on marked to market basis on the closure of each trade date.
- 1.07.3 Revenue from broking activities is accounted for on the trade date of transaction.
- 1.07.4 Income from interest on fixed deposits is recognized on accrual basis.
- 1.07.5 Dividend from investment is accounted for as income when the right to receive dividend is established.
- 1.07.6 Depository income is accounted for on accrual basis.
- 1.07.7 In respect of other heads of income the company follows the practice of recognizing income on accrual basis.
- 1.07.8 Revenue excludes service tax.

1.08 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.

1.09 EMPLOYEE BENEFITS

- 1.09.1 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.
- 1.09.2 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.
- 1.09.3 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/year when the employee renders the services.
- 1.09.4 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.

1.10 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 as notified u/s 211(3C) of the Companies Act, 1956.

1.11 MISCELLANEOUS EXPENDITURE

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

1.12 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 financial statements and notes thereto. Contingent Assets are neither recognized nor disclosed in the financial statements.

1.13 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.

1.14 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'.

1.15 TAXATION

Provision of Current Tax has been measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Wealth tax has been calculated as per applicable tax regulations applicable during the year.

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'.

1.16 OTHER ACCOUNTING POLICIES

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

2. Notes to the financial statements

NOTE NO. 2.01**SHARE CAPITAL**

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2013	AS AT 31.03.2012
a Authorised		
50,00,000 Preference Shares of ₹ 10 each	50,000,000	50,000,000
14,00,50,000 (Previous Year 2,80,10,000) Equity Shares of ₹ 2 each (PY ₹ 10 each)	280,100,000	280,100,000
	330,100,000	330,100,000
b Issued, Subscribed & Paid up		
11,31,34,450 (Previous Year 1,09,45,758) Equity Shares of ₹ 2/- (PY ₹ 10/-) each fully paid up	226,268,900	109,457,580
	226,268,900	109,457,580
c Reconciliation of Number of Equity Shares Outstanding		
Particulars	Number of Shares	(Amount in ₹)
As At 31.03.2013		
At the beginning of the year	10,945,758	109,457,580
Issued during the year #	367,687	3,676,870
Sub-division of Shares	45,253,780	-
Issue of Bonus shares *	56,567,225	113,134,450
At the end of the Period	113,134,450	226,268,900
# before sub-division of shares and Bonus issue		
* post sub-division of shares in the ratio of 1:1		
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
d Shares held by shareholders holding more than 5% shares		
Name of Shareholder	No. of Shares held	%age of Holding
As At 31.03.2013 #		
Millennium India Acquisition Company Inc.	15,867,380	14.03
Mahesh C. Gupta	10,248,500	9.06
Subhash Chand Aggarwal	10,095,500	8.92
Sanlam International Investment Partners Ltd.	9,460,590	8.36
Hemlata Aggarwal	7,720,550	6.82
Sushma Gupta	7,566,550	6.69
Sainty Financial Services (P) Ltd.	6,000,000	5.30

NOTE NO. 2.01

SHARE CAPITAL

(Amount in ₹)

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
Hemlata Aggarwal	772,055	7.05
Sushma Gupta	756,655	6.91
Sainty Financial Services (P) Ltd.	600,000	5.48
Sanlam International Investment Partners Ltd.	578,372	5.28

after considering effect of Sub-division and Bonus Issue

e Terms/Rights attached to Equity Shares

The Company has only one class of Equity Shares having a par Value of ₹ 2 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.

f Of the 11,31,34,450 equity shares, 5,65,67,225 equity shares have been allotted as fully paid up by way of bonus shares.

NOTE NO. 2.02

RESERVES & SURPLUS

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2013	AS AT 31.03.2012
Securities Premium Reserve		
Opening Balance	3,151,253,537	2,687,177,503
Addition during the Year	406,330,904	464,076,034
Utilised for issuing as fully paid bonus shares	(113,134,450)	-
Closing Balance	3,444,449,991	3,151,253,537
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 31.03.2013	AS AT 31.03.2012
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	586,006,742	578,164,873
Profit for the year	106,000,165	7,841,869
Closing Balance	692,006,907	586,006,742
Total	4,973,569,257	4,574,372,638

NOTE NO. 2.03

LONG TERM BORROWINGS

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2013	AS AT 31.03.2012
Term Loans* (Secured Against Vehicles)		
From Banks	971,594	1,955,760
Less: Current Maturities disclosed under the head "Other Current Liabilities" (Note No. 2.07)	624,532	984,166
	347,062	971,594
Secured Term loans**		
Term loan from Banks	100,000,000	525,000,000
Less: Current Maturities disclosed under the head "Other Current Liabilities" (Note No. 2.07)	100,000,000	-
	-	525,000,000
Total	347,062	525,971,594

* 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 31.03.2013	AS AT 31.03.2012
Deferred Tax Assets :		
Provision for Doubtful Debts	7,477,417	339,080
Provision for Gratuity payment	6,313,535	6,824,942
Provision for Leave Encashment	1,547,929	1,628,556
Long Term Capital Loss	197,206	-
Provision for Expenses	-	162,225
A	15,536,087	8,954,803
Deferred Tax Liabilities :		
Depreciation	613,676	14,007,588
Deferred Revenue Expenses	-	52,063
B	613,676	14,059,651
Net Deferred Tax Asset/ (Liability) (A-B)	14,922,411	(5,104,848)

NOTE NO. 2.05

LONG TERM PROVISIONS

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2013	AS AT 31.03.2012
Provision for employee benefits		
Provision For Gratuity #	18,704,467	19,352,585
Provision For Leave Encashment #	4,591,559	4,622,256
Total	23,296,026	23,974,841

also refer to Note No. 2.08 & 2.21

NOTE NO. 2.06

SHORT TERM BORROWINGS*

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2013	AS AT 31.03.2012
Secured		
Short Term Loan from Banks secured against Shares	168,660	166,013,970
Short Term Loan from Banks secured against FDR	197,800,000	337,000,000
Short Term Loan from other parties secured against Shares	-	100,000,000
Total	197,968,660	603,013,970

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

NOTE NO. 2.07

OTHER CURRENT LIABILITIES

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2013	AS AT 31.03.2012
Trade Payables		
-Due to micro and small enterprises *	-	-
-Others	820,091,082	724,344,378
Others		
Book Overdraft from Banks	253,596,319	256,453,657
Current Maturities of Long Term Borrowings (Refer Note No. 2.03)	100,624,532	984,166
Security & Deposits Received from clients	23,429,030	30,341,710
Advances /Margin Received from Clients	1,593,944,695	1,033,632,222
Unearned Income	5,424,686	6,922,605
Payable to Statutory authorities	18,294,855	22,905,387
Total	2,815,405,199	2,075,584,125

* 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, 2013

NOTE NO. 2.08

(Amount in ₹)

SHORT TERM PROVISIONS	AS AT 31.03.2013	AS AT 31.03.2012
DESCRIPTIONS		
Provision for employee benefits		
Salary and Perquisites	27,765,083	57,667,456
Provision For Gratuity #	754,725	1,682,834
Provision For Leave Encashment #	179,373	397,179
Others		
Provision for Income Tax *	-	-
(Net of Advance tax & TDS of ₹ 8,74,44,311 (P.Y ₹ 6,51,00,494)	30,649	28,578
Provision For Wealth Tax		
Total	28,729,830	59,776,047

also refer to Note No. 2.05 & 2.21

* also refer to Note No. 2.16

NOTE NO. 2.09

FIXED ASSETS

(Amount in ₹)

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As At 01.04.2012	Additions	Disposals	As At 31.03.2013	As At 01.04.2012	Charged for the year	On Disposals	As At 31.03.2013	As At 31.03.2013	As At 31.03.2012
Tangible Assets										
Land	10,022,300	-	10,022,300	-	-	-	-	-	-	10,022,300
Office Building	51,143,018	-	102,095	51,040,923	10,805,135	2,016,894	27,272	12,794,757	38,246,166	40,337,883
Office Equipment	100,524,583	2,782,339	6,014,049	97,292,873	39,859,596	8,399,203	2,799,954	45,458,845	51,834,028	60,664,987
Furniture & Fixtures	126,784,392	3,016,588	2,132,018	127,668,962	55,663,854	12,987,871	1,018,377	67,633,348	60,035,614	71,120,538
Computer Hardware	164,284,494	7,320,030	2,872,861	168,731,663	123,158,708	18,013,855	2,549,734	138,622,829	30,108,834	41,125,786
Vehicle	13,583,611	828,563	2,071,870	12,340,304	7,801,033	1,475,133	1,635,405	7,640,761	4,699,543	5,782,578
VSAT	36,587,236	310,000	77,500	36,819,736	21,148,616	2,179,048	37,528	23,290,136	13,529,600	15,438,620
Total Tangible Assets	502,929,634	14,257,520	23,292,693	493,894,461	258,436,942	45,072,004	8,068,270	295,440,676	198,453,785	244,492,692
Previous Year	502,264,812	27,471,855	26,807,033	502,929,634	221,999,517	54,149,117	17,711,692	258,436,942	244,492,692	311,560,387
Intangible Assets										
Computer Software	55,600,370	170,000	3,091,234	52,679,136	41,727,032	5,548,362	3,052,134	44,223,260	8,455,876	13,873,338
Trade Mark Logo	20,000	-	-	20,000	16,841	1,264	-	18,105	1,895	3,159
Goodwill	10,000,000	-	-	10,000,000	-	-	-	-	10,000,000	10,000,000
Total Intangible Assets	65,620,370	170,000	3,091,234	62,699,136	41,743,873	5,549,626	3,052,134	44,241,365	18,457,771	23,876,497
Previous Year	60,845,882	4,774,488	-	65,620,370	33,430,295	8,313,578	-	41,743,873	23,876,497	30,941,794

NOTE NO. 2.10

INVESTMENTS

(Amount in ₹)

PARTICULARS	FACE VALUE	AS AT 31.03.2013		AS AT 31.03.2012	
		NUMBERS	AMOUNT	NUMBERS	AMOUNT
A. Non-Current Investments					
Investment Property			10,686,191		-
Sub- Total			10,686,191		-
Trade Investments (Valued at cost)					
Investment in Equity Instruments (Un-quoted)					
INVESTMENT IN SUBSIDIARIES					
SMC Comtrade Limited	10	8,500,000	735,400,000	4,500,000	435,400,000
Moneywise Financial Services (P) Limited	10	13,364,650	452,293,000	13,364,650	452,293,000
SMC Capitals Limited	10	9,041,660	105,709,967	9,041,660	105,709,967
SMC Investments & Advisors Limited	10	15,000,000	600,000,000	7,500,001	300,000,040
SMC ARC Limited	10	2,500,000	25,000,000	2,500,000	25,000,000
Moneywise Finvest Limited	10	1,000,000	9,798,700	390,000	3,900,000
SMC Finvest Limited	10	40,180,000	372,772,000	15,990,000	159,900,000
Sub- Total			2,300,973,667		1,482,203,007
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
SJVN Limited	10	2,578,610	50,798,617	-	-
Pradip Overseas Limited	10	424,108	9,447,024	-	-
NHPC Limited	10	185,093	3,981,350	-	-
Khandwala Securities Limited	10	315,935	5,260,318	-	-
Surya Roshni Limited	10	33,512	1,836,458	-	-
ITC Limited	1	9,000	2,541,060	-	-
Welspun Corp Limited	5	14,938	1,485,883	-	-
Gabriel India Limited	1	30,000	649,800	-	-
Unitech Limited	2	19,650	717,422	-	-
Larsen & Toubro Limited	2	428	669,811	-	-
Amtek Auto Limited	2	8,150	1,077,838	-	-
Hindustan Oil Exploration Company Limited	10	5,267	624,034	-	-
Bajaj Hindustan Limited	1	20,000	531,400	-	-
Tata Motors Limited	2	1,250	366,138	-	-

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(Amount in ₹)

PARTICULARS	FACE VALUE	AS AT 31.03.2013		AS AT 31.03.2012	
		NOS.	AMOUNT	NOS.	AMOUNT
Zee Entertainment Enterprises Limited	1	1,270	286,715	-	-
Reliance Capital Limited	10	576	272,892	-	-
Steel Authority of India Limited	10	2,485	217,264	-	-
Aftek Limited	2	20,902	208,602	-	-
Gayatri Sugars Limited	10	44,999	134,997	-	-
TATA Steel Limited	10	301	121,812	-	-
Indian Hotels Company Limited	1	1,513	96,968	-	-
Fortis Healthcare Limited	10	468	47,727	-	-
Tech Mahindra Limited	10	45	44,869	-	-
Som Datt Finance Corporation Limited	10	4,100	27,470	-	-
JCT Electronics Limited	1	16,000	12,320	-	-
Gail India Limited	10	30	11,084	-	-
Murudeshwar Ceramics Limited	10	452	7,842	-	-
Punj Lloyd Limited	2	100	6,293	-	-
GVK Power & Infrastructure Limited	1	400	6,008	-	-
Zee Learn Limited	1	158	2,326	-	-
Jaiprakash Associates Limited	2	45	3,730	-	-
Reliance Power Limited	10	36	3,394	-	-
HB Portfolio Limited	10	100	2,575	-	-
Peacock Industries Limited	10	200	950	-	-
Moongipa Capital Finance Limited	10	100	399	-	-
Hindalco Industries Limited	1	5	578	-	-
Jaiprakash Power Ventures Limited	10	4	140	-	-
Sub- Total			162,956,968		81,452,860
INVESTMENT IN EQUITY INSTRUMENTS (UNQUOTED)					
Ludhiyana Stock Exchange Association Limited	1	2,000	54,000	2,000	54,000
Trackon Telematics Private Limited	10	49,000	21,567,350	49,000	21,567,350
Priknit Retails Limited	10	250,000	25,000,000	250,000	25,000,000
The Great Logistic & Parking Services Pvt. Limited	10	100,000	4,700,000	100,000	4,700,000
Sub- Total			51,321,350		51,321,350
Total			2,525,938,176		1,614,977,217

Note :

1. Aggregate Market Value of Quoted Investment is ₹ 9,96,03,177 (Previous Year is ₹ 3,63,23,659)
2. Aggregate Book Value of Quoted Investment is ₹ 16,29,56,968 (Previous Year is ₹ 8,14,52,860)
3. Aggregate Book Value of Unquoted Investment is ₹ 2,35,22,95,017 (Previous Year is ₹ 1,53,35,24,357)

NOTE NO. 2.10

INVESTMENTS

(Amount in ₹)

PARTICULARS	FACE VALUE	AS AT 31.03.2013		AS AT 31.03.2012	
		NUMBERS	AMOUNT	NUMBERS	AMOUNT
B. Current Investment					
(at lower of cost or market value)					
Investment in equity instrument					
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
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
Sub- Total			-		37,962,725
Investment in Mutual Fund					
Reliance Money Manager Fund-Retail				6,536.6023	8,988,516
Sub- Total			-		8,988,516
Total			-		46,951,241

NOTE NO. 2.11**LONG TERM LOANS AND ADVANCES**

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2013	AS AT 31.03.2012
Unsecured, considered good		
Security Deposits	65,909,102	66,444,812
Advances Recoverable in cash or in kind	448,077,525	521,670,552
Total	513,986,627	588,115,364

NOTE NO. 2.12**TRADE RECEIVABLES (NON CURRENT)**

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2013	AS AT 31.03.2012
Outstanding for a period exceeding six months		
Unsecured, considered good	269,928,102	356,890,982
Unsecured, considered doubtful	23,046,438	1,045,093
Less: Provision for doubtful debts #	23,046,438	1,045,093
Total	269,928,102	356,890,982

also refer to Note No. 2.30

NOTE NO. 2.13**INVENTORIES (VALUED AT MARKET PRICE)**

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2013	AS AT 31.03.2012
Stock-in-trade of Securities #	748,789,113	974,006,936
Total	748,789,113	974,006,936

also refer to Note No. 2.34

NOTE NO. 2.14**TRADE RECEIVABLES (CURRENT)**

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2013	AS AT 31.03.2012
Outstanding for a period less than six months		
Unsecured, considered good	1,243,462,630	1,803,254,090
Total	1,243,462,630	1,803,254,090

NOTE NO. 2.15

CASH AND BANK BALANCES

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2013	AS AT 31.03.2012
Cash & Cash Equivalent:		
Balance with Banks on current accounts	92,929,561	39,576,519
Cash in hand	1,902,578	2,949,265
Foreign Currency in hand	22,572	16,925
Bank deposits with maturity of 3 months or less than 3 months	2,356,660	1,501,660
	97,211,371	44,044,369
Other Bank Balances		
Margins Deposited with Exchanges or against guarantees and other commitments #	2,135,812,864	1,670,463,885
Total	2,233,024,235	1,714,508,254

also refer to Note No. 2.29

NOTE NO. 2.16

SHORT-TERM LOANS AND ADVANCES

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2013	AS AT 31.03.2012
Unsecured, considered good		
Loans and advances to related parties *	313,897,116	433,008,904
Advances Recoverable in cash or in kind	98,095,016	79,306,973
Prepaid Expenses	37,393,463	57,398,028
Balance with Statutory Authorities	1,792,111	106,117
Advance tax and TDS # (Net of Provision for Income Tax of ₹ 6,04,87,993; PY ₹ 4,28,84,723)	26,956,318	22,215,774
Total	478,134,024	592,035,796

also refer to Note No. 2.08

* also refer to Note No. 2.33

NOTE NO. 2.17

OTHER CURRENT ASSETS

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2013	AS AT 31.03.2012
Accrued Interest on FDR	20,488,060	17,986,108
Unamortized Expenses	-	160,466
Total	20,488,060	18,146,574

NOTE NO. 2.18

REVENUE FROM OPERATIONS

(Amount in ₹)

DESCRIPTIONS	FOR THE YEAR ENDED 31.03.2013	FOR THE YEAR ENDED 31.03.2012
Income from Brokerage	732,393,259	730,610,636
Income from Proprietary Trading	664,714,815	647,595,917
Income from Distribution of Financial products	48,942,058	55,086,201
Income from Depository Business	35,877,935	42,072,963
Treasury Income	194,222,180	157,266,498
Other Operating Income		
Incentive from Exchange	13,948,440	1,525,466
Income from Investment in PMS	15,735,212	(3,046,432)
Income from Reverse Book Building	2,530,100	1,843,200
Delay Payment Charges	48,659,036	68,264,918
Total	1,757,023,035	1,701,219,367

NOTE NO. 2.19

OTHER INCOMES

(Amount in ₹)

DESCRIPTIONS	FOR THE YEAR ENDED 31.03.2013	FOR THE YEAR ENDED 31.03.2012
Interest on Income Tax Refund	467,890	317,877
Liability no Longer Required	11,876,874	2,964,568
Miscellaneous Income	4,549,454	21,989,355
Total	16,894,218	25,271,800

NOTE NO. 2.20

STOCK EXCHANGE AND OTHER OPERATING EXPENSES

(Amount in ₹)

DESCRIPTIONS	FOR THE YEAR ENDED 31.03.2013	FOR THE YEAR ENDED 31.03.2012
Client Introduction Charges	332,468,699	321,434,180
Exchange & Other Regulatory Charges	154,857,911	180,802,163
Membership Fees & Subscription	2,344,565	1,222,222
VPN, Leaseline, Internet & VSAT Expenses	9,291,696	12,463,120
Securities Transaction Tax	259,430,160	262,503,362
Demat Charges	468,099	726,844
Total	758,861,130	779,151,891

NOTE NO. 2.21

EMPLOYEE BENEFIT EXPENSES

(Amount in ₹)

DESCRIPTIONS	FOR THE YEAR ENDED 31.03.2013	FOR THE YEAR ENDED 31.03.2012
Salaries and incentives	364,961,349	377,096,462
Employers' Contributions to -		
Provident fund	8,234,822	9,172,109
ESI	2,901,396	4,592,107
Gratuity #	(1,876,227)	2,492,945
Staff welfare expenses	5,445,106	6,864,658
Total	379,666,446	400,218,281

includes adjustment of prior period ₹ 12,23,450 (Previous Year Nil)

As per Accounting Standard 15 " Employee Benefits", the disclosures as defined in the accounting Standard are given below:

A Gratuity (Partly Funded)

Change in Present Value of Obligation

(Amount in ₹)

PARTICULARS	FOR THE YEAR ENDED 31.03.2013	FOR THE YEAR ENDED 31.03.2012*
Present Value of the Obligation as at the beginning of the year	22,411,366	23,242,633
Interest Cost	1,960,995	
Current Service Cost	4,008,149	
Benefit Paid	(926,543)	(2,040,288)
Actuarial (gain)/loss on obligations	(6,577,044)	1,209,021
Present Value of the Obligation as at the end of the year	20,876,923	22,411,366
Amount recognized in the Balance Sheet		
Present Value of the Obligation as at the end of the year	20,876,923	22,411,366
Fair Value of Plan Assets as at the end of the year	1,417,731	1,375,947
Net Liability recognised in Balance Sheet	19,459,192	21,035,419
Amount recognized in the Statement of Profit and Loss		
Interest Cost	1,960,995	
Current Service Cost	4,008,149	
Expected Return on Plan Assets	(220,949)	
Actuarial (gain)/loss on obligations	(6,577,044)	
Actuarial (gain)/loss on plan assets	176,072	
Arrear of Gratuity Liability as on beginning of the year	-	
Prior Period adjustments	(1,223,450)	
Total expense recognized in the Statement of Profit and Loss	(1,876,227)	2,492,945

NOTE NO. 2.21

EMPLOYEE BENEFIT EXPENSES

(Amount in ₹)

DESCRIPTIONS	FOR THE YEAR ENDED 31.03.2013	FOR THE YEAR ENDED 31.03.2012
Reconciliation of Balance Sheet		
Present Value of the Obligation as at the beginning of the year	22,411,366	23,242,633
Total expense recognized in the Statement of Profit and Loss	(652,777)	2,492,945
Benefits paid	(926,543)	(2,040,288)
Actuarial return on plan assets	44,877	(1,283,924)
Present Value of the Obligation as at the end of the year	20,876,923	22,411,366
Less: Fair value of plan assets at the end of the year	1,417,731	1,375,947
Net Liability	19,459,192	21,035,419
Bifurcation of the present value of the Obligation as on the end of the year		
Current Liability	754,725	1,682,834
Non-Current Liability	18,704,467	19,352,585
Net Liability	19,459,192	21,035,419

The principal assumptions used in determining obligations for the Company's plans are shown below:

Discount rate	8.75%	8.75%
Increase in compensation cost	5.00%	5.00%

* Figures given to the extent available

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

B Leave encashment (Unfunded)

Change in Present Value of Obligation

(Amount in ₹)

PARTICULARS	FOR THE YEAR ENDED 31.03.2013	FOR THE YEAR ENDED 31.03.2012*
Present Value of the Obligation as at the beginning of the year	5,019,435	767,699
Interest Cost	439,201	65,254
Current Service Cost	1,245,897	4,122,647
Benefit Paid	(1,453,019)	(262,335)
Actuarial (gain)/loss on obligations	(480,582)	326,170
Present Value of the Obligation as at the end of the year	4,770,932	5,019,435
Amount recognized in the Balance Sheet		
Present Value of the Obligation as at the end of the year	4,770,932	5,019,435
Fair Value of Plan Assets as on the end of the year	-	-
Net Liability recognised in Balance Sheet	4,770,932	5,019,435

NOTE NO. 2.21

EMPLOYEE BENEFIT EXPENSES

(Amount in ₹)

DESCRIPTIONS	FOR THE YEAR ENDED 31.03.2013	FOR THE YEAR ENDED 31.03.2012
Amount recognized in the Statement of Profit and Loss		
Interest Cost	439,201	65,254
Current Service Cost	1,245,897	4,122,647
Expected Return on Plan Assets	-	-
Actuarial (gain)/loss on obligations	(480,582)	326,170
Arrear of Leave encashment Liability as on beginning of the year	-	-
Total expense recognized in the Statement of Profit and Loss	1,204,516	4,514,071
Reconciliation of Balance Sheet		
Present Value of the Obligation as at the beginning of the year	5,019,435	767,699
Total expense recognized in the Statement of Profit and Loss	1,204,516	4,514,071
Benefits paid	(1,453,019)	(262,335)
Present Value of the Obligation as on the end of the year	4,770,932	5,019,435
Bifurcation of the present value of the Obligation as on the end of the year		
Current Liability	179,373	397,179
Non-Current Liability	4,591,559	4,622,256
Total	4,770,932	5,019,435

The principal assumptions used in determining obligations for the Company's plans are shown below:

Discount rate	8.75%	8.75%
Increase in compensation cost	5.00%	5.00%

* Figures given to the extent available

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

NOTE NO. 2.22

FINANCE COSTS

(Amount in ₹)

DESCRIPTIONS	FOR THE YEAR ENDED 31.03.2013	FOR THE YEAR ENDED 31.03.2012
Interest expense	127,783,674	173,687,787
Other Borrowing Cost	13,482,043	12,653,365
Total	141,265,717	186,341,152

NOTE NO. 2.23

DEPRECIATION AND AMORTISATION EXPENSES

(Amount in ₹)

DESCRIPTIONS	FOR THE YEAR ENDED 31.03.2013	FOR THE YEAR ENDED 31.03.2012
Depreciation on Tangible Assets	45,072,004	54,149,117
Amortisation on Intangible Assets	5,549,626	8,313,578
Total	50,621,630	62,462,695

NOTE NO. 2.24

OTHER EXPENSES

(Amount in ₹)

DESCRIPTIONS	FOR THE YEAR ENDED 31.03.2013	FOR THE YEAR ENDED 31.03.2012
Advertisement	15,036,570	9,708,922
Business Promotion	40,559,401	7,752,092
Provision for Doubtful Debts #	31,935,767	42,536,414
Computer Repair & Maintenance	13,672,582	9,492,882
Conveyance & Traveling Expenses	12,634,800	14,059,532
Director Sitting Fee	540,000	352,000
Electricity & Water Charges	23,382,264	15,346,935
Insurance	943,191	1,003,955
Legal & Professional Charges	40,649,962	36,137,428
Bank Charges	17,029,873	17,710,361
Stock Exchange Listing Fee	142,036	239,061
Loss On Sale / Discarded Fixed Assets	82,313	5,220,567
Office Repair & Maintenance	17,706,609	18,124,188
Printing and Stationery	10,366,875	6,807,926
Rent	59,094,681	49,282,213
Rates & Taxes	987,546	1,109,247
Share Broker Franking Expenses	1,542,517	586,518
Communication Expenses	20,284,233	30,163,967
Vehicle Running & Maintenance	2,625,435	3,112,856
Miscellaneous Expenses	4,032,978	5,642,997
Auditor's remuneration:		
As Statutory Auditor	250,000	200,000
As Tax Auditor	50,000	50,000
As Fee for Other Services	62,000	-
Deferred Revenue Expenditure Amortized	160,466	9,874,243
Total	313,772,099	284,514,304

also refer to Note No. 2.30

NOTE NO. 2.25

CONTINGENT LIABILITIES

(Amount in ₹)

Contingent liabilities not provided in the financial statements:

PARTICULARS	AS AT 31.03.2013	AS AT 31.03.2012
Corporate guarantee executed by the company for credit facility extended to a subsidiary	60,12,50,000	54,62,50,000
ESI demand in dispute (Amount Paid under protest ₹ 12,42,581 (P.Y. ₹ 12,42,581)	31,06,450	31,06,450

NOTE NO. 2.26

COMMITMENTS

(Amount in ₹)

PARTICULARS	AS AT 31.03.2013	AS AT 31.03.2012
Contracts remaining to be executed on account of capital - For investment in subsidiaries	72,28,146	52,59,86,660

NOTE NO. 2.27

EARNING AND EXPENDITURE IN FOREIGN CURRENCY

(Amount in ₹)

PARTICULARS	FOR THE YEAR ENDED 31.03.2013	FOR THE YEAR ENDED 31.03.2012
a) Earning in Foreign Currency	Nil	Nil
b) Expenditure in Foreign Currency		
- Management & Advisory Services	2,69,00,000	4,43,10,000
- Expense on Foreign Tour	31,877	Nil
- Purchase of Investments	51,87,70,660	Nil

2.28 In the opinion of the Board of Directors and to the best of their knowledge and belief the realizable value of inventories, trade receivables (current & non-current) and loans & advances (current & non-current), in ordinary course of business, is not less than the value stated in the Balance Sheet.

2.29 Fixed Deposit with Schedule Banks includes ₹ 189,24,37,864 (P.Y. ₹ 120,65,88,885) under lien in favour of the bank as margin deposit for the guarantees issued/credit facilities or otherwise. And ₹ 24,33,75,000 (P.Y. ₹ 46,38,75,000) pledge with stock exchanges as margin, which does not

include margins paid by client constituents on their own behalf.

2.30 Provision for doubtful debts of ₹ 2,30,46,438 (Previous Year ₹ 10,45,093) is net of bad debts written off ₹ 99,34,422 (Previous Year ₹ 4,16,25,106). No provision has been made in respect of certain overdue Trade Receivable amounting to ₹ 26,99,28,102 (P. Y. ₹ 35,68,90,982) since the company has taken suitable measures to recover the said dues including filling of legal cases wherever considered appropriate and is hopeful of recovery.

2.31 SEGMENT ACCOUNTING

a. Business Segment

- i) The business segment has been considered as the primary segment.
- ii) The Company'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

2.32

EARNING PER SHARE

In accordance with AS-20 "Earning per Share", notified u/s 211(3C) of the Companies Act, 1956, the basic & diluted earning per share is being calculated as under:

(Amount in ₹)

PARTICULARS	FOR THE YEAR ENDED 31.03.2013	FOR THE YEAR ENDED 31.03.2012
Net Profit attributable to Equity Shareholders	10,60,00,165	78,41,869
Weighted Average No. of Equity Shares		
- For Basic EPS	11,22,37,898	10,63,54,540
- For Diluted EPS	11,22,37,898	10,63,54,540
Nominal Value per share	₹ 2	₹ 2
Basic EPS	0.94	0.07
Diluted EPS	0.94	0.07

As per Accounting Standard-20 "Earning Per Share", notified u/s 211(3C) of the Companies Act, 1956, in case of Bonus shares, the number of shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event has occurred at the beginning of the earliest period reported. Weighted average number of equity shares outstanding during the previous year has been considered accordingly.

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 notified u/s 211(3C) of the companies Act, 1956.

1. Name of Related Parties and nature of relationship:

Nature of Relationship	Name of Related Parties
Key managerial personnel	Mr. Subhash Chand Aggarwal (Chairman & Managing Director) Mr. Mahesh Chand Gupta (Vice-Chairman & Managing Director) Mr. Ajay Garg (Whole time Director) Mr. Pradeep Aggarwal (Whole time Director) Mr. Anurag Bansal (Whole time Director)
Relative of key managerial personnel	Mr. Himanshu Gupta Ms. Shweta Aggarwal
Subsidiaries	SMC Comtrade Limited SMC Insurance Brokers Private Limited SMC ARC Limited SMC Investments and Advisors Ltd. (formerly known as Sanlam Investments and Advisors (India) Limited) Moneywise Financial Services Private Limited SMC Capitals Limited SMC Comex International DMCC Moneywise Finvest Ltd. (formerly known as Sanlam Trustee Company (India) Limited) SMC Finvest Ltd. (formerly known as Sanlam Investment Management (India) Limited) SMC Securities Private Limited (w.e.f February 08, 2013)
Associates	MVR Share Trading Private Limited

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2) Significant Transactions with Related Parties for the year ended 31st March, 2013

(Amount in ₹)

NATURE OF TRANSACTION	KEY MANAGERIAL PERSONNEL	RELATIVES OF KEY MANAGERIAL PERSONNEL	SUBSIDIARIS
Investments:			
SMC Comtrade Limited			30,00,00,000
SMC Capitals Limited			(4,00,00,000)
Remuneration			
Mr. Subhash Chand Aggarwal	60,00,000 (65,00,000)		
Mr. Mahesh Chand Gupta	60,00,000 (65,00,000)		
Mr. Rakesh Gupta	NIL (42,00,252)		
Mr. Pradeep Aggarwal	39,23,700 (42,50,675)		
Mr. Anurag Bansal	30,00,000 (30,00,000)		
Mr. Ajay Garg	30,00,000 (26,85,483)		
Others		36,00,000 (35,75,000)	
Brokerage Received			
SMC Securities Private Limited			14,19,073 (Nil)
SMC ARC			7,86,066 (7,01,072)
Others			90,941 (49,229)
Demat Charges			
SMC Comtrade Limited			2,71,100 (64,90,664)
Moneywise Financial Service Private Limited			4,821 (Nil)
Commission on Fund Mobilization			
SMC Capitals Limited			Nil (74,52,569)
Client Introduction Charges Paid			
SMC Investments and Advisors Limited			2,77,73,950 (1,41,66,150)
Management Fee on PMS paid			
SMC Investments and Advisors Limited			13,40,890 (2,91,300)
Net Reimbursement of Expenses Paid			
SMC Comtrade Limited			57,05,912 (Nil)

2) Significant Transactions with Related Parties for the year ended 31st March, 2013 cont...

(Amount in ₹)

NATURE OF TRANSACTION	ASSOCIATE	SUBSIDIARIES
Loans & Advances recovered from Related Party (net)		
SMC Comtrade Limited		16,18,93,154 (Nil)
MVR Share Trading Pvt. Limited	43,40,000 (79,04,976)	
Loans & Advances to related Parties (net)		
SMC Comtrade Limited		Nil (1,08,79,314)
SMC Capitals Limited		2,13,80,980 (Nil)
Net Reimbursement of Expenses Received		
SMC Comtrade Limited		Nil (30,71,80,691)
SMC Capitals Limited		61,38,797 (Nil)
SMC Insurance Brokers Private Limited		1,60,92,216 (Nil)
Moneywise Financial Services Private Limited		Nil (4,09,46,172)
Others		40,77,379 (69,97,377)
Purchase of Fixed Assets		
SMC Investments and Advisors Limited		1,43,964 (Nil)

Note:

-Figures shown in bracket indicates previous year amount.

-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.

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3) Balance Outstanding

(Amount in ₹)

PARTY NAME	INCLUDED IN	AS AT 31.03.2013	AS AT 31.03.2012
SMCARCLtd.	Short Term Loans & Advances	Nil	10,51,890
SMCARCLtd.	Trade Receivables (current)	Nil	17,46,387
SMC Investments and Advisors Ltd.	Short Term Loans & Advances	Nil	1,85,737
SMC Investments and Advisors Ltd.	Trade Payable	Nil	14,11,088
SMCARCLtd.	Trade Payable	1,06,94,418	Nil
SMC Comtrade Limited	Short Term Loans & Advances	29,25,16,136	43,17,71,277
SMC Comtrade Limited	Trade Payable (Current)	2,20,97,465	10,75,123
SMC Capitals Limited	Short Term Loans & Advances	2,13,80,980	Nil
SMC Securities Pvt. Ltd.	Trade Payable (Current)	52,14,587	Nil
MVR Share Trading Pvt. Limited	Long Term Loans & Advances	3,92,41,800	4,35,81,800

2.34 Statement of Inventory as at the Balance sheet date is annexed and marked as "Annexure - A"

2.35 Previous year's figures has been rearranged and re-grouped wherever found necessary to make comparable with those of the current year and the figures has been rounded of to the nearest to rupee.

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

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/-
SUMAN KUMAR
 (COMPANY SECRETARY)

PLACE : NEW DELHI
 DATE : 23.04.2013

Statement of Inventory "Annexure - A"

(Amount in ₹)

S.NO.	SCRIP NAME	YEAR ENDED ON 31-03-2013		YEAR ENDED ON 31-03-2012	
		QTY	VALUE	QTY	VALUE
1	ABB Ltd	-	-	500	420,775
2	HDFC LTD	39,500	32,636,875	29,000	19,534,400
3	Bajaj Hindustan Ltd.	-	-	20,000	621,000
4	Balrampur Chini Mills Ltd.	-	-	8,000	456,400
5	Century Textile and Industries Ltd.	32,924	9,450,834	39,000	14,375,400
6	Bata India Ltd	6,750	4,848,863	12,500	9,615,000
7	kakinada fertilizers Ltd.	26,400	343,200	26,400	311,784
8	Cipla Ltd	47,940	18,205,215	36,000	10,963,800
9	Crompton Greaves Ltd.	4,000	375,200	8,002	1,105,476
10	Dabur India Ltd	9,500	1,301,025	4,000	425,600
11	Bharat Heavy Electricals Ltd.	1,000	177,000	27,000	6,937,650
12	Hindustan Petroleum Corp Ltd.	8,000	2,281,600	35,000	10,612,000
13	IFCI Ltd	56,000	1,461,600	136,000	5,691,600
14	Reliance Capital Ltd	31,371	9,809,712	19,576	7,670,856
15	State Bank of India Ltd.	1,125	2,331,844	8,500	17,807,500
16	Steel Authority of India Ltd.	248,000	15,512,400	48,485	4,560,014
17	Titan Industries Ltd.	9,099	2,332,984	25,000	5,715,000
18	Dr Reddys Laboratories Ltd.	750	1,324,875	1,500	2,637,975
19	Essar Oil Ltd	-	-	44,000	2,356,200
20	HDFC BANK LTD.	30,900	19,323,315	32,500	16,901,625
21	Hero MotoCorp Ltd.	50	77,100	2,375	4,880,269
22	Hindustan Oil Exploration Company Ltd.	500	26,100	21,267	2,382,967
23	Infosys Ltd.	4,500	13,002,075	11,250	32,230,688
24	Jain Irrigation Systems Ltd.	16,100	987,735	4,000	395,200
25	JCT Electronics Ltd.	-	-	16,000	12,320
26	JSW Steel Limited	1,000	672,350	75,000	54,120,000
27	Kotak Mahindra Bank Ltd.	-	-	2,000	1,084,900
28	LIC Housing Finance Ltd.	18,000	4,048,200	57,000	14,993,850
29	Lupin Ltd	5,300	3,331,315	1,000	529,650
30	MRF LTD.	-	-	250	2,484,200

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S.NO.	SCRIP NAME	YEAR ENDED ON 31-03-2013		YEAR ENDED ON 31-03-2012	
		QTY	VALUE	QTY	VALUE
31	NCC Ltd	-	-	12,000	674,400
32	Sesa Goa Ltd	59,600	9,267,800	95,000	18,453,750
33	Grasim Industries Ltd.	250	703,325	1,625	4,272,694
34	JSW ISPAT Steel Ltd.	4,320,000	37,800,000	42,000	528,780
35	Oil & Natural Gas Corp Ltd.	15,068	4,692,175	34,000	9,088,200
36	Oriental Bank of Commerce Ltd.	-	-	5,000	1,261,250
37	ORKAY SILK MILL LTD.	23,450	-	23,450	-
38	Padmini Technologeis Ltd.	50	-	50	-
39	Reliance Industries Ltd.	11,498	8,886,804	26,998	20,201,254
40	Peacock Industries Ltd.	-	-	200	950
41	Surya Roshni Ltd.	-	-	38,512	2,110,457
42	Rolta India Ltd	3,000	197,700	4,000	374,400
43	Aurobindo Pharma Ltd.	2,000	291,900	24,000	2,853,600
44	Mercator Limited	-	-	8,000	202,000
45	NMDC Limited	12,000	1,645,200	7,000	1,127,700
46	Jai Rapid Roller Ltd.	100	-	100	-
47	Kamat Hotels India Ltd.	-	-	11,454	1,433,468
48	Financial Technologies india Ltd.	250	178,150	3,000	2,053,650
49	India Cements Ltd.	-	-	4,000	445,200
50	Moongipa Capital Finance Ltd.	-	-	100	398
51	LAUREL ORGANICS LTD.	100	-	100	-
52	Aftek Limited	-	-	20,902	208,602
53	IVRCL Infrastructure & Projects Ltd.	164,000	3,157,000	408,000	27,030,000
54	Indian Oil Corp Ltd.	27,000	7,603,200	7,000	1,838,200
55	Manna Glass Tech Ltd.	10,000	-	10,000	-
56	Khandwala Securities Ltd.	-	-	319,499	5,319,658
57	Dena Bank Ltd.	4,287	383,686	40,000	3,600,000
58	Hexaware Technologies Ltd.	64,300	5,436,565	4,000	468,000
59	Bank of Baroda	20,000	13,508,000	2,000	1,587,300
60	Welspun Corp Ltd.	22,000	1,107,700	22,938	3,094,336

(Amount in ₹)

S.NO.	SCRIP NAME	YEAR ENDED ON 31-03-2013		YEAR ENDED ON 31-03-2012	
		QTY	VALUE	QTY	VALUE
61	Bank of India	2,000	605,700	2,000	722,000
62	Gail India Ltd	4,500	1,432,125	9,230	3,460,788
63	ICICI Bank Ltd	7,500	7,839,000	400	354,900
64	Gayatri Sugars Ltd.	-	-	44,999	134,997
65	AXIS Bank Ltd	2,123	2,761,385	29,350	33,632,165
66	Polaris Financial Technologies Ltd.	-	-	2,000	327,800
67	Kale Consultants Ltd.	-	-	16,500	2,273,700
68	Syndicate Bank	8,000	879,600	8,000	888,400
69	Satyam Computer Services Ltd.	-	-	590,750	47,378,150
70	Reliance Infrastructure Ltd.	45,500	14,762,474	35,500	20,834,950
71	Ambuja Cements Ltd.	4,000	696,800	8,000	1,370,000
72	Hindalco Industries Ltd.	24,000	2,198,400	174,005	22,524,946
73	Escorts Ltd	-	-	24,000	1,647,600
74	Larsen & Toubro Ltd.	7,000	9,563,400	21,428	28,003,182
75	Bharat Petroleum Corporation Ltd.	28,000	10,575,600	4,500	3,146,850
76	Siemens Ltd	600	329,190	250	189,425
77	Tata Motors Ltd.	36,600	9,850,890	39,250	10,821,225
78	Voltas Ltd	10,000	753,500	44,000	4,930,200
79	Hindustan Unilever Ltd.	2,500	1,167,374	66,001	27,053,810
80	Tata Global Beverages Ltd.	38,000	4,858,300	24,000	2,689,200
81	Indian Hotels Company Ltd.	-	-	1,513	96,605
82	ITC Ltd	14,600	4,517,970	107,000	24,272,950
83	Apollo Tyres Ltd.	16,000	1,335,200	16,000	1,269,600
84	Sterlite Industries India Ltd.	96,053	9,000,166	105,213	11,689,164
85	Sintex Industries Ltd.	80,000	3,684,000	74,000	6,382,500
86	Orient Abrasive Ltd.	140,000	1,295,000	235,685	1,708,716
87	Zee Entertainment Enterprises Ltd.	14,000	2,946,300	17,271	2,185,645
88	Gabriel India Ltd.	-	-	15,000	649,500
89	Unitech Ltd	-	-	83,650	2,404,938
90	VIP Industries Ltd.	-	-	2,500	249,750

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S.NO.	SCRIP NAME	YEAR ENDED ON 31-03-2013		YEAR ENDED ON 31-03-2012	
		QTY	VALUE	QTY	VALUE
91	Vasta Corp Ltd.	1,000	-	1,000	-
92	Videocon Industries Ltd.	-	-	2,000	343,000
93	Som Datt Finance Corporation Ltd.	-	-	4,100	27,470
94	MUTHOOT CAPITAL SERVICES LTD.	-	-	4,625	314,269
95	Core Education & Technologies Ltd.	-	-	5,000	1,410,000
96	WESTERN INDIA INDUSTRIES LTD.	50	-	50	-
97	Adani Enterprise Ltd.	800	161,760	20,000	6,084,000
98	DEWAN STEEL LTD.	3,100	-	3,100	-
99	S.Kumars Nationwide Ltd.	-	-	8,000	263,600
100	Murudeshwar Ceramics Ltd.	-	-	452	7,842
101	Havells India Ltd.	-	-	1,000	571,850
102	Amtek Auto Ltd.	-	-	8,150	1,077,838
103	Alok Industries Ltd.	50	410	55,000	1,078,000
104	Praj Industries Ltd.	-	-	8,000	641,600
105	Aban Offshore Ltd.	-	-	6,000	2,598,000
106	SPECIALITY PETROLUBES LTD.	100	-	100	-
107	Pantaloon Retail India Ltd.	102,000	15,269,400	42,000	6,432,300
108	Shipping Corporation of India Ltd.	-	-	4,000	248,000
109	Orchid Chemical & Pharmaceuticals Ltd.	1,000	62,650	28,001	5,175,985
110	Sun Pharmaceuticals Inds Ltd.	30,000	24,568,500	17,000	9,681,500
111	UCO Bank Ltd	24,000	1,338,000	28,000	2,205,000
112	Indraprastha Gas Ltd.	1,000	277,150	500	189,375
113	Petronet LNG Ltd	30,000	4,065,000	12,000	2,018,400
114	Biocon Ltd	32,000	8,756,800	15,000	3,570,750
115	Jaiprakash Associates Ltd.	8,000	523,600	96,045	7,837,272
116	Tata Consultancy Services Ltd.	3,999	6,301,424	7,850	9,167,623
117	National Therma Power Corp Ltd	74,000	10,504,300	80,000	13,016,000
118	Jet Airways India Ltd.	-	-	4,000	1,305,800
119	Jaiprakash Power Ventures Ltd.	24,000	626,400	4	163
120	India Infoline Investment services Ltd	1,000	60,650	4,000	267,400

(Amount in ₹)

S.NO.	SCRIP NAME	YEAR ENDED ON 31-03-2013		YEAR ENDED ON 31-03-2012	
		QTY	VALUE	QTY	VALUE
121	Yes Bank Ltd	37,000	15,869,300	1,000	367,300
122	Mcleod Russel India Ltd	-	-	6,050	1,652,255
123	IDFC Limited	10,000	1,436,000	158,000	21,345,800
124	Shree Renuka Sugars Ltd	40,000	888,000	48,000	1,516,800
125	Bombay Rayon Fashions Ltd	-	-	1,000	249,300
126	Punj Lloyd Ltd.	-	-	12,100	668,525
127	Educomp Solutions Ltd	-	-	24,000	4,636,800
128	GVK Power & Infrastructure Ltd.	-	-	60,400	1,050,960
129	Reliance Communication Ltd.	20,000	1,106,000	144,000	12,103,200
130	Tech Mahindra Ltd.	14,250	15,097,875	1,045	752,034
131	Lanco Infratech Ltd.	-	-	96,000	1,747,200
132	Power Finance Corp Ltd.	28,000	5,059,600	50,000	9,200,000
133	Indiabulls Real Estate Ltd.	32,000	1,745,600	84,000	5,359,200
134	Fortis Healthcare Ltd.	-	-	468	46,917
135	DLF Ltd	27,000	6,336,900	24,000	4,836,000
136	Housing Development & Infra Ltd	2,000	92,400	58,000	4,956,100
137	HCL Technologies Ltd.	9,000	7,155,000	19,000	9,164,650
138	Jindal Steel & Power Ltd.	8,000	2,782,000	13,000	7,085,000
139	BLB Ltd	-	-	6,359	21,939
140	HB Portfolio Ltd.	-	-	100	2,575
141	TVS Motor Company Ltd.	-	-	16,000	656,000
142	Sterlite Technologies Ltd.	-	-	8,000	314,400
143	INDIAN OVERSEAS BANK	16,000	1,040,800	12,000	1,131,600
144	Vijaya Bank	8,000	375,200	8,000	467,200
145	Andhra Bank	-	-	10,000	1,193,000
146	United Spirits Ltd.	32,200	61,152,630	14,250	8,636,213
147	Bharti AirTel Ltd.	17,800	5,193,150	101,000	34,011,750
148	Punjab National Bank	43,736	31,398,074	8,750	8,102,938
149	Oracle Financial Services Software Ltd.	3,668	9,391,180	625	1,637,625
150	Allahabad Bank	-	-	16,000	2,980,000

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		QTY	VALUE	QTY	VALUE
151	Canara Bank	1,000	384,050	7,501	3,552,849
152	Maruti Suzuki India Ltd.	4,250	5,445,100	750	1,011,825
153	CESC Ltd	3,271	866,324	-	-
154	Exide Industries Ltd.	2,000	258,900	-	-
155	Arvind Mills Ltd.	4,500	348,075	-	-
156	Mahanagar Telephone Nigam Ltd.	2,000	36,800	-	-
157	IDBI Limited	36,000	2,889,000	-	-
158	Raymond Ltd	4,000	1,143,400	-	-
159	Ranbaxy Laboratories Ltd.	22,900	10,047,375	-	-
160	Tata Power Company Ltd.	28,000	2,702,000	-	-
161	ACC Ltd	7,955	9,221,436	-	-
162	TATA Steel Limited	17,000	5,318,450	-	-
163	Tata Communications Ltd.	2,200	514,690	-	-
164	Mahindra & Mahindra Ltd	200	172,260	-	-
165	Asian Paints Ltd.	375	1,843,969	-	-
166	Global Offshore Services Ltd.	7,565	444,444	-	-
167	Wipro Ltd	13,000	5,682,950	-	-
168	United Phosphorus Ltd.	31,898	3,744,825	-	-
169	Winsome Yarns Ltd.	50	925	-	-
170	Marg Ltd	12,550	243,470	-	-
171	Paramount Communications Ltd	50	73	-	-
172	INFO-DRIVE SOFTWARE LTD.	50	300	-	-
173	Madhucon Projects Ltd.	50	1,075	-	-
174	Bajaj Finance Ltd.	2,911	3,342,119	-	-
175	BEML Limited	200	29,390	-	-
176	Bharat Electronics Ltd.	200	231,070	-	-
177	Chambal Fertilizers & Chemicals Ltd.	52,000	2,589,600	-	-
178	Godrej Industries Ltd.	2,000	588,200	-	-
179	Aditya Birla Nuvo Ltd.	1,750	1,707,213	-	-
180	Tulip Telecom Ltd.	1,000	8,700	-	-

(Amount in ₹)

S.NO.	SCRIP NAME	YEAR ENDED ON 31-03-2013		YEAR ENDED ON 31-03-2012	
		QTY	VALUE	QTY	VALUE
181	TV18 Broadcast Ltd.	200	5,620	-	-
182	Koutons Retail India Ltd.	50	248	-	-
183	Adani Ports & Special Economic Zone Ltd.	4,000	554,800	-	-
184	Pradip Overseas Limited	14,025	94,669	-	-
185	Power Grid Corp Ltd	34,000	3,597,200	24,000	2,589,600
186	BGR Energy Systems Ltd	200	38,430	1,000	326,750
187	Reliance Power Ltd.	60,001	3,690,062	96,037	11,226,725
188	OnMobile Global Ltd.	-	-	16,000	960,800
189	IRB Infrastructure Developers Ltd	26,102	2,961,272	56,000	10,430,000
190	Rural Electrification Corp Ltd.	17,000	3,543,650	20,000	4,111,000
191	Bajaj Auto Ltd	875	1,574,606	6,250	10,486,875
192	Adani Power Limited	8,000	325,200	12,000	819,600
193	NHPC Limited	172,000	3,414,200	209,000	4,106,850
194	Pipavav Defence & Offshore Engg. Co. Ltd.	-	-	21,400	1,708,790
195	SJVN Limited	-	-	2,578,610	50,798,617
196	Coal India Limited	1,000	309,100	4,000	1,372,400
197	Zee Learn Limited	-	-	158	2,326
198	A2Z Maintenance & Engg. Services Ltd.	125,001	2,393,769	51,000	5,757,900
199	Orient Refractories Ltd.	326,531	12,587,770	242,888	6,290,799
200	Tata Motors Limited	66,000	10,081,500	4,000	631,200
201	THE KARNATAKA BANK	-	-	556	36,335
202	Goldman Sachs	4,000	2,275,280	24,500	13,003,375
203	ARCH PHARMALABS LTD.	1	-	1	-
204	GUJARAT AMBUJA EXPORTS LTD.	100	-	100	-
205	RELIANCE ENTERPRISES LTD.	15	-	15	-
206	Shyam Telelink Ltd.	-	-	35,730	-
207	SRF (DEB)	50	-	50	-
208	SRISHTI VIDEO CORP LTD.	1,200	-	1,200	-
209	SHRI DEWAN STEELS INDIA LTD.	100	-	100	-
210	Blue Star Infotech Ltd.	50	2,815	-	-

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(Amount in ₹)

S.NO.	SCRIP NAME	YEAR ENDED ON 31-03-2013		YEAR ENDED ON 31-03-2012	
		QTY	VALUE	QTY	VALUE
211	Tata Teleservices Ltd.	1,000	7,850	-	-
212	Union Bank of India	6,000	1,308,000	-	-
213	Divis Laboratories Ltd.	500	493,750	-	-
214	Lumax Automotive Systems Ltd.	50	923	-	-
215	Sun Tv Limited	28,000	10,934,000	-	-
216	Atlanta Limited	50	2,495	-	-
217	Cairn India Ltd	148,100	40,349,845	-	-
218	Dish TV India Ltd.	44,000	2,952,400	-	-
219	Sree Rayalaseema hi-strength hypro Ltd.	50	1,625	-	-
220	Archidply Industries Ltd.	50	313	-	-
221	Jubilant FoodWork Ltd.	500	623,475	-	-
222	Moil Ltd	80	17,836	-	-
223	Thomas Scott (India) Ltd.	50	368	-	-
224	Goldman Sachs Gold BEES	3,000	8,420,700	-	-
225	GlaxoSmithKline Pharmaceuticals Ltd.	90	198,473	-	-
226	GlaxoSmithKline Consumer Healthcare Ltd.	50	209,985	-	-
227	Colgate Palmolive india Ltd.	4,500	5,587,425	-	-
228	Shriram Transport Finance Company Ltd.	1,500	1,041,675	-	-
229	Moser Baer India Ltd.	1,000	4,450	-	-
230	Gujarat Mineral Development Corp Ltd	50	8,350	-	-
231	National Aluminium Corp Ltd.	10,000	331,500	-	-
232	Opto Circuits India Ltd.	1,000	59,950	-	-
233	Bhushan Steel Ltd.	2,284	568,602	-	-
	Total	7,996,721	748,789,113	8,606,998	974,006,936





Awarded
the best,
3 years
in a row.



Moneywise. Be wise.

143

Consolidated

AUDITORS' REPORT

To,

**The Board of Directors of
SMC Global Securities Limited**

We have audited the accompanying consolidated financial statements of SMC Global Securities Limited ("the Company") and its subsidiaries (hereinafter refer to as 'the Group'), which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable

assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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 ₹ 1,40,68,86,067 as at March 31, 2013, total revenue (including other income) of ₹ 22,13,11,990, net profit of ₹ 6,06,52,966 and net cash outflows amounting to ₹ 3,68,23,096 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion and to the best of our information and according to the explanations given to us, the 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, 2013;
- (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

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

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

PLACE : NEW DELHI
DATE : 23.04.2013

CONSOLIDATED BALANCE SHEET

AS AT 31st MARCH, 2013

(Amount in ₹)

PARTICULARS	NOTE NO.	AS AT 31.03.2013	AS AT 31.03.2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.01	226,268,900	109,457,580
Reserves and surplus	2.02	4,681,358,953	4,367,759,462
Share Application Money		-	10,000,000
Minority Interest		13,539,587	336,672,236
Non-current liabilities			
Long-term borrowings	2.03	33,226,001	527,227,971
Long-term provisions	2.04	48,260,671	32,436,357
Other Non Current Liabilities	2.05	-	307,622
Current liabilities			
Short-term borrowings	2.06	297,631,114	958,456,004
Other current liabilities	2.07	3,582,131,314	3,440,516,229
Short-term provisions	2.08	60,005,469	77,930,402
	TOTAL	8,942,422,009	9,860,763,863
ASSETS			
Non-current assets			
Fixed assets			
	2.09		
Tangible assets		315,170,035	362,855,447
Intangible assets		27,639,672	38,201,289
Non-current investments	2.10	294,432,620	206,146,992
Deferred tax Asset (Net)	2.11	131,797,638	125,499,122
Long-term loans and advances	2.12	783,978,190	845,935,050
Other non-current assets	2.13	-	20,000
Trade Receivables	2.14	284,639,779	374,938,457
Current assets			
Current investments	2.10	80,801,481	73,478,712
Inventories	2.15	1,371,732,204	1,370,280,424

FINANCIAL STATEMENTS

MESSAGES FROM THE MANAGEMENT

CORPORATE OVERVIEW

REPORTS

(Amount in ₹)

PARTICULARS	NOTE NO.	AS AT 31.03.2013	AS AT 31.03.2012
Trade receivables	2.16	1,567,168,314	1,971,337,397
Cash and Bank Balances	2.17	2,823,016,831	3,339,133,641
Short-term loans and advances	2.18	1,236,888,915	1,120,643,681
Other current assets	2.19	25,156,330	32,293,651
TOTAL		8,942,422,009	9,860,763,863

Significant accounting policies and notes to the consolidated financial statements 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/-
SUMAN KUMAR
(COMPANY SECRETARY)

PLACE : NEW DELHI
DATE : 23.04.2013

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31st MARCH, 2013

(Amount in ₹)

PARTICULARS	NOTE NO.	FOR THE YEAR ENDED 31.03.2013	FOR THE YEAR ENDED 31.03.2012
Revenue:			
Revenue from operations	2.20	2,909,136,604	2,849,279,973
Other income	2.21	36,303,669	65,606,236
Total Revenue		2,945,440,273	2,914,886,209
Expenses:			
Exchange & Other Operating Expenses	2.22	981,239,422	1,015,920,323
Employee benefits expense	2.23	860,090,505	934,817,173
Finance costs	2.24	155,563,842	207,271,887
Depreciation and amortization expense	2.25	84,615,078	95,205,767
Other expenses	2.26	616,827,216	699,845,736
Total expenses		2,698,336,063	2,953,060,886
Profit/ (Loss) before Tax		247,104,210	(38,174,677)
Tax expense:			
Current tax		68,206,058	25,792,238
Deferred tax		(6,298,516)	(17,531,979)
Wealth tax		93,354	82,538
MAT Credit Entitlement		(17,451,923)	-
Prior Period Taxes		(1,199,659)	2,666,610
Profit/ (Loss) for the year		203,754,896	(49,184,084)
Earning per Equity Share of ₹ 2 /- each			
- Basic & Diluted	2.31	1.85	(0.14)
Significant accounting policies and notes to the consolidated financial statements	1 & 2		

FINANCIAL STATEMENTS

MESSAGES FROM THE MANAGEMENT

CORPORATE OVERVIEW

REPORTS

In terms of our Audit Report of even date attached

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

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

FOR AND ON BEHALF OF THE BOARD

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

sd/-
SUMAN KUMAR
(COMPANY SECRETARY)

PLACE : NEW DELHI
DATE : 23.04.2013

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31st MARCH, 2013

(Amount in ₹)

PARTICULARS	FOR THE YEAR ENDED 31.03.2013	FOR THE YEAR ENDED 31.03.2012
A Cash Flow From Operational Activities		
Profit / (Loss) before Tax	247,104,210	(38,174,677)
Add:		
Provision for Doubtful Debts	40,625,565	47,836,414
Deferred Revenue Expenditure written off	160,466	10,048,770
Provision for Gratuity	12,080,165	(32,420,172)
Provision for Leave Encashment	4,979,788	2,109,331
Provision for non performing assets	4,198,883	2,039,399
Provision for Contingencies	65,498	519,158
Cenvat Credit Unavailed	1,581,832	1,920,036
Depreciation & Amortization Expenses	84,615,078	95,205,767
Interest Expenses	137,471,130	190,477,648
Loss on sale of Fixed Assets	7,869,326	8,735,639
	540,751,941	288,297,313
Less:		
Interest on Deposits	(8,060,788)	(16,720,869)
Liability no Longer Required written back	(12,142,243)	(5,546,490)
Profit on sale of Fixed Assets	(2,408)	-
Prior period Adjustment	(1,185,000)	-
Dividend Income	(2,474,697)	(6,459,872)
Profit on sale of Investment	(1,213,440)	(3,238,822)
Operating Profit before Working Capital Changes	515,673,365	256,331,260
Adjustments for:		
Change in Assets & Liabilities		
Trade Receivable	453,842,197	(342,743,602)
Loans & Advances and other assets	172,680,674	(974,486,236)
Liabilities & Provisions	134,223,636	830,608,333
Cash Generated from Operations	1,276,419,872	(230,290,245)
Direct Taxes Paid (net of refunds)	(49,647,830)	(28,541,386)
Net Cash From / (used in) Operating Activities A	1,226,772,042	(258,831,631)

FINANCIAL STATEMENTS

MESSAGES FROM THE MANAGEMENT

CORPORATE OVERVIEW

REPORTS

(Amount in ₹)

PARTICULARS	FOR THE YEAR ENDED 31.03.2013	FOR THE YEAR ENDED 31.03.2012
B Cash Flow from Investing Activities		
Purchase of Fixed Assets	(50,741,093)	(60,698,405)
Proceed from Sale of Fixed Assets	16,506,125	6,142,572
Purchase of Current/Non Current Investments	(232,945,578)	(111,070,611)
Proceeds from Sale of Current/Non Current Investments	138,550,621	265,909,773
Interest on Deposits	8,060,788	16,720,869
Dividend Income	2,474,697	6,459,872
Net Cash from/ (used) in Investing Activities	(118,094,440)	123,464,070
C Cash Flow From Financing Activities		
Proceeds from Share Application Money	-	4,000,000
Proceeds from Issue of Share Capital (including share premium)	399,740,673	468,749,744
Interest Expense	(137,471,130)	(190,477,648)
Repayment of borrowings (net)	(1,154,826,860)	31,458,784
Change in Capital Reserve on consolidation	(197,505,253)	(17,794,575)
Net Cash from/ (used) in Financing Activities	(1,090,062,570)	295,936,305
(A+B+C)	18,615,032	160,568,744
Adjustment on account of Change in Minority Interest	(311,248,347)	228,367,459
Net Increase in cash and cash Equivalent	(292,633,315)	388,936,203
Cash and Cash Equivalent at the beginning of the year	514,845,237	125,909,034
Cash and Cash Equivalent at the end of the year (refer note no. 2.17)	222,211,922	514,845,237

Notes:

- 1 The above consolidated Cash flow statement has been prepared under the indirect method set out in AS-3 notified u/s 211(3C) of the Companies Act, 1956.
- 2 Figures in brackets indicate cash outgo.
- 3 The significant accounting policies and notes to the consolidated financial statements - note 1 & 2 forms an integral part of the consolidated Cash Flow Statement.

In terms of our Audit Report of even date attached

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

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

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(VICE-CHAIRMAN & MANAGING
DIRECTOR)

sd/-
SUMAN KUMAR
(COMPANY SECRETARY)

PLACE : NEW DELHI
DATE : 23.04.2013

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

1. SIGNIFICANT ACCOUNTING POLICIES

I BASIS OF PREPARATION

The Consolidated Financial Statements (CFS) of the SMC Global Securities Limited ('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.

II The Consolidated Financial Statements comprise the results of the Company, its subsidiaries and step down subsidiaries which have been listed as below:-

Name of Subsidiary	Date of Acquisition/ Change	Country of Incorporation	Proportion of ownership interest*
Subsidiaries of SMC Global Securities Limited			
a) SMC Comtrade Limited	26.04.2007	India	100%
b) SMC Investments and Advisors Limited (formerly known as Sanlam Investments & Advisors (India) Limited)	01.04.2008/ 23.07.2009/ 28.12.2012 [#]	India	100%
c) Moneywise Financial Services (P) Limited	01.08.2008/ 01.07.2009	India	100%
d) SMC Capitals Limited	16.08.2008/ 02.03.2010	India	100%
e) SMC ARC Limited	25.05.2009	India	100%
f) SMC Finvest Limited (formerly known as Sanlam Investment Management (India) Limited)	06.11.2009/ 14.12.2012 [^]	India	98%
g) Moneywise Finvest Limited (formerly known as Sanlam Trustee Company (India) Limited.)	06.11.2009/ 14.12.2012 [@]	India	100%

Name of Subsidiary	Date of Acquisition/Change	Country of Incorporation	Proportion of ownership interest*
Subsidiaries of SMC Comtrade Limited			
h) SMC Insurance Brokers (P) Limited	23.04.2007 [#]	India	97.58%
i) SMC Comex International DMCC, UAE	16.11.2005	Dubai, UAE	100%
Subsidiary of SMC Finvest Limited			
j) SMC Securities Private Limited	08.02.2013	India	100%

* includes shares of nominee shareholders as beneficial interest has been transferred to the company.

increased to 100% by acquiring further equity of 49.99% during the year.

^ increased to 98% by acquiring further equity of 59% during the year. Prior to this the group had control over the board of directors.

@ increased to 100% by acquiring further equity of 61% during the year. Prior to this the group had control over the board of directors.

π changed from 100% to 97.58% due to fresh allotment on 14.09.2012 to a minority shareholder.

III 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, 2012 or date of incorporation/acquisition, whichever is later, to March 31, 2013 and have been consolidated on the basis of their audited financial statements.
- 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 statements are 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.

IV 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.

V 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.

VI 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. Leasehold improvements are amortized over the Lease Period.

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 principal of materiality, depreciation on Fixed Assets of value not exceeding ₹ 5000/- is being provided at the normal rate prescribed in the schedule.

VII 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.

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.

VIII INVENTORIES

Inventories or stock-in-trade are valued at lower of cost and market value except inventory of the Company and three subsidiary companies. In

case of the Company and two subsidiary companies listed at Serial No. a & b in Accounting Policy II, inventories have been valued at market value/net realizable value and in case of subsidiary company listed at serial no. c in Accounting Policy II, unquoted inventories have been valued at cost and quoted inventories at lower of cost and market value. 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.

IX REVENUE RECOGNITION

- a) Revenue from broking activities for capital market is accounted for on the trade date of transaction and Income from rendering insurance broking business is recognized on the logging in/placement of policies with the respective insurance company on or before the date of policy or renewal thereof.
- b) 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.
- c) In respect of non delivery based transactions such as derivatives, the profit or loss is accounted for on marked to market basis on the closure of each trade except for subsidiary company listed at serial no b in Accounting policy II where Profit/loss on derivative transaction is accounted for based on the 'Announcement related to the Accounting

for Derivatives' dated March 29, 2008 of the Institute of Chartered Accountants of India.

- d) Income from interest on fixed deposits is recognized on accrual basis.
- e) 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.
- f) Depository income is accounted for on accrual basis.
- g) Revenue from management & advisory services is accounted for when the rendering of service under a contract is completed or substantially completed. Also revenue is recognized only when it is certain that the ultimate collection will be made.
- h) 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.
- i) Dividend from investment is accounted for as income when the right to receive dividend is established.
- j) In respect of other heads of income, the Group follows the practice of recognizing income on accrual basis.
- k) Revenue excludes service tax & other recoverable taxes.

X 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 & Loss. 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.

XI EMPLOYEE BENEFITS

- a) Provident Fund is a defined contribution scheme and the contribution wherever required by the statute are charged to the Statement of Profit & Loss as incurred.
- b) Gratuity Liability is a defined obligation and is non funded except in case of the company and a subsidiary company listed at serial no. a in Accounting policy II where it 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. d and step-down subsidiary listed at serial no. i where the liability for Gratuity is being accounted on estimated basis and for subsidiaries listed at serial no. c & e to g and step-down subsidiary listed at serial no. j in Accounting Policy II 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. d & f and step-down subsidiary listed at serial no. i where the liability for Unavailed leave is being accounted on estimated basis and

for subsidiaries listed at serial no. c , e & g and a step-down subsidiary listed at serial no. j in Accounting Policy II where the liability for unavailed leave is being accounted on payment basis wherever required by the statute.

XII 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 notified u/s 211(3C) of the Companies Act, 1956.

XIII MISCELLANEOUS EXPENDITURE

Deferred revenue expenditures are being written off in equal installment over a period of 5 years. Share Issue Expenses are being written off against Securities Premium Reserve Account.

XIV PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Group 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.

XV 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 Statement of Profit & Loss.

XVI 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 Group 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'.

XVII TAXATION

- a) Provision of current Tax has been measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.
- b) MAT Credit, if any, is recognized where there is convincing evidence that the same can be realized in future. MAT Credit is reviewed at each balance sheet date and written down to reflect the amount that is reasonably certain to be realized.
- c) Wealth tax has been calculated as per

applicable tax regulations applicable during the year.

- d) The Group 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'.

XVIII 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.

XIX OTHER ACCOUNTING POLICIES

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

Notes to the consolidated financial statements

NOTE NO. 2.01

SHARE CAPITAL

(Amount in ₹)

PARTICULARS	AS AT 31.03.2013	AS AT 31.03.2012
a Authorised		
50,00,000 Preference shares of ₹ 10 each	50,000,000	50,000,000
14,00,50,000 (PY 2,80,10,000)	280,100,000	280,100,000
Equity Shares of ₹ 2 (PY ₹ 10) each		
	330,100,000	330,100,000
b Issued, Subscribed & Paid up		
11,31,34,450 (PY 1,09,45,758)	226,268,900	109,457,580
Equity Shares of ₹ 2 (PY ₹ 10) each fully paid up		
Total	226,268,900	109,457,580
c Reconciliation of Number of Equity Shares Outstanding		
Particulars	Number of Shares	(Amount in ₹)
As At 31.03.2013		
At the beginning of the year #	10,945,758	109,457,580
Issued during the year #	367,687	3,676,870
Sub-division of Shares	45,253,780	-
Issue of Bonus shares *	56,567,225	113,134,450
At the end of the Period	113,134,450	226,268,900
# before sub-division of shares and Bonus issue		
* post sub-division of shares in the ratio of 1:1		
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
d Shares held by shareholders holding more than 5% shares		
Name of Shareholder	No. of Shares held	%age of Holding
As At 31.03.2013 #		
Millennium India Acquisition Company Inc.	15,867,380	14.03
Mahesh C. Gupta	10,248,500	9.06
Subhash Chand Aggarwal	10,095,500	8.92
Sanlam International Investment Partners Ltd.	9,460,590	8.36

NOTE NO. 2.01

SHARE CAPITAL

Name of Shareholder	No. of Shares held	%age of Holding
Hemlata Aggarwal	7,720,550	6.82
Sushma Gupta	7,566,550	6.69
Sainty Financial Services (P) Ltd.	6,000,000	5.30
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
Hemlata Aggarwal	772,055	7.05
Sushma Gupta	756,655	6.91
Sainty Financial Services (P) Ltd.	600,000	5.48
Sanlam International Investment Partners Ltd.	578,372	5.28

after considering effect of Sub-division and Bonus Issue

e Terms/Rights attached to Equity Shares

The Company has only one class of Equity Shares having a par Value of ₹ 2 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.

- f Of the 11,31,34,450 equity shares, 5,65,67,225 equity shares have been allotted as fully paid up by way of bonus shares.

NOTE NO. 2.02

RESERVES AND SURPLUS

(Amount in ₹)

PARTICULARS	AS AT 31.03.2013	AS AT 31.03.2012
a Securities Premium Reserve		
Opening Balance	3,151,961,537	2,687,885,503
Addition during the Year	406,313,803	464,076,034
Share Issue Expenses written off	(250,000)	-
Securities Premium Utilised for issue of Bonus Shares	(113,134,450)	-
Closing Balance	3,444,890,890	3,151,961,537
b Capital Reserves (On Amalgamation)		
Opening Balance	104,102,620	104,102,620
Addition during the year	-	-
Closing Balance	104,102,620	104,102,620
c Capital Reserves (On Consolidation)		
Opening Balance	231,700,067	249,494,642
Adjustment during the year	(197,505,253)	(17,794,575)
Closing Balance	34,194,814	231,700,067
d Capital Reserves (On Forfeiture)		
Opening Balance	123,998,200	123,998,200
Addition during the year	-	-
Closing Balance	123,998,200	123,998,200
e Foreign Currency Fluctuation Reserve		
Opening Balance	13,094,477	9,356,670
Addition during the year	3,721,193	3,737,807
Closing Balance	16,815,670	13,094,477
f Statutory Reserves (Reserve Fund u/s 45- IC of RBI Act 1934)		
Opening Balance	1,298,981	754,488
Addition during the year	2,777,253	544,493
Closing Balance	4,076,234	1,298,981
g General Reserve		
Opening Balance	626,297,127	626,297,127
Addition during the Year	-	-
Closing Balance	626,297,127	626,297,127

NOTE NO. 2.02

RESERVES AND SURPLUS

(Amount in ₹)

PARTICULARS	AS AT 31.03.2013	AS AT 31.03.2012
h Surplus		
Opening balance	115,306,453	130,643,565
Adjustment on account of Minority Interest	5,691,725	-
Profit/ (Loss) for the year	203,754,896	(49,184,084)
Transfer to Minority Interest	6,192,577	34,391,465
Prior Period Adjustment	(1,185,000)	-
Transfer to Statutory Reserves	(2,777,253)	(544,493)
Closing Balance	326,983,398	115,306,453
Total	4,681,358,953	4,367,759,462

NOTE NO. 2.03

LONG TERM BORROWINGS

(Amount in ₹)

PARTICULARS	AS AT 31.03.2013	AS AT 31.03.2012
Long Term Borrowings		
Term Loans (secured against vehicle) *		
From Banks	1,945,563	4,087,326
From Others	1,057,104	799,154
Less: Current Maturities disclosed under the head "Other Current Liabilities" (Note No. 2.07)	(2,401,280)	(2,658,509)
	601,387	2,227,971
Term loans (secured) **		
Term loan from Banks	100,000,000	525,000,000
Less: Current Maturities disclosed under the head "Other Current Liabilities" (Note No. 2.07)	(100,000,000)	-
	-	525,000,000
Term Loans (unsecured) #		
From Others	32,624,614	-
Total	33,226,001	527,227,971

* Repayable in equated monthly instalments bearing interest @ 9.33% to 10.50% p.a.

** The loan bears interest @ 12.60% p.a. 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.

Interest free having maturity of 24 months from the reporting date.

NOTE NO. 2.04

LONG TERM PROVISIONS

(Amount in ₹)

PARTICULARS	AS AT 31.03.2013	AS AT 31.03.2012
Provision for employee benefits		
Gratuity #	38,021,333	25,746,376
Leave Encashment #	9,374,356	5,890,497
Provision for Contingencies	864,982	799,484
Total	48,260,671	32,436,357

also refer to Note No. 2.08, 2.32 & 2.23

NOTE NO. 2.05

OTHER NON-CURRENT LIABILITIES

(Amount in ₹)

PARTICULARS	AS AT 31.03.2013	AS AT 31.03.2012
Advance from Customers	-	307,622
Total	-	307,622

NOTE NO. 2.06

SHORT TERM BORROWINGS*

(Amount in ₹)

PARTICULARS	AS AT 31.03.2013	AS AT 31.03.2012
Secured		
Short Term Loan from Banks secured against Stock in Trade	99,831,114	253,314,014
Short Term Loan from Banks secured against FDR	197,800,000	337,000,000
Short Term Loan from other parties secured against Stock in Trade	-	100,000,000
Overdraft from Bank #	-	268,141,990
Total	297,631,114	958,456,004

* Repayable on demand, bearing interest rate varying from 10% to 13% p.a. and also 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 ₹)

PARTICULARS	AS AT 31.03.2013	AS AT 31.03.2012
Trade Payables	1,367,327,202	1,822,812,933
Advances /Margin Received from Clients	1,735,118,556	1,273,933,003
Book Overdraft from Banks	319,322,038	271,133,156
Current Maturities of Long Term Borrowings (Refer Note No. 2.03)	102,401,280	2,658,509
Security & Deposits Received from clients	23,429,030	24,941,710
Payable to Related party on Current Account (Refer Note No. 2.30)	-	2,850,000
Payable to Statutory Authorities	28,808,597	34,720,342
Unearned Income	5,724,611	7,466,576
Total	3,582,131,314	3,440,516,229

NOTE NO. 2.08

SHORT TERM PROVISIONS

(Amount in ₹)

PARTICULARS	AS AT 31.03.2013	AS AT 31.03.2012
Provision for employee benefits		
Salary and Perquisites	56,126,987	75,363,872
Gratuity #	1,784,818	1,979,611
Leave Encashment #	2,000,310	504,381
Others		
Provision for Income Tax *	-	-
(Net of Advance tax & TDS of ₹ 14,87,13,653 ;P:Y ₹ 9,94,38,372)		
Provision For Wealth Tax	93,354	82,538
Total	60,005,469	77,930,402

also refer to Note No. 2.04, 2.23 & 2.32

* also refer to Note No. 2.18

NOTE NO. 2.09

FIXED ASSETS

(Amount in ₹)

DESCRIPTION	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As At 01.04.2012	Additions	Disposals	As At 31.03.2013	As At 01.04.2012	Charged for the year	On Disposals	As At 31.03.2013	As At 31.03.2013	As At 31.03.2012
Tangible Assets										
Land	10,022,300	-	10,022,300	-	-	-	-	-	-	10,022,300
Office Building	58,568,281	-	102,095	58,466,186	11,827,847	2,337,022	27,272	14,137,597	44,328,589	46,740,434
Office Equipment	126,418,557	7,524,318	9,044,413	124,898,462	44,391,412	10,264,183	3,141,831	51,513,764	73,384,698	82,027,145
Furniture & Fixtures	162,265,983	15,162,435	2,846,574	174,581,844	62,879,480	17,118,134	1,231,161	78,766,453	95,815,391	99,386,503
Computer Hardware	249,903,693	23,235,979	4,718,699	268,420,973	168,849,401	34,891,817	4,038,253	199,702,965	68,718,008	81,054,292
Temporary Infrastructure	4,477,709	45,530	-	4,523,239	4,477,709	45,530	-	4,523,239	-	-
Lease Hold Improvements	13,004,350	-	10,569,202	2,435,148	4,748,906	1,759,149	5,189,174	1,318,881	1,116,267	8,255,444
Vehicle	36,519,398	4,292,831	2,304,420	38,507,809	16,664,297	5,317,065	1,685,945	20,295,417	18,212,392	19,855,101
VSAT	36,667,236	310,000	77,500	36,899,736	21,153,008	2,189,565	37,527	23,305,046	13,594,690	15,514,228
Total Tangible Assets	697,847,507	50,571,093	39,685,203	708,733,397	334,992,060	73,922,465	15,351,163	393,563,362	315,170,035	362,855,447
Intangible Assets										
Computer Software	93,184,080	170,000	3,091,234	90,262,846	64,985,950	10,691,349	3,052,230	72,625,069	17,637,777	28,198,130
Trade Mark Logo	20,000	-	-	20,000	16,841	1,264	-	18,105	1,895	3,159
Goodwill	10,000,000	-	-	10,000,000	-	-	-	-	10,000,000	10,000,000
Total Intangible Assets	103,204,080	170,000	3,091,234	100,282,846	65,002,791	10,692,613	3,052,230	72,643,174	27,639,672	38,201,289
Current Year	801,051,587	50,741,093	42,776,437	809,016,243	399,994,851	84,615,078	18,403,393	466,206,536	342,809,707	401,056,736
Previous Year	777,762,025	60,698,405	37,408,843	801,051,587	327,319,712	95,205,767	22,530,628	399,994,851	401,056,736	450,442,313

NOTE NO. 2.10

INVESTMENTS

(Amount in ₹)

PARTICULARS	AS AT 31.03.2013	AS AT 31.03.2012
A. Non-Current Investments		
Investment Property	10,686,191	-
Non -Trade Investments (Valued at Cost)		
Investment in Equity Instruments (Quoted)	222,425,079	134,410,971
Investments in Units of Mutual Funds (Quoted)	-	10,414,671
	222,425,079	144,825,642
Investment in Equity Instruments (Unquoted)		
in associate companies	10,000,000	10,000,000
in others companies	51,321,350	51,321,350
	61,321,350	61,321,350
Total	294,432,620	206,146,992
B. Current Investments (At lower of cost or net realisable value)		
Aggregate Market Value of Quoted Investment	141,285,602	84,250,445
Aggregate Book Value of Quoted Investment	222,425,079	144,825,642
Aggregate Book Value of Unquoted Investment	61,321,350	61,321,350
Investment in Portfolio Management Service (Quoted)		
Equity Shares	66,081,226	47,739,325
Mutual Funds	8,469,927	10,739,387
Investments in Units of Mutual Funds (Unquoted)		
	6,250,328	15,000,000
Total	80,801,481	73,478,712

NOTE NO. 2.11

DEFERRED TAX ASSETS (NET)

(Amount in ₹)

PARTICULARS	AS AT 31.03.2013	AS AT 31.03.2012
Deferred Tax Assets :		
Provision for Doubtful Debts	8,992,206	1,832,998
Provision for Contingencies	280,643	247,041
Provision for Gratuity payment	10,947,824	8,592,190
Provision for Leave Encashment	2,971,042	1,863,663
Provision for Non performing assets	1,985,053	630,174
Provision for Expenses	-	270,375
Unabsorbed Business Loss & depreciation	116,101,012	136,750,687
Short Term Capital Loss	593,704	235,799
Long Term Capital Loss	197,206	-
Amortized Preliminary Expenses	150,792	-
A	142,219,482	150,422,927
Deferred Tax Liabilities :		
Depreciation	10,421,844	24,871,742
Deferred Revenue Expenses	-	52,063
B	10,421,844	24,923,805
Deferred Tax Asset (Net)	(A-B)	131,797,638

NOTE NO. 2.12

LONG TERM LOANS AND ADVANCES

(Amount in ₹)

PARTICULARS	AS AT 31.03.2013	AS AT 31.03.2012
Secured, considered good (unless stated otherwise)		
Security Deposits	115,191,326	107,955,971
Advances Recoverable in cash or in kind	411,935,725	490,513,005
Loans and advances to Related Party @	39,241,800	43,581,800
Receivables from Financing business		
Secured, considered good	3,009,602	2,167,746
Unsecured, considered good	182,323,524	183,362,125
Unsecured, considered doubtful *	20,393,802	20,393,802
Less: Provision for doubtful debts # ^	(6,118,210)	(2,039,399)
	199,608,718	203,884,274
Prepaid Expenses	548,698	-
MAT Credit Entitlement	17,451,923	-
Total	783,978,190	845,935,050

@ also refer to Note No. 2.30

* on account of Non performing assets

also refer to Accounting Policy XVIII

^ also refer to Note No. 2.29 (b)

NOTE NO. 2.13

OTHER NON-CURRENT ASSETS

(Amount in ₹)

PARTICULARS	AS AT 31.03.2013	AS AT 31.03.2012
Non Current bank balances #	-	20,000
Total	-	20,000

refer Note No. 2.17

NOTE NO. 2.14

TRADE RECEIVABLES (NON-CURRENT)

(Amount in ₹)

PARTICULARS	AS AT 31.03.2013	AS AT 31.03.2012
Outstanding for a period exceeding six months		
Unsecured, considered good	284,639,779	374,938,457
Unsecured, considered doubtful	27,715,228	5,759,079
Less: Provision for doubtful debts *	(27,715,228)	(5,759,079)
Total	284,639,779	374,938,457

* refer to Note No. 2.29 (a)

NOTE NO. 2.15

INVENTORIES

(Amount in ₹)

PARTICULARS	AS AT 31.03.2013	AS AT 31.03.2012
Stock-in-trade	1,371,732,204	1,370,280,424
Total	1,371,732,204	1,370,280,424

Refer Accounting policy VIII

NOTE NO. 2.16

TRADE RECEIVABLES (CURRENT)

(Amount in ₹)

PARTICULARS	AS AT 31.03.2013	AS AT 31.03.2012
Unsecured, considered good		
Outstanding for more than six months	1,885,876	374,014
Others	1,565,282,438	1,970,963,383
Total	1,567,168,314	1,971,337,397

NOTE NO. 2.17

CASH & BANK BALANCES

(Amount in ₹)

PARTICULARS	AS AT 31.03.2013	AS AT 31.03.2012
Cash & Cash Equivalent		
Balance with Banks on current accounts	215,956,885	207,871,390
Cash in hand	3,875,805	5,352,950
Foreign Currency in hand	22,572	119,237
Bank deposits with maturity of 3 months or less	2,356,660	301,501,660
	222,211,922	514,845,237
Other Bank Balances		
Bank deposits with maturity of more than 3 months but less than 12 months	-	235,130,000
Bank deposits with maturity of more than 12 months	-	20,000
Bank Deposits with maturity more than 12 months but within one year from the reporting date.	1,500,000	-
Margins Deposited with Exchanges or against guarantees and other commitments*	2,599,304,909	2,589,158,404
	2,600,804,909	2,824,308,404
Less: Amount Disclosed under Non Current Assets #	-	(20,000)
	2,600,804,909	2,824,288,404
Total	2,823,016,831	3,339,133,641

* refer Note No. 2.28

refer Note No. 2.13

NOTE NO. 2.18

SHORT-TERM LOANS AND ADVANCES

(Amount in ₹)

PARTICULARS	AS AT 31.03.2013	AS AT 31.03.2012
Unsecured, considered good (unless stated otherwise)		
Security Deposit	2,933,768	2,554,140
Loans and advances to Related Party *	37,560,372	-
Receivables from Financing business		
Secured, considered good	342,983,189	227,084,517
Unsecured, considered good	169,431,740	140,265,057
Balance with Statutory Authorities	46,966,505	34,367,306
Advance tax and TDS # (Net of Provision for Income Tax of ₹ 8,86,43,444; PY ₹ 5,31,30,274)	60,070,209	46,308,098
Advances Recoverable in cash or in kind	528,375,497	602,149,679
Prepaid Expenses	48,567,635	67,914,884
Total	1,236,888,915	1,120,643,681

* also refer to Note No. 2.30

also refer to Note No. 2.08

NOTE NO. 2.19

OTHER CURRENT ASSETS

(Amount in ₹)

PARTICULARS	AS AT 31.03.2013	AS AT 31.03.2012
Accrued Interest on FDR	25,156,330	32,133,185
Unamortized Expenses	-	160,466
Total	25,156,330	32,293,651

NOTE NO. 2.20

REVENUE FROM OPERATIONS

(Amount in ₹)

PARTICULARS	FOR THE YEAR ENDED 31.03.2013	FOR THE YEAR ENDED 31.03.2012
Income from Brokerage	1,322,515,588	1,310,179,947
Income from Proprietary Trading	1,026,277,373	991,462,709
Treasury Income	237,174,534	182,164,996
Interest Income from Financing Activities	36,833,567	52,129,732
Income from Distribution of Financial products	71,275,657	75,648,959
Income from Depository Business	35,602,014	42,072,963
Income from management and advisory services	87,563,785	105,675,290
Other Operating Income		
Income from Reverse Book Building	2,530,100	1,843,200
Income/(Loss) from PMS Account	15,226,138	(3,289,830)
Interest Income on Investments	10,597,409	19,987,631
Incentive from Exchange	13,948,440	1,525,466
Delay Payment Charges	49,591,999	69,878,910
Total	2,909,136,604	2,849,279,973

NOTE NO. 2.21

OTHER INCOMES

(Amount in ₹)

PARTICULARS	FOR THE YEAR ENDED 31.03.2013	FOR THE YEAR ENDED 31.03.2012
Income from Dividend	2,474,697	6,459,872
Interest on Deposits	8,060,788	16,720,869
Liability no Longer Required written back	12,142,243	5,546,490
Miscellaneous Income	13,625,941	36,879,005
Total	36,303,669	65,606,236

NOTE NO. 2.22

EXCHANGE AND OTHER OPERATING EXPENSES

(Amount in ₹)

PARTICULARS	FOR THE YEAR ENDED 31.03.2013	FOR THE YEAR ENDED 31.03.2012
Client Introduction Charges	438,110,183	455,817,588
Exchange & Other Regulatory Charges	255,993,261	272,819,281
Securities Transaction Tax	259,430,160	262,503,362
Membership Fees & Subscription	2,825,303	2,199,302
VPN, Leaseline, Internet & VSAT Expenses	24,880,515	22,580,790
Total	981,239,422	1,015,920,323

NOTE NO. 2.23

EMPLOYEE BENEFIT EXPENSES*

(Amount in ₹)

PARTICULARS	FOR THE YEAR ENDED 31.03.2013	FOR THE YEAR ENDED 31.03.2012
Salaries and incentives	804,166,709	880,035,634
Employers Contributions to PF & other fund	23,483,056	27,662,187
Gratuity	11,574,839	4,654,626
Staff welfare expenses	20,865,901	22,464,726
Total	860,090,505	934,817,173

* also refer Note No. 2.04 , 2.08 & 2.32

NOTE NO. 2.24

FINANCE COSTS

(Amount in ₹)

PARTICULARS	FOR THE YEAR ENDED 31.03.2013	FOR THE YEAR ENDED 31.03.2012
Interest expense	137,471,130	190,477,648
Other Borrowing Cost	18,092,712	16,794,239
Total	155,563,842	207,271,887

NOTE NO. 2.25

DEPRECIATION AND AMORTISATION EXPENSES

(Amount in ₹)

PARTICULARS	FOR THE YEAR ENDED 31.03.2013	FOR THE YEAR ENDED 31.03.2012
Depreciation on Tangible Assets	73,922,465	80,166,420
Depreciation on Intangible Assets	10,692,613	15,039,347
Total	84,615,078	95,205,767

NOTE NO. 2.26

OTHER EXPENSES

(Amount in ₹)

PARTICULARS	FOR THE YEAR ENDED 31.03.2013	FOR THE YEAR ENDED 31.03.2012
Advertisement	57,034,610	94,625,892
Bank charges	17,154,210	17,797,460
Business Promotion	80,363,378	39,508,797
Cenvat Credit Unavailed	1,581,832	1,920,036
Communication Expenses	32,084,655	69,320,888
Computer Repair & Maintenance	18,219,297	18,969,324
Conveyance & Traveling Expenses	24,766,345	27,219,342
Director Sitting Fee	780,000	532,000
Electricity & Water Charges	46,348,723	41,315,724
Insurance Expenses	3,061,794	3,671,814
Legal & Professional Charges	55,338,258	65,224,492
Loss on Sale of Fixed Assets	7,869,326	8,735,639
Membership Fees & Subscription	482,339	653,888
Miscellaneous Expenses	8,051,803	10,157,122
Office Repair & Maintenance	37,556,005	37,554,157
Printing and Stationery	16,204,160	17,688,262
Provision for Doubtful Debts #	40,625,565	47,836,414
Provision for Contingencies	65,498	519,158
Rent	132,176,384	139,437,144
Rates & Taxes	1,729,827	2,786,987
Research Expenses	2,156,315	4,231,444
Staff Support Services	21,359,494	31,960,447
Stamp & Other Expenses	1,762,032	1,104,363
Vehicle Running & Maintenance	4,580,513	4,329,356
Provision for Non Performing Assets	4,198,883	2,039,399
Auditor's remuneration:		
As Statutory Auditor	847,768	516,181
As Tax Auditor	163,736	141,236
As Fees for Other Services	104,000	-
Deferred Revenue Expenditure written off	160,466	10,048,770
Total	616,827,216	699,845,736

refer to Note No. 2.29

NOTE NO. 2.27

CONTINGENT LIABILITIES

(Amount in ₹)

PARTICULARS	AS AT 31.03.2013	AS AT 31.03.2012
On Account of Sales tax demand (U.P.) (Amount paid in dispute ₹ 8,18,947 (PY ₹ 26,45,503)	7,43,064	53,11,028
On Account of Income Tax demand ESI demand in dispute (Amount paid under protest ₹ 12,42,581 (P.Y. ₹12,42,581)	8,35,112 31,06,450	3,97,822 31,06,450

2.28 Margin deposited with exchanges or against guarantees & other commitments includes ₹ 2,25,38,73,064 (PY ₹ 2,09,34,43,404) under lien in favour of the bank as margin deposit for the guarantees issued/credit facilities or otherwise, ₹ 6,40,000 (PY ₹ 6,40,000) under lien with sales tax authorities and ₹ 34,35,91,845 (PY ₹ 49,38,75,000) 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 deposits is an amount of ₹ 12,00,000 (PY ₹ 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 Authority.

2.29 a) Provision for doubtful debts of ₹ 2,77,15,228 (PY ₹ 57,59,079) is net of bad debts written off ₹ 1,86,69,416 (PY ₹ 4,29,44,308). No provision has been made

in respect of certain overdue sundry debtors amounting to ₹ 28,46,39,779 (PY ₹ 37,49,38,457) since the Company has taken suitable measures to recover the said dues including filling of legal cases wherever considered appropriate.

b) Provision for doubtful debts on account of non-performing assets of ₹ 61,18,210 (PY ₹ 20,39,399) is net of bad debts written off ₹ 1,20,072 (PY ₹ Nil).

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 notified u/s 211(3C) of the Companies Act, 1956.

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

Name	Designation	Company
Mr. S. C. Aggarwal	Chairman & MD Director	SMC Global Securities 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. Pradeep Aggarwal	Whole Time Director Joint MD Director	SMC Global Securities Ltd. SMC Comtrade Ltd. SMC Securities Private Limited
Mr. Anurag Bansal	Whole Time Director Director Director	SMC Global Securities Ltd. SMC ARC Ltd Moneywise Finvest Limited
Mr. Ravi Aggarwal	Whole Time Director	SMC Insurance Brokers Pvt. Ltd.
Mr. D. K. Aggarwal	Managing Director Managing Director Managing Director Director	SMC Comtrade Ltd. SMC Investments and Advisors Ltd. SMC Capitals Ltd. SMC Securities Private Limited
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	Whole Time 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.

Associates with whom transaction have taken place during the year:

SMC Share Brokers Limited
Pulin Investments Private Limited
MVR Share Trading Private Limited

B Significant Transactions with Related Parties*
Key Management Personnel

(Amount in ₹)

PARTICULARS OF TRANSACTIONS	FOR THE YEAR ENDED 31.03.2013	FOR THE YEAR ENDED 31.03.2012
Share Application Money		
Pravin Agarwal	Nil	40,00,000
Equity Share Capital		
Pravin Agarwal	1,00,00,000	Nil
Expenses: Director Remuneration		
Mr. S. C. Aggarwal	60,00,000	65,00,000
Mr. M. C. Gupta	60,00,000	65,00,000
Mr. Rakesh Gupta	Nil	42,00,252
Mr. Pradeep Aggarwal	39,23,700	42,50,675
Mr. Anurag Bansal	30,00,000	30,00,000
Mr. Ajay Garg	30,00,000	26,85,483
Mr. D. K. Aggarwal	45,00,000	48,75,000
Mrs. Hemlata Aggarwal	30,00,000	32,50,000
Mrs. Sushma Gupta	30,00,000	32,50,000
Mr. Narendra Balasia	12,52,752	12,52,752
Mr. Pravin Agarwal	24,00,000	24,00,000
Mrs. Reema Garg	8,00,000	Nil
Mr. O. P. Aggarwal	15,84,000	15,84,000
Mr. Ravi Aggarwal	24,00,000	24,00,000
Remuneration		
Mr. Himanshu Gupta	18,00,000	16,25,000
Ms. Shweta Aggarwal	18,00,000	19,50,000
Mr. Lalit Kumar Aggarwal	18,00,000	19,50,000
Income: Advisory Services		
Mr. D. K. Aggarwal	7,506	7,581
Loans & Advances recovered from Related Party (net)		
MVR Share Trading Private Limited	43,40,000	79,04,976
Repayment of Loans & Advances (net)		
SMC Share Brokers Private Limited	28,50,000	Nil
Loans & Advances taken from Related Party		
SMC Share Brokers Private Limited	Nil	28,50,000
Loans & Advances given to Related Party		
Pulin Investments Private Limited	3,75,60,372	Nil

* Note: Transactions in the normal course of business have not been disclosed as the same have been transacted at prevailing market prices.

C. Balance Outstanding

(Amount in ₹)

PARTY NAME	INCLUDED IN	AS AT 31.03.2013	AS AT 31.03.2012
SMC Share Brokers Limited	Other Current Liabilities	Nil	28,50,000
Pulin Investments Private Limited	Short Term Loans & Advances	3,75,60,372	Nil
MVR Share Trading Private Limited	Long Term Loans & Advances	3,92,41,800	4,35,81,800

2.31 EARNING PER SHARE

In accordance with AS-20 "Earning per Share", notified u/s 211(3C) of the Companies Act, 1956, the basic & diluted earning per share is being calculated as under:-

PARTICULARS	FOR THE YEAR ENDED 31.03.2013	FOR THE YEAR ENDED 31.03.2012
Net Profit/(Loss) for the year (₹)	20,37,54,896	(4,91,84,084)
Appropriations:		
Statutory Reserve	(27,77,253)	(5,44,493)
Minority Interest	61,92,577	3,43,91,465
Net profit/(Loss) attributable to equity shareholders	20,71,70,221	(1,53,37,112)
Weighted Average No. of Equity Shares		
- For basic & diluted EPS	11,22,37,898	10,63,54,540
Nominal Value per share (₹)	2	2
Basic & Diluted EPS (₹)	1.85	(0.14)

As per Accounting Standard-20, "Earning Per Share", notified u/s 211(3C) of the Companies Act, 1956, in case of Bonus shares, the number of shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event has occurred at the beginning of the earliest period reported. Weighted average number of equity shares outstanding during the previous year has been considered accordingly.

2.32 The details of gross liability, contributions, value of funds and provisions for gratuity & leave encashment as under:
(also refer Note No. 2.04, 2.08 & 2.23)

A. Gratuity (partly funded)

PARTICULARS	FOR THE YEAR ENDED 31.03.2013	FOR THE YEAR ENDED 31.03.2012
Change in Present Value of Obligation		
As per Actuarial Report		
Present Value of the Obligation as at the beginning of the year	2,97,54,449	3,16,34,020
Interest Cost	25,74,491	4,42,006
Current Service Cost	81,05,830	16,40,000
Benefit Paid	(14,97,138)	(21,88,200)
Actuarial (gain)/loss on obligations	(16,60,662)	(17,73,377)
(A)	3,72,76,970	2,97,54,449
As per Management Estimation		
Provision for the year	39,25,436	Nil
Benefit paid	(96,157)	Nil
Foreign Currency Fluctuation reserve	1,03,749	Nil
Prior period adjustment	7,83,000	Nil
(B)	47,16,028	Nil
Present Value of the Obligation as at the end of the year	(A + B) 4,19,92,998	2,97,54,449
Amount recognized in the Balance Sheet		
Present Value of the Obligation as at the end of the year	4,19,92,998	2,97,54,449
Fair Value of Plan Assets as on the end of the year	(21,86,847)	(20,28,462)
Net Liability recognized in Balance Sheet	3,98,06,151	2,77,25,987
Amount recognized in the Statement of Profit and Loss		
As per Actuarial Report		
Interest Cost	25,74,491	4,42,006
Current Service Cost	81,05,830	16,40,000
Expected Return on Plan Assets	(2,76,413)	-
Actuarial (gain)/loss on obligations	(15,31,055)	(32,63,684)
Prior Period Adjustment	(12,23,450)	-
Arrear of Gratuity Liability as on beginning of the year	-	30,64,790
(A)	76,49,403	46,54,626

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PARTICULARS		FOR THE YEAR ENDED 31.03.2013	FOR THE YEAR ENDED 31.03.2012
As per Management Estimation			
Provision for the year		39,25,436	Nil
	(B)	39,25,436	Nil
Total expense recognized in the Statement of Profit and Loss	(A+B)	1,15,74,839	46,54,626
Reconciliation of Balance Sheet			
As per Actuarial Report			
Present Value of the Obligation as at the beginning of the year		2,97,54,449	2,85,69,230
Total expense recognized in the Statement of Profit and Loss		88,72,853	46,54,626
Actual Return on Plan Assets		1,46,806	(20,37,571)
Benefits paid		(14,97,138)	(14,31,836)
	(A)	3,72,76,970	2,97,54,449
As per Management Estimation	(B)	47,16,028	Nil
Present Value of the Obligation as at the end of the year	(A+B)	4,19,92,998	2,97,54,449
Bifurcation of Present Value of the Obligation as on the end of the year			
Non-Current Liability		4,02,08,180	2,77,74,838
Less: Fair Value of Plan Assets as on the end of the year		(21,86,847)	(20,28,462)
	(A)	3,80,21,333	2,57,46,376
Current Liability	(B)	17,84,818	19,79,611
Total	(A+B)	3,98,06,151	2,77,25,987

Note: Figures for previous year are disclosed to the extent available.

B. Leave Encashment (unfunded)

PARTICULARS	FOR THE YEAR ENDED 31.03.2013	FOR THE YEAR ENDED 31.03.2012
Change in Present Value of Obligation		
As per Actuarial Report		
Present Value of the Obligation as at the beginning of the year	63,94,878	27,29,105
Interest Cost	5,54,671	2,36,608
Current Service Cost	43,45,830	50,12,629
Benefit Paid	(24,07,026)	(25,21,227)
Actuarial (gain)/loss on obligations	9,80,434	9,37,763
(A)	98,68,787	63,94,878
As per Management Estimation		
Provision for the year	11,03,879	Nil
Prior period adjustment	4,02,000	Nil
(B)	15,05,879	Nil
Present Value of the Obligation as at the end of the year	(A+B) 1,13,74,666	63,94,878
Amount recognized in the Balance Sheet		
Present Value of the Obligation as at the end of the year	1,13,74,666	63,94,878
Fair Value of Plan Assets as on the end of the year	Nil	Nil
Net Liability recognized in Balance Sheet	1,13,74,666	63,94,878
Amount recognized in the Statement of Profit and Loss		
As per Actuarial Report		
Interest Cost	5,54,671	2,36,608
Current Service Cost	43,45,830	50,12,629
Actuarial (gain)/loss on obligations	9,80,434	9,37,763
(A)	58,80,935	61,87,000
As per Management Estimation		
Provision for the year	11,03,879	Nil
Total expense recognized in the Statement of Profit and Loss	(A+B) 69,84,814	61,87,000

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PARTICULARS	FOR THE YEAR ENDED 31.03.2013	FOR THE YEAR ENDED 31.03.2012
Reconciliation of Balance Sheet		
As per Actuarial Report		
Present Value of the Obligation as at the beginning of the year	63,94,878	27,29,105
Total expense recognized in the Statement of Profit and Loss	69,84,814	61,87,000
Benefits paid	(24,07,026)	(25,21,227)
(A)	1,09,72,666	63,94,878
As per Management Estimation		
Prior period adjustment	4,02,000	Nil
(A+B)	1,13,74,666	63,94,878
Bifurcation of Present Value of the Obligation as on the end of the year		
Non-Current Liability	93,74,356	58,90,497
Current Liability	20,00,310	5,04,381
Total	1,13,74,666	63,94,878

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 wherever found necessary to make comparable with those of the current year and the figures have been rounded off to the nearest ₹.

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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/-
SUMAN KUMAR
(COMPANY SECRETARY)

PLACE : NEW DELHI
DATE : 23.04.2013

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 Manage
	2012-13	2011-12	2012-13	2011-12	2012-13
I. Primary Segment-Business					
Revenue					
External revenue	2,583,888,744	2,591,424,102	278,933,332	206,162,967	35,301,909
Inter segment revenue	(513,530)	7,553,634	-	-	30,244,408
Total	2,583,375,214	2,598,977,736	278,933,332	206,162,967	65,546,317
Segment Profit/(Loss) {before tax}	193,069,876	49,205,568	71,215,356	3,222,674	(37,487,523)
Income taxes (Current tax, Deferred tax & Mat Credit)	-	-	-	-	-
Wealth tax and Prior Period Taxes	-	-	-	-	-
Segment Profit/(Loss) after tax	193,069,876	49,205,568	71,215,356	3,222,674	(37,487,523)
Other Information					
Segment assets	7,793,187,589	8,717,530,677	125,046,457	130,843,593	41,466,708
Other unallocated assets	-	-	-	-	-
Total Assets	7,793,187,589	8,717,530,677	125,046,457	130,843,593	41,466,708
Segment liabilities	3,974,077,481	5,238,783,945	45,218,499	18,255,701	9,761,863
Other unallocated liabilities	-	-	-	-	-
Total Liabilities	3,974,077,481	5,238,783,945	45,218,499	18,255,701	9,761,863
(Year Ended)					
II. Secondary Segment-Geographical					
Revenue					
External revenue					
Inter segment revenue					
Total					
Segment Profit/(Loss) {before tax}					
Income taxes (Current tax and Deferred tax)					
Wealth tax and Prior Period Taxes					
Segment Profit/(Loss) after tax					
Other Information					
Segment assets					
Other unallocated assets					
Total Assets					
Segment liabilities					
Other unallocated liabilities					
Total Liabilities					

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(Amount in ₹)

ment Services	Unallocated		Elimination		Total		
2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	
50,584,509	47,316,288	66,714,631			2,945,440,273	2,914,886,209	
19,209,055	(987,272)	(380,000)	(28,743,606)	(26,382,689)	-	-	
69,793,564	46,329,016	66,334,631	(28,743,606)	(26,382,689)	2,945,440,273	2,914,886,209	
(95,456,485)	20,306,502	4,853,566	-	-	247,104,210	(38,174,677)	
-	44,455,619	8,260,259	-	-	44,455,619	8,260,259	
-	(1,106,305)	2,749,148	-	-	(1,106,305)	2,749,148	
(95,456,485)	(23,042,812)	(6,155,841)	-	-	203,754,896	(49,184,084)	
195,357,206	-	-	-	-	7,959,700,754	9,043,731,476	
-	850,923,618	691,533,265	-	-	850,923,618	691,533,265	
195,357,206	850,923,618	691,533,265	-	-	8,810,624,372	9,735,264,741	
103,778,185	-	-	-	-	4,029,057,843	5,360,817,831	
-	5,736,313	12,728,990	-	-	5,736,313	12,728,990	
103,778,185	5,736,313	12,728,990	-	-	4,034,794,156	5,373,546,821	
Within India		Outside India		Elimination		Total	
2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
2,845,299,443	2,869,637,421	100,140,830	45,248,788	-	-	2,945,440,273	2,914,886,209
28,743,606	26,382,689			(28,743,606)	(26,382,689)	-	-
2,874,043,049	2,896,020,110	100,140,830	45,248,788	(28,743,606)	(26,382,689)	2,945,440,273	2,914,886,209
204,027,558	(55,222,706)	43,076,652	17,048,029	-	-	247,104,210	(38,174,677)
44,455,619	8,260,259			-	-	44,455,619	8,260,259
(1,106,305)	2,749,148			-	-	(1,106,305)	2,749,148
160,678,244	(66,232,113)	43,076,652	17,048,029	-	-	203,754,896	(49,184,084)
7,537,914,701	8,270,039,695	421,786,053	773,691,781	-	-	7,959,700,754	9,043,731,476
850,923,618	691,533,265			-	-	850,923,618	691,533,265
8,388,838,319	8,961,572,960	421,786,053	773,691,781	-	-	8,810,624,372	9,735,264,741
3,693,517,279	4,626,574,722	335,540,564	734,243,109	-	-	4,029,057,843	5,360,817,831
5,736,313	12,728,990			-	-	5,736,313	12,728,990
3,699,253,592	4,639,303,712	335,540,564	734,243,109	-	-	4,034,794,156	5,373,546,821

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)
(1)	(2)	(3)	(4)	(5)
SMC Capitals Ltd.	90,416,600	(3,582,914)	120,231,420	33,397,734
Moneywise Financial Services Pvt. Ltd.	133,646,500	388,481,679	840,372,475	318,244,296
SMC Comtrade Ltd.	85,000,000	956,436,305	2,092,905,354	1,051,469,049
SMC Insurance Brokers Pvt. Ltd.	414,000,000	(190,096,811)	263,713,399	39,810,210
SMC Comex International DMCC*				
IN USD	351,351	(824,255)	7,762,184	8,235,088
IN INR	19,109,735	(44,830,652)	422,179,754	447,900,672
SMC Investments and Advisors Ltd. (Formerly known as Sanlam Investments and Advisors (India) Ltd.)	150,000,000	2,648,676	162,410,539	9,761,863
SMC ARC Ltd.	25,000,000	(953,674)	24,102,437	56,111
SMC Finvest Ltd.	410,000,000	(2,040,949)	409,470,272	1,511,221
Moneywise Finvest Ltd.	10,000,000	874,185	10,944,706	70,521
SMC Securities Pvt. Ltd.	100,000,000	(1,394,158)	119,419,251	20,813,409

Notes:

1 *Converted in to Indian Rupees at the exchange rate 1USD = INR 54.3893

2 The aforesaid data in respect of subsidiaries are as on 31st March 2013.

3 Provision for tax includes provision for deferred tax & prior period taxes .

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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
(6)	(7)	(8)	(9)	(10)	(11)
-	72,385,491	2,945,368	910,161	2,035,207	-
59,468,111	45,169,140	19,653,522	5,767,257	13,886,265	-
10,000,000	608,843,372	1,937,282	839,900	1,097,382	-
-	278,933,332	71,215,356	17,248,357	53,966,999	-
-	1,897,580	816,672	-	816,672	-
-	103,208,025	44,418,218	-	44,418,218	-
6,250,328	68,741,983	(37,823,695)	-	(37,823,695)	-
12,377,636	549,279	69,543	(243,745)	313,288	-
62,173,514	26,290,195	17,734,103	(4,369,764)	22,103,867	-
-	610,597	583,437	90,521	492,916	-
-	(1,397,596)	(2,017,596)	(623,438)	1,394,158	-



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