

ANNUAL REPORT
2013 - 14

SMC GLOBAL SECURITIES LIMITED

**smc**
Moneywise. Be wise.

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Pursuant to
Section 212(8)
of the Companies
Act, 1956

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20th Annual General Meeting

Day: Friday

Date: 26th day of September, 2014

Time: 10.30 A.M.

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

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chairman's message



Mr. S.C. Aggarwal
Chairman & Managing Director

"IF A BUSINESS DOES WELL, THE STOCK EVENTUALLY FOLLOWS"
-WARREN BUFFETT

Dear Shareholders,

I am glad to interact with you through this communique on the occasion of 20th Annual General Meeting of your Company. Your Company has performed well during the FY 2013-2014. It has achieved total consolidated revenue for FY 2013-14 of ₹30088.04 lacs, an increase of 2.11% in comparison to the previous year. Consolidated profit after tax is ₹2260.28 lacs, an increase of 10.93% against ₹2037.54 lacs in the previous year.

We are pleased to announce a final dividend of 12% for the FY 2013-14, in addition to the 12% interim dividend already paid, making it a total of 24% dividend.

In addition to improving profitability, your Company has worked to strengthen the balance sheet. Despite the challenges of a tough business environment, all the businesses of your Company scaled up during the year making investments in technology and risk, enabling us to capitalize on opportunities emerging from the significantly improved economic sentiments for the coming years.

We are rendering services to a substantial and diversified client base of more than 7,50,000 investors with the help of 2,400+ dedicated employees including outsourced employees, 2,400+ Sub-brokers/Authorized persons and more than 23,000 channel partners. SMC is now present in more than 550 cities across the country with 50 branches including overseas. Your Company is also focusing on

YOUR COMPANY HAS BEEN RECOGNISED AS BEST COMMODITY BROKER OF THE YEAR 2014 (SOURCE: ASSOCHAM EXCELLENCE AWARDS), BEST EQUITY BROKING HOUSE IN DERIVATIVE SEGMENT IN INDIA (SOURCE: BSE IPF-D&B EQUITY BROKING AWARDS, 2013 & 2012), FASTEST GROWING EQUITY BROKING HOUSE - LARGE FIRM (SOURCE: BSE IPF-D&B EQUITY BROKING AWARDS, 2013), EMERGING INVESTMENT BANKER OF THE YEAR (SOURCE: SME'S EXCELLENCE AWARDS 2013 ORGANIZED BY ASSOCHAM), BEST RESEARCH ANALYST AWARD IN EQUITY FUNDAMENTALS - INFRASTRUCTURE (SOURCE: ZEE BUSINESS - INDIA'S BEST MARKET ANALYST AWARDS, 2013).

opportunities in real estate through its subsidiary SMC Real Estate Advisors Private Limited besides its other core businesses. Your board has approved the final dividend of 12%, which requires your approval.

Your Company is planning to file the draft prospectus with the market regulator, SEBI for its follow-on public offer of upto ₹ 175 Crs and offer for sale, if any. The said public offer and offer for sale, if any, is an agenda item for this AGM which requires your approval. The Company is planning to complete the process within this fiscal year subject to regulatory approvals. Your Company is planning to further penetrate the existing businesses and expansion.

Your Company revisited its vision, mission and values. The new vision of the Company is "we aspire to be a global organization having dominant position in financial and investment services through customer centric approach". Our mission is to help people make the right investment, the right way. The five core values of the Company are passion, relationship, integrity, trustworthy and innovation.

The index has closed on the higher side at the end of FY 2013-14. The market capitalization and gross turnover have also increased during the year.

The S&P BSE sensex closed at 22,386.3 on March 31st, 2014, as against 18,836 as on 31st March, 2013 and CNX Nifty has increased from 5,683 as on 31st March, 2013 to 6,704 as on 31st March, 2014.

The Indian primary market has also shown positive trends during the FY 2013-14 as compared to 2012-13. The cumulative amount mobilized from equity and

debt issue (public and right issue) for the financial year 2013-14 stood at ₹ 56,004 Crs. through 90 issues as against ₹ 32,455 Crs. during 2012-13. The cumulative amount mobilized for the financial year 2013-14 stood at ₹ 46,463 Crs. through 411 preferential allotments (of which 165 allotments amounting ₹ 41645 Crs. were listed at both BSE and NSE).

After three decades India has a non coalition government at the Centre. Under the new government, the financial and share market are bullish. The bullish trend in the market will continue in the coming years as the trend in share market was manifested with SENSEX revolving around 25000 after the new government formation. The mandate has been widely welcomed both within the country and internationally, as a vote for stability. FDI inflows during the first four months have been better than the corresponding period last year. The Index of Industrial Production has turned positive, driven mainly by growth in manufacturing sector. In its maiden budget, the new government has signaled a number of directional changes to stabilize the economy like promote savings and boost investments with a view to reviving economic growth. The Budget while spelling out a medium term vision for the economy also emphasizes the imperatives of industrial growth and employment creation. The proposal to raise the FDI ceiling in the Insurance and Defence sectors to 49% is also a welcome step. The Government has also signaled its intention to clear several of the stalled projects including highway projects, which augurs well for the infrastructure sector.

Your Company is continuously making efforts to enhance the performance of staff by creating a team of committed professionals and thereby organizing various training programs which are contributing to the growth plans of the Company. We have continuously retained our manpower and kept them motivated to handle any tough situation and give their best to the organization.

On behalf of the Board and on my own behalf, I place on record my sincere appreciation and gratitude to our directors, customers, bankers, sub-brokers, authorized persons and all other associates for their continued support and confidence they have reposed in the Company. I record my special appreciation of the tireless efforts of team SMC, a dedicated and loyal band of people who have displayed unswerving commitment to their work.

Thank you very much for your unstinting support and trust reposed upon us.

Warm regards,

sd/-

S.C. Aggarwal
(Chairman & Managing Director)

OUR VISION



We aspire to be a global organisation having dominant position in financial & investment services through customer centric approach.

OUR MISSION



To help people make the right investment, the right way.

vice chairman's message



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

" IT'S NOT HOW MUCH MONEY YOU MAKE, BUT HOW MUCH MONEY YOU KEEP,
HOW HARD IT WORKS FOR YOU, AND HOW MANY GENERATIONS YOU KEEP IT FOR."

-ROBERT KIYOSAKI

Dear Fellow Shareholders,

"The trust and loyalty of our shareholders have helped us to grow. Our constant endeavour is to honor the trust you have reposed in us by delivering value and services."

The FY 2013-14 began with multifarious developments including elevation of inflation, heightened rupee volatility and worsening current account deficit apart from growth slowdown and sharp industrial contraction. However, as the year progressed, especially from the third quarter onwards, there were firm signs of stability on the external front, partial easing of inflationary pressures and positive outlook towards growth.

In anticipation of change of guard at the centre, the market rallied and the Sensex and Nifty breached their respective peak. With new Government at centre, the positive sentiment also inflicted upon FIIs. With the commencement of Foreign Portfolio Investor (FPI) regime from June, 1, 2014, the erstwhile FIIs, Sub Accounts and QFIs are merged into a new investor class termed as Foreign Portfolio Investors (FPIs). There was a net inflow of ₹ 30,705 crs in June, 2014 by FPIs compared to net inflow of ₹ 33,778 crs in May, 2014. FPIs bought ₹ 13,991 crs in equity in June, 2014 as compared to ₹ 14,006 crs in May, 2014.

Further, they bought ₹ 16,715 crs in debt market in June, 2014 as compared to ₹ 19,772 crs sold in May, 2014. The asset under custody of FPIs at the end of June, 2014 stands at ₹19,09,400 crs, out of which the value of participatory notes including PNs on derivatives is ₹ 2,24,248 crs, constituting 11.7 percent of the total asset under custody of FPIs.

PERFORMANCE OVERVIEW

Your deep and abiding trust has enabled team SMC to continuously improve its performance. In the midst of challenging economic conditions, the Company has posted total consolidated turnover of ₹ 30,088.04 lacs vis-a-vis ₹ 29,465.20 lacs in the corresponding previous financial year. We believe in rewarding our shareholders from time to time. In this regard your company has declared the final dividend of 12% subject to your approval, in addition to 12% interim dividend which was paid earlier during the FY 2013-14.

Our subsidiaries have also performed well during the financial year. SMC Comtrade has international presence also with its wholly owned subsidiary SMC Comex International, DMCC. During the FY 2013-14 combined total turnover of SMC Comtrade Ltd. on MCX & NCDEX has increased. During FY 2013-14 total turnover of SMC Comtrade Ltd. on MCX and NCDEX increased from 3.76% to 4.13% in FY 2013-14. Recently the Company has initiated trading of bullion & export of jewellery.

SMC Group with one of the largest retail networks in the country also offers a complete range of insurance solutions through its subsidiary company SMC Insurance Brokers Pvt. Ltd. The proposal to raise the FDI ceiling in the insurance sector to 49% is also a welcome step. It will definitely help to scale up our business.

SMC INSURANCE BROKERS PVT. LTD. HAS SOLD AROUND 4.50 LACS POLICIES DURING FY 2013-14. IN GENERAL INSURANCE CATEGORY AND IN THE LIFE INSURANCE CATEGORY ADDED OVER 7,000 CUSTOMERS CAPABLE OF GENERATING RECURRING RENEWAL REVENUES. FOR THE FY 2013-14 IN HONDA ASSURE (EXCLUSIVE ARRANGEMENT BETWEEN HONDA CARS INDIA LTD. AND SMC INSURANCE BROKERS PVT. LTD.), THE COMPANY HAS SOLD MORE THAN 2,60,000 POLICIES AGAINST 1,58,389 POLICIES IN PREVIOUS YEAR.

We are also focusing on growth of Real Estate advisory business through our subsidiary, SMC Real Estate Advisors Pvt. Ltd. beside the development of other core businesses.

Your Company is equipped with high technology to render excellent services to its constituents through its branches, sub-brokers and authorized persons. Your Company has been using information and Communication Technology (ICT) not only to improve its own internal processes but also to increase facilities and services for its customers.

To ensure sustainable and consistent growth, your Company has developed a sound risk management framework so that the risks assumed by the Company are properly assessed and monitored continuously.

As a responsible corporate citizen, it has been the vision of your Company to empower the community through socio-economic development of underprivileged and weaker sections. In its continued efforts to make a difference to the society at large, your Company intensified its efforts further in this direction in FY14.

The year FY15 is expected to be promising as there are signs of slowing inflation and narrowing trade deficit. We expect India's economic growth to revive during FY15 on the back of political stability and likely stepping up of economic reforms. The growth in FY15 is expected to be spurred by the revival of investment,

a boost to investment and consumer sentiment, continuing gains in employment and incomes. During FY15, company will continue to focus on further strengthening its capital and funding position so as to grow its business substantially.

Your Company is confident that with its strategic focus on people, processes and technology, it will remain in the top leadership position in the years to come.

With warm regards,

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)

Dr. Madhu Vij
(Proposed Independent & Non-Executive Director)

COMPANY SECRETARY & COMPLIANCE OFFICER

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

CHIEF FINANCIAL OFFICER (CFO)

MR. VINOD KUMAR JAMAR
E-mail: vinodjamar@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-110028

Tel No. 011-41410592, 93

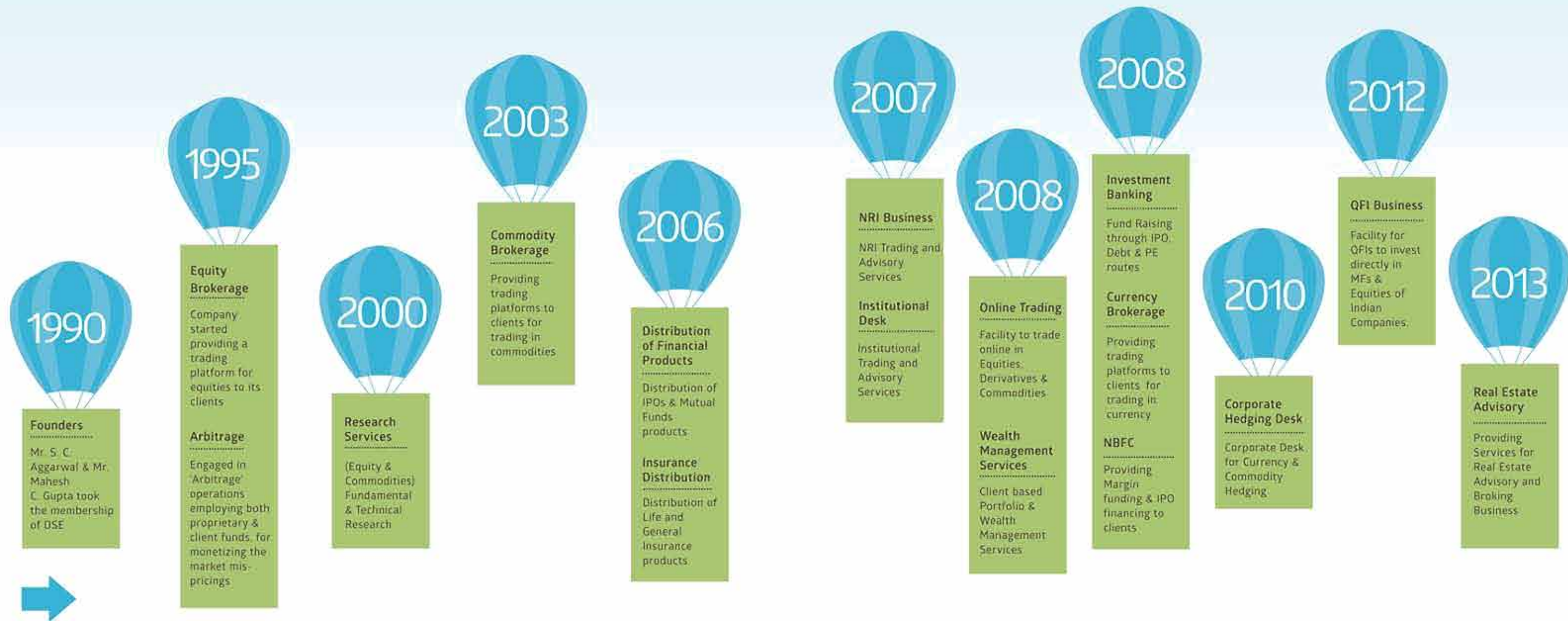
Fax No.011-41410591

E-mail id: delhi@linkintime.co.in

BANKERS

Axis Bank Ltd., 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, State Bank of Bikaner & Jaipur, State Bank of India, Yes Bank and DCB Bank.

journey so far



smc quantified



one stop investment solutions



TRADING

Member of NSE (Cash, Derivatives, Currency & Debt), BSE (Cash, Derivatives & Debt), NCDEX, ACE, MCX, NMCE, DGCX (Dubai), MCX-SX, USE and NCDEX Spot Exchange



CLEARING

Member in NSE (Derivatives & Currency), BSE (Derivatives & Currency), NCDEX, MCX, USE, ACE, MCX-SX and DGCX



DEPOSITORY

Equity, Commodity and Insurance



MERCHANT BANKING

Category- I Merchant Banker, registered with SEBI



REAL ESTATE

Providing Services for Real Estate Advisory and broking



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

OUR VALUES



One transaction,
lifetime relationship.

relationship



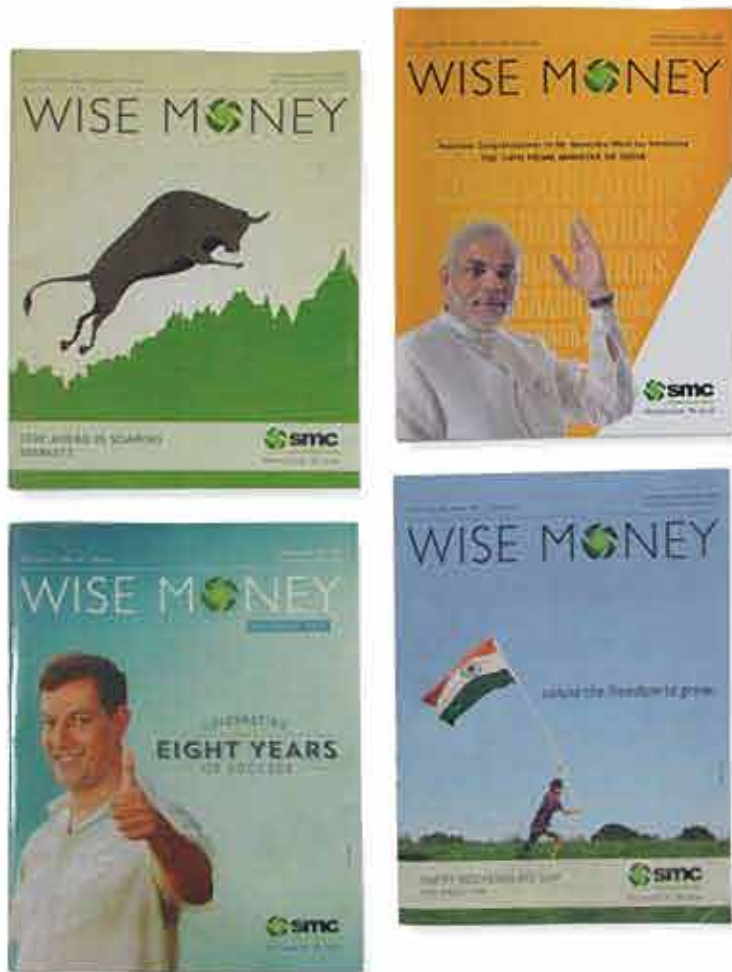
Moneywise. Be wise.



Keeping our promise.
Everytime.

trustworthy

powerful
presence over
print media



engaging customers on digital media



SMC TV COMMERCIAL FEATURING RAJAT KAPUR



OUR VALUES



Being ahead.
With research & technology.

innovation



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Being ethical builds trust.

integrity

blending work and recreation



Being an Organization which is knowledge-intensive and highly dependent on the competency of people to deliver value to clients, our employees are our most valued assets. We strive to attract and retain the best talent in the market. As a strategy, we look at developing the careers of our employees by providing them long term opportunities. We strongly believe in healthy, happy and motivated manpower by managing the balance between the work and life. With this belief, SMC has achieved many milestones from inception of the journey within the country and abroad and expecting many more.

We celebrate the festivals in our official premises among our officials and management.



Republic Day celebration at SMC



Holi celebration at SMC



Christmas celebration at SMC



Janmashotmi celebration at SMC

SMC regularly organizes holiday trips of its employees to rejuvenate them and to increase their understanding among themselves, which makes them more enthusiastic towards their work.



SMC Distribution team at Surhiwan Farms, Gurgaon



SMC Corporate Affairs and Legal team at Jaisalmer, Rajasthan



SMC Insurance team at Manali



SMC IT team at Shimla

SMC organizes regular health check-up program of its employees to keep them healthy and also encourages sports activities. It has also been organizing blood donation camps time to time.



Health Check-up



Blood Donation camp

SMC has opted Group Mediclaim policy & Group Accident Policy for the benefit of the employees and their family members.

SMC has also organized program for making awareness of our environment and has taken "Go Green" initiatives within the organization to build a better future for the next generation.



Activities for Go Green initiatives

SMC is actively participating in Investothn organized by National Stock Exchange of India to create awareness among the retail investors.

With the objective of bringing about economic and social development of women and improving their status in the community, we are providing a work environment that is free from discrimination and harassment for all employees. The company is an equal opportunity employer and makes employment decision based upon merits and business needs.

The Company's policy prohibits any type of discrimination based on race, religion, creed, color, gender, national origin and ancestry, physical or mental disability, medical condition, marital status, age or any other basis protected by laws of the governments where we operate.

SMC has launched Volume 9 of the Newsletter (Women Empowerment) focusing on empowerment of women in society in the month of January, 2014.

Further, as a part of nation building and thoughtful initiative to enhance the employability, equality and opportunities of the people, SMC Group has



SMC participation in Investothn-2014 organized by NSE

contributed in a transformational social initiative taken by ASSOCHAM in association with Department of Disability Affairs, Ministry of Social Justice and Empowerment, Government of India in launching web-portal, a user friendly, end-to-end employment platform.

Thus, SMC has been contributing in various social issues and successfully managing the work and life of its officials.



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WHEN WE STRIVE FOR NOTHING LESS THAN EXCELLENCE, IT SHOWS.

Awarded the best 5 years in a row.



events, conferences & seminars



Mr. S.C. Aggarwal (CMD, SMC Group), Mr. Mahesh C. Gupta (Vice Chairman & MD, SMC Group) & Mr. Ajay Gang (Director, SMC Group) being felicitated during National Summit - Warehousing India - Issues, Concerns And Opportunities.



Mr. S.C. Aggarwal (CMD, SMC Group) sharing thoughts with an elite gathering during Business Meeting with H E Hamid Karzai, President of Islamic Republic of Afghanistan and the accompanying delegation, held on 14th Dec, 2013.



Mr. S.C. Aggarwal (CMD, SMC Group) sharing thoughts with an elite gathering during Business Meeting with H E Mr. Viktor Orbán, Hon'ble Prime Minister of Hungary, 17th Oct, 2013.



Mr. S.C. Aggarwal (CMD, SMC Group) participating in the BIMSTEC Foundation Day



Mr. S.C. Aggarwal (CMD, SMC Group) sharing thoughts with an elite gathering during Business Session with H E Mr Abdulla Yameen Abdul Gayoom, President of the Republic of Maldives and the accompanying delegation held on 2nd Jan. 2014



Mr. Mahesh C. Gupta (Vice-Chairman & MD, SMC Group) & D.K. Aggarwal (CMD, SMC Contrate Ltd) being felicitated during SMEs Excellence Awards -2013



Mr. S.C. Aggarwal (CMD, SMC Group) sharing thoughts with elite gathering during 9th Annual Banking Summit Cum Social Banking Excellence Awards 2013



Mr. S.C. Aggarwal (CMD, SMC Group) along with fellow panelist while release of publication during 4th India-Japan Business Conclave held on 10th Jan, 2014.



Mr. S.C. Aggarwal (CMD, SMC Group) sharing thoughts with an elite gathering during 4th CFOs Roundtable Conclave - Turning Risks into Opportunities.



Mr. S.C. Aggarwal (CMD, SMC Group) sharing thoughts with an elite gathering during 'India Agenda 2014-2019 Double Digit Growth'.



Mr. Ajay Garg (Whole time Director of SMC Group) receiving Entrepreneur India Awards 2014.



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OUR VALUES



Mr. D.K. Aggarwal (CMD, SMC Comtrade Ltd) (extreme right) participating in Real Estate India Future Direction - Summit Cum Excellence Awards held on 23rd Oct 2013.



Mr. S.L. Aggarwal (CMD, SMC Group) sharing thoughts with elite gathering during Railtec - 2014 International Conference on Advance Rail Technology for India



Helping people achieve financial goals.

passion

DIRECTORS OF SMC GROUP



Mr. S. C. Aggarwal
Chairman &
Managing Director

Mr. Subhash C. Aggarwal is the Co-founder and Promoter of SMC Group, has diverse experience in the financial services industry in India and has been instrumental in building SMC into one of the leading diversified financial services Companies. His vision, skills and outstanding commitment has made the Company, best equity Brokerage and largest distribution house of India. He has over 25 years of experience in securities market and financial services and has been the key architect of its growth. He is a fellow member of the Institute of Chartered Accountants of India.

Mr. Aggarwal is the Chairman of India-EU Business Promotion Council and National Council on Micro Finance of Associated Chamber of Commerce and Industry (ASSOCHAM).



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

Mr. Mahesh C. Gupta is the Vice-Chairman & Managing Director of SMC Global Securities Limited. Mr. Gupta is a Fellow Member of ICAI (The Institute of Chartered Accountants of India). He did his bachelors in Commerce from Delhi University. He is co-founder and promoter of SMC Group. With his vast experience, in-depth knowledge and strong analytical skill, he efficiently assures flawless operations of the group. Being in the securities market business for more than 25 years, he has seen all the phases of stock market and handled all the matters efficiently. His exceptional leadership skill and outstanding commitment has made this group one of the leading brokerage and distribution houses of the country. He looks after the policy, vision and major part of the operational activities of the group.



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

Mr. D. K. Aggarwal is the Chairman of SMC Comtrade Limited, and Chairman & Managing Director of SMC Investments & Advisors Limited, our subsidiary Companies. He is also acting as a Director on the Board of SMC Real Estate Advisors Private Limited, our subsidiary Company. He is one of our promoters. He is a fellow member of the Institute of Chartered Accountants of India. He has more than 22 years of experience in Equity, Commodity Broking and Arbitrage.



Mr. Pradeep Kumar Aggarwal

Whole-Time Director-
SMC Global Securities Limited;
Managing Director-
SMC Comtrade Ltd.

With an experience of over 18 years in equity & commodity market, Mr. Pradeep Aggarwal brings motivation and new professional approach. His in-depth knowledge and acumen laid to diversify the group business from stock broking and arbitrage to commodity broking. His excellent interpersonal communication skills provide him the liberty to innovate and implement new ideas to business. Mr. Aggarwal is a person with a bent of unmatched integrity & vision which always help him in winning over the heart of his customers.



Mr. Ajay Garg
Whole-Time Director

Mr. Ajay Garg is the Fellow Member of the Institute of Chartered Accountants of India (ICAI) having wide and rich experience of more than 17 years in securities and commodities market. His key roles & responsibilities include business development, risk management, technological up-gradation & development and administration of day to day activities at SMC Group. He monitors the trading operations, surveillance and the risk related thereto. He played vital role in the development of SMC's state-of-art web portal & internet based trading platform. He takes care of the brand building and marketing activities of the entire Group. Mr. Garg has been awarded with 'Entrepreneur of the Year' during 4th Entrepreneur India Awards, 2014 organised by Franchise India.



Mr. Anurag Bansal
Whole-Time Director

Mr. Anurag Bansal is the member of the Institute of Chartered Accountants of India and the Institute of Cost Accountants of India. He has over 17 years of experience in securities market and financial services. He actively participates in business promotions and compliance functions of SMC Group.



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

Mr. N. D. Gupta is an Independent and Non-Executive Director of the Company. He is senior partner of Jays Gupta & Associates, Chartered Accountants having experience in Consultancy & Taxation over the last 44 years. He was president of the Institute of Chartered Accountant of India in the year 2001-02. He was also member of Board of International Federation of Accountants, New York (2001-2004) & member of International Accounting Standard Committee, London in 2000-2001.



Mr. Satish Chandra Gupta
Independent &
Non-Executive Director

Mr. Satish Chandra Gupta is an Independent and Non-Executive Director of the 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 43 years of experience in banking. He was also the 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 the Company. He is a fellow member of the Institute of Chartered Accountants of India and has over 40 years of experience in taxation and corporate matters including over 22 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 the Company. He is a commerce graduate from Delhi University and has over 27 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 the Company. He is a fellow member of the Institute of Chartered Accountants of India and has over 39 years of experience in auditing. He is also a partner at Bubber, Jindal & Co, Chartered Accountants.



Mr. H. D. Khunteta
Independent &
Non-Executive Director

Mr. Hari Das Khunteta is a member of the Institute of Chartered Accountants of India. He has about 38 years of professional experience in the area of financial management, including resource mobilization from domestic and international markets, investor servicing and corporate governance. He has been Director of Finance of REC Ltd. from May 2004 to July 2012 and also served as its CMD from April 2011 to November 2011. He has also served as Executive Director of Finance and Accounts at NHPC.



Mr. Chandra Wadhwa
Independent &
Non-Executive Director

Mr. Chandra Wadhwa is an Independent and Non Executive Director of the Company. He is a fellow member of the Institute of Cost Accountants of India and the Institute of Company Secretaries of India. He was also President of Institute of Cost Accountants of India. He is also a Bachelor of Laws and Master of Commerce from Delhi University. He has over 32 years of experience in financial, cost and management accounting including cost and management audits.



Dr. Madhu Vij
Proposed-
Non-Executive Director

Dr. Madhu Vij is a Professor at the Faculty of Management Studies (FMS), University of Delhi. She holds a Doctorate degree and a Master's degree in Commerce. She has more than three decades of experience in teaching. She was associated as an independent Director with MOIL Ltd. She has also participated and attended various National and International Conferences including Global Colloquium on 'Participant Centered Learning' at Harvard Business School, Boston, USA, from 26th July to 5th August 2009 apart from other conferences. She had been granted with various honors and awards at national and international level. She is an author of a number of books.



Mr. Finney Cherian
Non-Executive Director

Mr. Finney Cherian is a Non Executive Director of the 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 19 years of experience in business restructuring and evaluating undervalued assets. He is the Director 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 the Company. He holds a Master in Commerce degree from University of Cambridge, Master in Philosophy from University of Cambridge, Chartered Accountant (South Africa) and attended advance management program at Harvard Business School. He is CEO of Sanlam Investment Management Ltd., South Africa.

**Mr. R.P. Mahipal**

Independent & Non-Executive
Director-SMC Finvest Ltd.,
SMC Insurance Brokers Pvt. Ltd.

Mr. R. P. Mahipal is M.Com from Rajasthan University and is also member of the Institute of Chartered Accountants of India. He is promoter and director of Pinkcity Electronics Pvt. Ltd. and has over 38 years of experience in Import, Export, Finance, Administration and Capital Market.

**Mr. Himanshu Gupta**

Director-SMC ARC Ltd.

Mr Himanshu Gupta is a member of the Institute of Chartered Accountants of India and also a graduate in B.Com (Hons.) from Delhi University. Mr Gupta is a young, dynamic and versatile personality and he plays a key and active role in core strategic business decisions of SMC Group. He began his career with SMC in 2011 as Senior Vice-President (Operations) and he administers overall operations of the Company including finance, accounts & taxation, risk management, surveillance and other back office operations. He leads the expansion of the group's financing business (through its NBFC arm Moneywise Financial Services Pvt. Ltd.) and development of Bullion and Fixed Income Securities business.

**Ms. Shweta Aggarwal**

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

Ms. Shweta Aggarwal is a member of the Institute of Chartered Accountants of India and has also cleared all levels of Chartered Financial Analyst (CFA) Program from U.S.A. She has successfully handled multiple critical assignments since joining the SMC Group. Her efforts in the identification of a new global partner to the creation of SMC's joint venture with Sanlam investments of south Africa are laudable.

**Mrs. Reema Garg**

Director- Moneywise Financial
Services Pvt. Ltd.

Mrs. Reema Garg has done B.Sc. (Computer Science) from Delhi University and Master in Computer Applications (MCA). She possesses excellent communication and interpersonal skills and plays a key and active role in strategic planning & brand building for the organization. She is a self-motivated woman having a professional approach emphasizing on the core values of the organization. She innovates, develops and effectively implements new ideas for the growth and progress of the human resources, customer care and quality management functions of the organization.

**Ms. Shruti Aggarwal**

Director-SMC Investments &
Advisors Ltd.

Ms. Shruti Aggarwal is a Commerce Graduate from the University of Delhi. She is also an associate member of the Institute of Chartered Accountants of India (ICAI) and has also cleared all levels of Chartered Financial Analyst (CFA) Program from U.S.A. She began her career as an associate at Price Waterhouse & Co. and handled various assignments related to Transfer Pricing Advisory, Compliances, Internal Audit, Risk Management and Management Consultancy. She has a rich experience of 6 years.

**Ms. Akanksha Gupta**

Proposed Director (Finance),
SMC Insurance Brokers Pvt. Ltd.

Ms. Akanksha Gupta is a member of the Institute of Chartered Accountants of India (ICAI) and also a member of Institute of Chartered Financial Analyst (CFA). She is full of creativity, innovation and enjoys accepting challenges. She is a self-motivated woman helping in innovating, developing and effectively implementing new ideas for the growth and progress of the organization.

**Mr. Lalit Aggarwal**

Proposed WTD- SMC
Real Estate Advisors Ltd.

Mr. Lalit Aggarwal has a wide working experience of more than 19 years in the field of securities and commodities market. He is actively involved in the development and functioning of SMC's arbitrage business. Mr. Aggarwal is a person with unmatched sharp calculative skills and analytical bent of mind. He is a spiritually-enlightened personality and shares his spiritual wisdom in handling business matters and relationships.

**Mr. Ravi Aggarwal**

Whole-Time Director
SMC Insurance Brokers Pvt. Ltd.

Mr. Ravi Aggarwal is a member of the Institute of Chartered Accountants of India. He has a rich experience of 14 years in the field of equities, commodities and insurance broking. He is currently acting as a Whole time director of SMC Insurance Brokers Private Limited, our subsidiary Company and is actively involved in the development of insurance broking business.

MANAGEMENT TEAM OF SMC GROUP



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

Mr. Pravin Agarwal is currently acting as a Whole time director of SMC Insurance Brokers Private Limited, our subsidiary company and is actively involved in the development of our insurance broking business. With more than a decade of work experience in Insurance and Financial Industry, his key strength lies in meticulous and strategic planning and implementation of radical concepts for the overall development and diversification of Insurance Broking. Prior to joining our Company, he was associated with A & M Insurance Brokers Private Limited as a director.



Mr. Narendra Balasia
Whole-Time Director-SMC
Comtrade Ltd.

Mr. Narendra Balasia is a whole-time director of SMC Comtrade Ltd. He has rich and vast experience of more than 23 years in equities and commodities business. He is associated with SMC Group of Companies since 1995. He has played an eminent role in the expansion of business in the entire eastern region.



Mr. V. K. Jamar

Mr. Vinod Kumar Jamar is a member of the Institute of Chartered Accountants of India. He is currently acting as Group Chief Financial officer in our Company and has over 29 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, Pune.



Mr. Suman Kumar

Mr. Suman Kumar is a Fellow Member of the Institute of Company Secretaries of India and also Bachelor of Law from University of Delhi. He has a rich experience of more than 13 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 looks after the corporate and legal affairs of SMC Group.



**Mr. Jagannadham
Thunuguntla**

Mr. Jagannadham Thunuguntla is a member of the Institute of Chartered Accountants of India and the Institute of Cost Accountants of India. He has over 10 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. 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. Mohit Shyngle

Mr. Mohit Shyngle holds a B.Com degree from the University of Delhi. He is currently acting as Senior Vice President/Country Head and looks after sub-broker network and business development. He has 23 years of experience in the field of Trading Operations, Risk Management, Compliance and Marketing of financial services. Dedicated to applying Quality Services & Efficient operational flow in secondary sector with specialties in team building, management, training and its development, strategy formulation & product positioning at national level.



Mr. M. K. Gupta

Mr. Mahesh Kumar Gupta holds B.Com degree from Maharshi Dayanand University, Rohtak and also has a M.B.A. (Finance & Marketing) from Siklum Manipal University. He has over 25 years of experience in distribution of financial products. He is currently acting as Senior Vice President and looks after marketing of 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 34 years of experience in the field of audit, taxation and corporate matters. He is currently acting as Compliance Officer of the company. His designation is Senior Vice-President Compliance & Taxation and looks after Tax matters, SEBI and Exchanges compliance, depository participant operations. Prior to joining our Company, he was practicing as a chartered accountant.



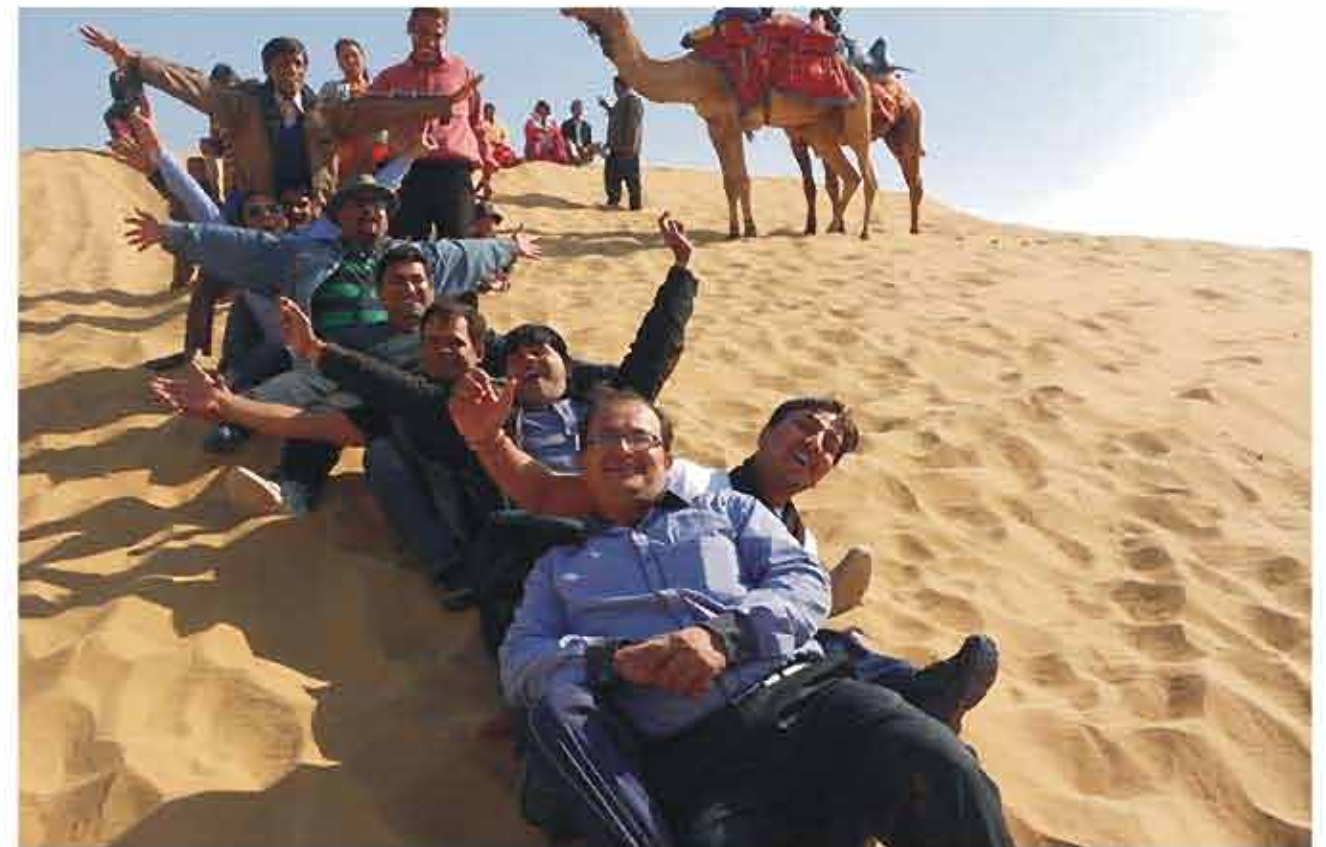
Ms. Sonal Shah

Ms. Sonal Shah looks after Mergers & Acquisitions/Joint Venture advisory and Private Equity Syndication. She holds a PGDM from IIM Kolkata and a Bachelor's Degree in Economics (Honours) from Delhi University. She has in depth experience of over two decades in M&A advisory, private equity syndication and capital markets. She was previously associated with Macquarie Capitals Advisors Ltd. She was also Director & Head-Strategic Advisory at Rabo India Finance.



Mr. S. S. Bansal

Mr. S. S. Bansal is a fellow member of the Institute of Chartered Accountants of India and holds a degree of law. He brings with him over 25 years of experience in the investment management and financial advisory, accounting, auditing and taxation. He joined SMC, Investments and Advisors Limited, our subsidiary Company since the date of its incorporation. In his current role, Mr. S. S. Bansal is the Chief Financial Officer and Principal Officer of the company responsible for investment management and the Company's finance and profitability in the business.





Building Wealth,
Enriching Lives...



YOU RELAX
WHEN WEALTH
EXPERTS ARE
WORKING
FOR YOU.

PORTFOLIO
MANAGEMENT
SERVICES

MULTI
MANAGER
INVESTMENT
SOLUTIONS

TRADING IN
EQUITY,
CURRENCY,
INTEREST RATE
FUTURES

DEPOSITORY
SERVICES

MUTUAL
FUNDS
& IPOs

FIXED
INCOME
PRODUCTS

NEAR
RISK FREE
ARBITRAGE
PRODUCTS

STRUCTURED
PRODUCTS

PORTFOLIO
ADVISORY

REAL
ESTATE
FUNDS

PRIVATE
EQUITY
FUNDS

FINANCIAL
PLANNING

HEDGING
SERVICES

directors' report

Dear Shareholders,

Your Board of Directors is pleased to present the 20th Annual Report of your Company along with the Audited Accounts for the Financial Year ended on 31st March, 2014.

RESULTS OF OUR OPERATIONS (STAND ALONE)

PARTICULARS	Year ended March 31st, 2014 (Amount in ₹)	Year ended March 31st, 2013 (Amount in ₹)
Revenue From Brokerage and other Services	1,69,60,15,710	1,69,30,91,201
Other Operating Incomes	5,41,36,232	6,55,96,887
Other Incomes	6,18,87,359	2,38,09,163
Total Revenue	1,81,20,39,306	1,78,24,97,251
Total Expenses	1,65,79,28,392	1,65,27,67,019
Net Profit Before Taxation	15,41,10,914	12,97,30,232
Tax Expenses	2,84,26,045	2,37,30,066
Profit for the Period	12,56,84,869	10,60,00,166
Surplus- Opening Balance	69,20,06,907	58,60,06,742
Addition during the year	12,56,84,869	10,60,00,166
APPROPRIATIONS		
Amount transferred to General Reserve	1,50,00,000	-
Interim Dividend	2,71,52,268	-
Dividend	2,71,52,268	-
Total Dividend	5,43,04,536	-
Dividend Tax	92,29,056	-
Surplus- Closing Balance	73,91,58,184	69,20,06,907
Earnings Per Share:		
Basic	1.11	0.94

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 has been prepared in accordance with Clause 49 of the Listing Agreement.

DIVIDEND

Your Directors recommend a final Dividend of 12% on the Face Value of the Equity Share (i.e. Re. 0.24 per Equity Shares of Face Value on Rs. 2/- each) to be appropriated from the profits of the year 2013-14, subject to the approval of the shareholders at the ensuing Annual General Meeting. The Dividend will be paid in compliance with applicable regulations.

INTERIM DIVIDEND

Pursuant to the approval of Board of Directors on 21st October, 2013, your Company had distributed an interim dividend of 12% on the Face Value of the Equity Share (i.e. Re. 0.24 per Equity Shares of Face Value on Rs. 2/- each), to shareholders, who were on the Register of Members of the Company as at closing hours of 01st November, 2013, being the record date fixed by the Board of Directors for this purpose.

TRANSFER TO RESERVES

In accordance with the Statutory provisions, your Company has transferred a sum of Rs. 1,50,00,000/- to General Reserve.

FIXED DEPOSITS

As on 31st March, 2014 the company has neither any unclaimed nor any overdue amount of any deposit pursuant to the provisions of Non-Banking Financial Companies (Reserve Bank) Directions, 1997 and your company has not accepted any deposits during the financial year.

CHANGE IN SHARE CAPITAL DURING THE FINANCIAL YEAR 2013-14

There is no change in share capital structure of the Company during the financial Year 2013-14.

DIRECTORS

Mr. Pradeep Aggarwal, (DIN 00203822) Whole time

Director of the Company, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. Johannes Hendrik Petrus Van Der Merwe, (DIN 03048724) Non-executive Director of the Company, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

The Board of Directors of the Company has approved the appointment of **Dr. Madhu Vij (DIN 00025006)** as Additional and Independent & Non-Executive Director of the Company, in its meeting held on 13th August, 2014 and the said appointment shall be effective from the last approval granted by the Exchange where the Company is a member. The same has been forwarded to you for your consent and approval.

Due to changes arising from the implementation of the Companies Act, 2013 the term of appointment of all seven Independent and Non-Executive Director of the Company namely **Mr. Satish Chandra Gupta (DIN 00025780)**, **Mr. Kundan Mal Agarwal (DIN 00043115)**, **Mr. Hari Das Khunteta (DIN 00061925)**, **Mr. Pawan Kumar Bansal (DIN 00420629)**, **Mr. Chandra Wadhwa (DIN 00764576)**, **Mr. Roop Chand Jindal (DIN 01450916)** and **Mr. Narain Dass Gupta (DIN 01522375)** is made in the same line by the Board of Directors of your Company and has further been forwarded to you for your consent and approval.

Mr. Subhash Chand Aggarwal (DIN 00003267) Chairman and Managing Director of the Company has been re-appointed as Managing Director of the Company, subject to the approval of members in ensuing General Meeting for a further period of 5 (five) years from 29th January, 2015 to 28th January, 2020.

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, 2014, 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, 2014 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

Due to changes arising from the implementation of the Companies Act, 2013, M/s Atul & Rajinder Chartered Accountants (Firm Registration No. 005402N), who retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed. The proposal for their re-appointment is included in the notice for Annual General Meeting sent therewith.

AUDITORS REPORT

There are no qualifications in Auditors Report.

LISTING AGREEMENTS

The Company's Equity Shares are listed at the following Stock Exchanges

- (i) Delhi Stock Exchange Ltd. (DSE)
- (ii) The Calcutta Stock Exchange Limited (CSE)
- (iii) Ludhiana Stock Exchange Ltd. (LSE)
- (iv) Ahmedabad Stock Exchange Ltd. (ASE)

In terms of SEBI approval Exit Norms for Stock Exchanges, the Gauhati Stock Exchange Limited (GSE) has granted exit approval to the Company vide letter bearing reference no. GSE/L/684/2013/216 dated 10th September, 2013.

The Company has paid Annual Listing Fee of all the concerned Stock Exchanges, except Ludhiana Stock Exchange Ltd. (LSE) which has not accepted the fees due to its recognition issues.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

As on 31st March, 2014 following 10 (ten) companies are the subsidiaries/step down subsidiaries of the Company.

1. SMC Comtrade Limited (Commodity Broking)
2. SMC Insurance Brokers Private Limited (Direct Insurance Broker)

3. SMC Comex International DMCC (Commodity Broking)
4. SMC Investments and Advisors Limited
5. Moneywise Financial Services Private Limited (NBFC- Margin Financing in Secondary Market and Public Offerings of IPOs, FPOs, Bonds etc.)
6. SMC Capitals Limited (Category-I Merchant Banker)
7. SMC ARC Limited (Proposed ARC Business)
8. SMC Finvest Limited
9. Moneywise Finvest Limited
10. SMC Real Estate Advisors Private Limited (Formerly known as SMC Securities Private Limited)

SMC Real Estate Advisors Private Limited (Formerly known as SMC Securities Private Limited) ultimate subsidiary of the Company has changed its nature of business by amending its Memorandum of Association by inserting Real Estate Advisory / Broking business on 29th May, 2014.

The Company has prepared Consolidated Financial Statement in strict compliance with the applicable 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 2013-2014, 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 31.03.2014 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.

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

There are no foreign exchange earnings during the year under review. However, foreign exchange outgo of ₹ 3,03,66,350/- has been reported during the year on account of Management and Advisory Services, expenses on Foreign Tour and purchase of investments.

PARTICULARS OF EMPLOYEES

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

GREEN INITIATIVES IN CORPORATE GOVERNANCE

In line with the changes in law permitting companies to send electronic copies of Annual Report, notices, quarterly results, intimation about dividend etc. to the e-mail IDs of shareholders, we have arranged to send the soft copies of these documents to the e-mail IDs of shareholders available with us or our depositories. In case any of the shareholders would like to receive physical copies of these documents, the same shall be forwarded on written request to M/s Link Intime India Pvt. Ltd., Registrar and Share Transfer Agent of the Company.

ACKNOWLEDGMENT

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

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/-

Subhash Chand Aggarwal
(Chairman & Managing Director)

DIN 00003267

Address: C-335, SARASWATI VIHAR,
DELHI - 110034

Place: New Delhi

Date: 13th August, 2014

CERTIFICATION BY CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)

(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, Chief Financial Officer (CFO) of the Company hereby certify that:

- a. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2014 and that to the best of our knowledge and belief,
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii) 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.
- b. 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.

- c. 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.
- d. We have indicated to the Auditors and the Audit committee that there are
 - i) No significant changes in internal control over financial reporting during the year...
 - ii) No significant changes in accounting policies during the year, and
 - iii) 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/-
Place : New Delhi
Date : 26.05.2014

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

sd/-
Vinod Kumar Jamar
(Chief Financial Officer)



MAKE
RESEARCH
YOUR TOOL FOR
INFORMED
INVESTMENTS

DAILY, WEEKLY & ANNUAL REPORTS ON EQUITY

DERIVATIVES REPORT

DAILY, MONTHLY & ANNUAL REPORTS ON COMMODITIES (BOTH IN ENGLISH & HINDI)

DAILY CURRENCY REPORTS

SPECIAL REPORTS

IPO REPORT

WEEKLY MUTUAL FUND REPORT

WEEKLY NEWS LETTER (WISEMONEY)

SMS ALERT SERVICE

CHAT ROOM

corporate governance report

(PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)

Corporate Governance is a set of systems, processes and principles which ensure that a Company is governed in the best interest of all stakeholders. It is about promoting fairness, equity, transparency, accountability and respect for laws. It provides a structure that works for the benefit of everyone concerned, by ensuring that the Company adheres to ethical standards, laws and accepted best practices.

The aim of "Good Corporate Governance" is to manage affairs of the Company in a transparent manner in order to maximize long-term value of the Company for the benefit of its shareholders and all other stakeholders.

1 COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

It is the consistent conviction of the Company that sound and strong Corporate Governance standards lead to durable sustenance of business and generate long term value for all stakeholders ensuring the robust health of the Corporate entity.

The Corporate Governance framework of the Company is based on the broad practices of engaging a diverse and highly experienced Board of Directors, with expertise in industry, finance, management and law, deploying well defined governance structures that establishes checks and balances and delegates decision making to appropriate levels in the organization. The Company believes in adoption of transparent and robust systems, processes, policies and procedures and making high levels of disclosures for dissemination of corporate, financial and operational information to all its stakeholders. The company has strong systems and processes to ensure full and timely compliance with all legal and regulatory requirements.

Stems of our governance policy aim at on the satisfaction of all the stakeholders and the community we serve and it is by regularly nurturing the roots of existing relationships and building new relationships with a mission to provide sustainable advanced solutions and services and working towards efficiency and growth thereby enabling value creation of our stakeholders.

At SMC, we try to mingle governance and ethics with growth by incorporating values like trust, teamwork, reliability, honesty, responsibility, integrity, transparency etc. We accord highest priority to our shareholder satisfaction and provide timely and relevant contribution to the society at large beyond the regulatory compliances. The Company regularly strives towards articulating good code of ethics and governance principles thereby to perpetuate it into generating long term economic value.

2: BOARD OF DIRECTORS

The Company's highly professional and responsive Board of Directors is composed of eminent thought-leaders and seasoned stalwarts drawn from diverse fields ensuring extensive deliberation and expertise which have bearing on the process of decision-making. Accountability and transparency are the key drivers behind the Board decision-making which inspires stakeholder confidence. Openness and transparency of the Company's corporate governance are reflected in the extensive disclosures made in the Company's annual report with a view to sharing information with stakeholders, investors, analysts, and competitors.

The Company's policy is to have an appropriate mix of Executive and Non-executive Directors to maintain the independence of the Board. The Board Comprises as on 31st March, 2014*:

- Five Executive Directors including Chairman & Managing Director, Vice-Chairman & Managing Director and three Whole-time Directors.
- Nine Non-executive Directors including Seven Independent Directors.

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

*The Board of Directors of the Company has approved the appointment of **Dr. Madhu Vij (DIN 00025006)** as Additional and Independent & Non-Executive Director of the Company in its meeting held on 13th August, 2014 and the said appointment shall be effective from the last date of approval granted by the Exchange where the Company is a member.

Four meetings of the Board of Directors were held during the financial year ended 31st March, 2014. The meetings were held on 23rd April, 2013, 12th August, 2013, 21st October, 2013 and 29th January, 2014.

- a) Attendance of Directors at Board Meetings during the Financial year 2013-14, last Annual General Meeting (AGM) and number of other Directorship and Chairman/Membership of committees in various companies are as follows:

Name of the Director	Designation	Attendance		No. of Directorships in other Companies##	Committee Memberships (including this company)###	
		Board	AGM#		Chairman	Member
Mr. Subash Chand Aggarwal (DIN 00003267)	Chairman & Managing Director	4	Y	2	NIL	NIL
Mr. Mahesh Chand Gupta (DIN 00003082)	Vice-Chairman & Managing Director	4	Y	3	NIL	NIL
Mr. Pradeep Aggarwal (DIN 00203822)	Whole-time Director	4	N	2	NIL	NIL
Mr. Ajay Garg (DIN 00003166)	Whole-time Director	3	Y	2	NIL	NIL
Mr. Anurag Bansal (DIN 00003294)	Whole-time Director	4	Y	2	NIL	NIL
Mr. Kundan Mal Agarwal (DIN 00043115)	Independent & Non-Executive Director	4	N	2	NIL	2
Mr. Narain Dass Gupta (DIN 01522375)	Independent & Non-Executive Director	1	N	3	NIL	1
Mr. Pawan Kumar Bansal (DIN 00420629)	Independent & Non-Executive Director	1	N	4	NIL	1
Mr. Roop Chand Jindal (DIN 01450916)	Independent & Non-Executive Director	2	Y	1	NIL	1
Mr. Satish Chandra Gupta (DIN 00025780)	Independent & Non-Executive Director	3	N	10	1	NIL
Mr. Hari Das Khunteta (DIN 00061925)	Independent & Non-Executive Director	4	N	2	1	NIL
Mr. Chandra Wadhwa (DIN 00764576)	Independent & Non-Executive Director	3	N	NIL	NIL	NIL
Mr. Finney Cherian (DIN 02011132)	Non-Executive Director	0	N	1	NIL	NIL
Mr. JHR Van Der Merwe (DIN 03048724)	Non-Executive Director	0	N	NIL	NIL	NIL

Y stands for YES, N stands for NO

Excludes directorship in Foreign Companies, Private Limited Companies and Alternate Directorships. However, Private limited Company which is Subsidiary of a Public company is considered in counting the Directorship as per the provision of

Section 2(71) of Companies Act 2013

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, 2013 to 31st March, 2014 and the number of Directors present:

Date of BM	Total Strength of the Board	No. of Directors Present	% age of Directors Presence
23rd April, 2013	14	9	65%
12th August, 2013	14	7	50%
21st October, 2013	14	10	72%
29th January, 2014	14	11	79%

3. COMMITTEES OF THE BOARD

As on 31st March, 2014, Company has the following five Committees of the Board. However on 26th May 2014, Board of Directors of the company has constituted Public Issue and Listing Committee (PI & LC) for the purpose of proposed follow on public offer:

- i) Audit Committee
- ii) Nomination & Remuneration Committee (Formerly Known as Remuneration Committee)
- iii) Stakeholders Relationship Committee (Formerly known as Shareholders' / Investors' Grievances Committee)
- iv) Operational Decision Making Committee (ODM COMMITTEE)
- v) Borrowings, Investments & Loans Committee (BIL COMMITTEE)
- vi) Public Issue and Listing Committee (PI & LC) (w.e.f 26th May 2014)
- vii) Corporate Social Responsibility (CSR) committee (w.e.f 26th May 2014)

*Note: FPO Committee has been dissolved on 20th November 2013 by the Board of directors of the company

3 (i) AUDIT COMMITTEE

The Audit Committee of the Company regularly works in the area of providing independent

assurance and advice to the management, the statutory and internal auditors and the Board of Directors thereby enabling the company in providing better governance of the Entity. Effectiveness of the Audit Committee can be evaluated from the satisfaction of the stakeholders as it is the key factor to ensure credibility & compliances in both financial and non financial information of the entity. Indulgence of Audit Committee members promotes accountability of the key players to the stakeholders of the Company.

Four Meetings of the Audit Committee were held during the financial year 2013-14 on dates mentioned below:

23rd April, 2013, 12th August, 2013, 21st October, 2013 and 29th January, 2014.

The composition of Audit Committee as on 31st March, 2014 comprises of five independent & non-executive directors, all of them possessing knowledge of Corporate finance, Accounts & Corporate laws. Mr. Suman Kumar, E.V.P. (Corporate Affairs) & Company Secretary of the Company has been designated as Secretary of the Audit Committee.

The Composition and attendance of each of member director at the Audit Committee Meetings during the year is as per table given below:

AUDIT COMMITTEE COMPOSITION

Name of the Directors	Mr. S. C. Gupta (DIN 00025780)	Mr. K. M. Agarwal (DIN 00043115)	Mr. R. C. Jindal (DIN 01450916)	Mr. N. D. Gupta (DIN 01522375)	Mr. H. D. Khunteta (DIN 00061925)
Designation	Chairman	Member	Member	Member	Member
Category	Independent Director	Independent Director	Independent Director	Independent Director	Independent Director
Date of Meeting					
23rd April, 2013	Y	Y	N	N	Y
12th August, 2013	N	Y	Y	N	Y
21st October, 2013	Y	Y	Y	N	Y
29th January, 2014	Y	Y	N	Y	Y
No. of Audit Committee Meetings during the Financial Year	4	4	4	4	4
Attended	3	4	2	1	4
Absent	1	NIL	2	3	NIL
% of Attendance	75%	100%	50%	25%	100%

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 board ensures engagement of Independent Directors with relevant financial expertise and industry's knowledge which in turn ensures the quality enhancement of the entity.

The Board ensures evaluation of members of the Committee before their appointment and on periodic basis. The Board has initiated the process of adopting new terms of reference in accordance with the Companies Act, 2013 in order to introduce better governance

Audit Committee shall act in accordance with the new terms of reference, which shall inter alia include

- i. the recommendation for appointment, remuneration and terms of appointment of auditors of the company
- ii. review and monitor the auditor's independence and performance, and effectiveness of audit process.
- iii. examination of the financial statement and the auditors report thereon.
- iv. approval or any subsequent modification of transactions of the company with related parties.
- v. scrutiny of inter-corporate loans and investments.
- vi. valuation of undertakings or assets of the company, wherever it is necessary.
- vii. evaluation of internal financial controls and risk management systems.

- viii. monitoring the end use of funds raised through public offers and related matters

ROLE OF THE AUDIT COMMITTEE INCLUDES THE FOLLOWING:

- 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
- Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the Statutory Auditor and fixation of audit fees.
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors
- Reviewing, with management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - 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
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on exercise of judgment by management
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions
 - Qualifications in the draft audit report.

- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- 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
- Reviewing with the management, performance of statutory and internal auditors and adequacy of internal control systems
- 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.
- Discussion with internal auditors any significant findings and follow up thereon
- 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.
- 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
- To look into the reasons for substantial defaults in the payment to the depositors, debenture

holders, shareholders (in case of nonpayment of declared dividends) and creditors

- To review the functioning of the Whistle Blower mechanism, in case the same is existing
- 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.

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

3. (ii) REMUNERATION COMMITTEE (Presently Known as Nomination And Remuneration Committee)

The name of the Remuneration Committee of the Company has been changed to Nomination and Remuneration Committee in consonance with the Companies Act, 2013

The purpose of the formation of the Nomination and Remuneration Committee is to ensure

good governance by identification and nomination of persons in the Board who have such abilities and qualities as required. The Nomination and Remuneration Committee is responsible for preparation of such policies and procedures pertaining to the Nomination and Remuneration of the Board, Key Managerial Persons and senior management, one level below the board of the Company.

The key considerations for the composition of Nomination and Remuneration are as follows:

- Status of independence of the members.
- The members shall have relevant qualification & expertise
- Remuneration in accordance with the performance of personnel
- Periodic Evaluation of the Personnel

The Terms of Reference of Remuneration Committee include the matters specified under clause 49 of the listing agreement.

The Composition and Particulars of Meetings of the Remuneration Committee are as follows:

Name	Designation	Category	No. of Meeting during financial year 2013-14		Date of Meeting
			Held	Attended	
Mr. Kundan Mal Agarwal (DIN 00043115)	Chairman	Independent & Non-Executive Director	1	1	29 January, 2014
Mr. Roop Chand Jindal (DIN 01450916)	Member	Independent & Non-Executive Director	1	0	
Mr. Pawan Kumar Bansal (DIN 00420629)	Member	Independent & Non-Executive Director	1	1	
Mr. Narain Dass Gupta (DIN 01522375)	Member	Independent & Non-Executive Director	1	1	
Mr. Chandra Wadhwa (DIN 00764576)	Member	Independent & Non-Executive Director	1	1	

However w.e.f 26th May 2014, Composition of the Nomination and remuneration Committee has been changed which is here under

Sr.No.	Name of the Member(s)	Designation
1	Mr. Chandra Wadhwa	Chairman
2	Mr. N.D. Gupta	Member
3	Mr. R.C. Jindal	Member
4	Mr. K.M. Agarwal	Member
5	Mr. P.K. Bansal	Member

Mr. Suman Kumar, E.V.P. (Corporate Affairs) & Company Secretary of the Company has been designated as Secretary of the Remuneration Committee.

REMUNERATION POLICY

Newly formed Nomination and Remuneration Committee has been authorized to determine and recommend to the Board the Company's policy on remuneration of directors and other employees including compensation payment and other related issues in accordance with the Companies Act 2013.

The Remuneration Committee reviews and makes recommendations on remuneration on the basis of evaluation of the performance and other criteria as laid down by Company. The Committee ensures the compliances of various laws with respect to the payment of remuneration to Directors in accordance

with the limits specified and procurance of statutory approvals in connection with the remuneration of Managing Director and Whole-time Directors.

The existing remuneration policy is in consonance with the existing industry practice and the remuneration decided by committee is fair, transparent, and simple to administer.

REMUNERATION TO DIRECTORS

The details of remuneration package, sitting fees paid, etc. to the Directors of the Company during the financial year 2013-14, for information of members, are furnished here under:

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 (DIN 00003267)	None	Nil	Nil	65,00,000/-	Nil	Nil
Mr. Mahesh C. Gupta (DIN 00003082)	None	Nil	Nil	65,00,000/-	Nil	Nil
Mr. Pradeep Aggarwal (DIN 00203822)	None	Nil	Nil	42,50,675/-	Nil	Nil

Mr. Ajay Garg (DIN 00003166)	None	Nil	Nil	30,00,000/-	Nil	Nil
Mr. Anurag Bansal (DIN 00003294)	None	Nil	Nil	32,50,000/-	Nil	Nil
Mr. N. D. Gupta (DIN 01522375)	None	15,000	Nil	Nil	Nil	Nil
Mr. R. C. Jindal (DIN 01450916)	None	30,000	Nil	Nil	Nil	Nil
Mr. K. M. Agarwal (DIN 00043115)	None	60,000	Nil	Nil	Nil	Nil
Mr. S.C. Gupta (DIN 00025780)	None	45,000	Nil	Nil	Nil	Nil
Mr. P. K. Bansal (DIN 00420629)	None	15,000	Nil	Nil	Nil	Nil
Mr. Hari Das Khunteta (DIN 00061925)	None	60,000	Nil	Nil	Nil	Nil
Mr. Chandra Wadhwa (DIN 00764576)	None	45,000	Nil	Nil	Nil	Nil
Mr. Finney Cherian (DIN 02011132)	None	Nil	Nil	Nil	Nil	Nil
Mr. JHP Van Der Merwe (DIN 03048724)	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 2(175) of the Companies Act, 1956.

The Roles and responsibility as well as the terms of reference of the Committee are enumerated as follows (as per provisions of the Companies Act, 2013) -

- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
- To carry out evaluation of every director's performance.

- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees. The Committee shall, while formulating the policy shall ensure that:
 - i) the level and composition of remuneration is reasonable and sufficient to attract, retain

and motivate directors of the quality required to run the Company successfully,

ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

- To recommend to the Board, the remuneration (including any modification therein) payable to the Managing Director or Whole-Time Director or Manager of the Company.
- Such other functions/area/term as desired/referred by the Board from time to time or required under applicable law/listing agreement, for time being in force.

3(iii) SHAREHOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE (Presently known as Stakeholder's relationship 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, 2014 was as under:

Name	Designation	Category	No. of Meeting during financial year 2013-14		Date of Meeting
			Held	Attended	
Mr. Hari Das Khunteta (DIN 00061925)	Chairman	Independent & Non-Executive Director	1	1	31st March, 2014
Mr. Pawan Kumar Bansal (DIN 00420629)	Member	Independent & Non-Executive Director	1	1	
Mr. Roop Chand Jindal (DIN 01450916)	Member	Independent & Non-Executive Director	1	0	
Mr. Kundan Mal Agarwal (DIN 00043115)	Member	Independent & Non-Executive Director	1	1	

However w.e.f 26th May 2014, Composition of the Stakeholders Relationship Committee has been changed which is here under:

Sr. No.	Name of the Member(s)	Designation
1	Mr. K. M. Agarwal	Chairman
2	Mr. H.D. Khunteta	Member
3	Mr. R. C. Jindal	Member
4	Mr. P. K. Bansal	Member

Mr. Suman Kumar, E.V.P. (Corporate Affairs) & Company Secretary of the Company is acting as the Compliance Officer and looks after the investor's grievances

A regular system of monitoring and redressal of the pending complaints /queries is being followed by the Company. A detail of shareholder's Complaints received during the financial year 2013/14 is as under:

a) Number of Shareholder's complaints received during the year	4
b) Number of Shareholder's complaints resolved during the year	4
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 is constituted for the purpose of various operational and routine matters arising in the day to day affairs of the Company. The minutes of

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

Mr. Suman Kumar, E.V.P. (Corporate Affairs) & Company Secretary has been designated as the Secretary of the ODM Committee

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

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

- To open/close current account(s)/ demat account(s)/ trading account(s) and all the operations related therewith and authorization to operate
- To apply for internet banking/ corporate internet banking/ payment gateway(s) from various banks
- To apply for electricity connection(s)/ telephone connection(s)
- Any other work relating to the routine operations of the company which is not specified herewith

COMPOSITION OF THE ODM COMMITTEE

Composition of ODM committee as on 31st March, 2014 is as under:

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

BIL Committee is constituted for the purpose of handling various matters of the Company with respect to borrowings, investments and loans. The minutes of every BIL committee meeting is ratified and taken on record by the Board of Directors of the Company in its 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 for the following:

- 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, 2014 is as under:

Name	Designation	Category
Mr. Subhash Chand Aggarwal (DIN 00003267)	Chairman	Chairman & Managing Director
Mr. Mahesh Chand Gupta (DIN 00003082)	Member	Vice-Chairman & Managing Director

Mr. Suman Kumar, E.V.P. (Corporate Affairs) & Company Secretary has been designated as the Secretary of the BIL Committee.

3(vi) PUBLIC ISSUE AND LISTING COMMITTEE (PI & LC)

Public Issue and Listing Committee (PI & LC) has been formed with effect from 26th May 2014 for the

purpose of proposed follow on public offer by the Company and offer for sale, if any.

Composition of the committee is as follows:

Sr. No.	Name	Designation
1	Mr. H. D. Khunteta	Chairman
2	Mr. K. M. Agarwal	Member
3	Mr. S. C. Gupta	Member
4	Mr. Subhash Chand Aggarwal	Member
5	Mr. Anurag Bansal	Member
6	Mr. Mahesh C. Gupta	Member
7	Mr. Chandra Wadhwa	Member

Mr. Suman Kumar, E.V.P. (Corporate Affairs) & Company Secretary has been designated as Secretary of the Public Issue and Listing Committee (PI & LC)

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
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
2012-13	"URDU GHAR" 212, Rouse Avenue, Deen Dayal Upadhyaya Marg, New Delhi-110002	28th September, 2013	Saturday	10:15 A.M.	1. Re-Appointment of Mr. Ajay Garg as Whole-time Director of the Company. 2. Re-Appointment of Mr. Anurag Bansal as Whole-time Director of the Company

POSTAL BALLOT:

No resolution was passed through Postal Ballot during the 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

The Company is fully compliant with the applicable mandatory requirements of the revised clause 49 of the listing agreement and of the Securities and Exchange Board of India (SEBI). Consequently, no penalties were imposed or stricture passed against your Company by SEBI, stock exchange or any other statutory authority. The Company has complied with and adopted the mandatory requirements of Corporate Governance code. Additionally it has adopted several non-mandatory requirements of the same.

8. AUDITOR CERTIFICATE ON CORPORATE GOVERNANCE:

As required by Clause 49 of the listing agreement, the Auditor's Certificate on corporate Governance is annexed and forms part of this report.

9. CEO AND CFO CERTIFICATION:

As required by Clause 49 of the listing agreement, the CEO & CFO Certification is annexed to the Director's Report.

10. GENERAL SHAREHOLDER INFORMATION:

Registered office of the Company:
11/6B, Shanti Chamber, Pusa Road,
New Delhi-110005.
Tel: 91-11-30110000, 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: 91-11-3011333, 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, 5th Floor, Kolkata-700001
Tel: 91-33-39847000
Fax: 91-33-39847004

Chennai Office:
Salzburg Square, Flat No. 1
11th Floor, Door No 107
Harrington Road, Chetpet
Chennai-600031
Tel: 91-44-39109100-120
Fax: 91-44-24661798

Dubai Office:
312, Belshafat Building, Plot No. 31B-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@smc.com.ae

Annual General Meeting

Date: 26th September, 2014
Day: Friday
Time: 10:30 A.M.
Venue: Urdu Ghar, 212, Rouse Avenue,
Deen Dayal Upadhyaya Marg,
New Delhi-110002

Financial Year: 1st April, 2013 to 31st March, 2014
Date of Book Closure: 24th Day of September, 2014
to 26th Day of September, 2014
(Both days inclusive)

Listing on Stock Exchanges: Delhi Stock Exchange Ltd.
The Calcutta Stock Exchange Ltd.
Ludhiana Stock Exchange Ltd.
Ahmedabad Stock Exchange Ltd.

ISIN No: DSE 19509
CSE 2918610029186
LSE SMCG
ASE 55500
INE103001036

Share Transfer Agent: **Link Intime India Private Limited,**
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
were in dematerialized
form as on 30th June, 2014

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, Dalai Street,
Mumbai -400001

Shareholding Pattern: Promoters 58.62% and Non-
Promoters 41.38% as on 30th
June, 2014

Market Price Data: No trading has been observed on
DSE/CSE/ASE/LSE 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.

SHARETRANSFER 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

BY SIZE

Shareholding of Shares	Number of shareholders	Shareholders in %	Number of shares	Shares in %
1-500	257	19.0936	28090	0.0248
501-1000	567	42.1248	564600	0.4991
1,001-2,000	225	16.7162	446170	0.3944
2,001-3,000	36	2.6746	104790	0.0926
3,001-4,000	28	2.0802	110110	0.0973
4,001-5,000	46	3.4175	227930	0.2015
5,001-10,000	60	4.4577	489700	0.4328
10,001 & above	127	9.4354	111163060	98.2575

BY CATEGORY

Category	No. of Shares	Equity (in%)
Promoters & Promoter Group	66323340	58.6234
NRI and Foreign Body Corporate	24197625	21.3884
Corporate Bodies	17174905	15.1810
Indian Public and Others	5438580	4.8072

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: 91-11-30110000, 40753333
Fax: 91-11-25754365

DISTRIBUTION OF SHAREHOLDING AS ON 30TH JUNE, 2014

DEMATERIALIZATION OF SHARES AND LIQUIDITY

As on 30th June, 2014 a total of 9,69,37,720 equity shares of the Company representing 85.68% of total

Equity Share Capital was held in dematerialized form.

The bifurcation of shares held in Physical and Demat forms as on 30th June, 2014 is as under:

Status of Dematerialization	No. of Equity Shares	% of total shares
Shares held in NSDL	1,20,28,790	10.63
Shares held in CDSL	8,49,08,930	75.05
Shares held in Physical Form	1,61,96,730	14.32

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: 13.08.2014
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, 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

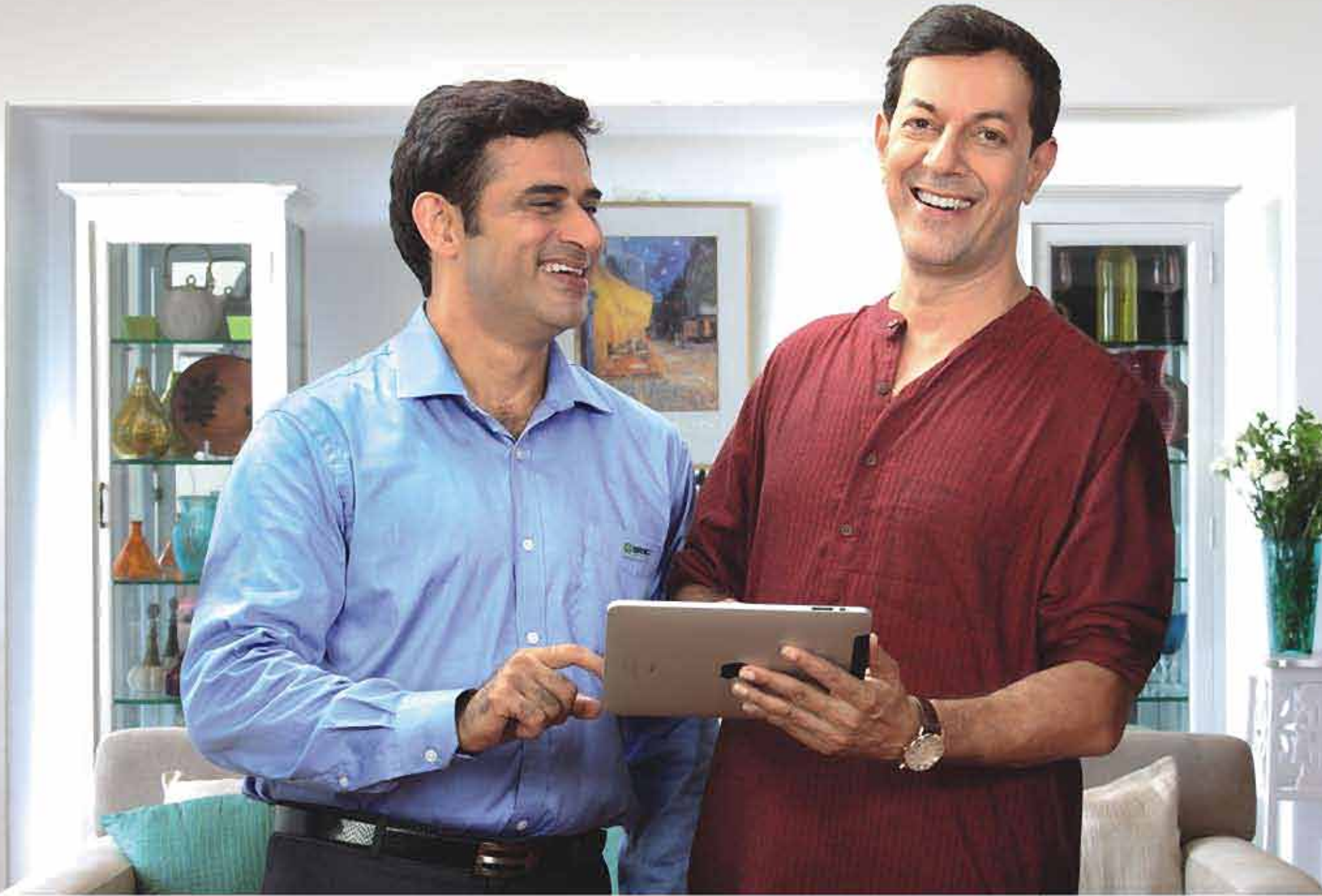
In our opinion and to the best of our knowledge and according to the information and explanations given to us, we certify that the Company has complied with mandatory conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

No investor grievances are pending as on 31st March, 2014.

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

For Atul & Rajinder
F.R.N. 005402N
Chartered Accountants
Rajinder Malhotra
Proprietor
(M. No. F083680)

Date: 13.08.2014
Place: New Delhi



Moneywise. Be wise.

PARTNER
WITH INDIA'S
BEST EQUITY
BROKER

LARGE RANGE
OF INVESTMENT
PRODUCTS & SERVICES

COMPETITIVE
BROKERAGE RATE
IN THE INDUSTRY

EXCELLENT TRAINING
& BACK OFFICE
SUPPORT

management discussion & analysis report

FORWARD-LOOKING STATEMENT

All statements that address expectations or projections about future, but not limited to the company's strategy for growth, product development, market position, expenditures and financial results may be forward-looking statements within the meaning of applicable rules and regulations. Since these are based on certain assumptions and expectations of future events, the company cannot guarantee that these are accurate or will be realised. The company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events.

i) INDUSTRY STRUCTURE AND DEVELOPMENT

MACRO - ECONOMIC ENVIRONMENT

ECONOMY: REVIEW AND OUTLOOK

Sluggish economic growth, high inflation and elevated interest rate have made life difficult for common man whereas government is fighting high fiscal deficit and current account deficit to avoid sovereign downgrade. India's economic growth slowed to 4.5% in the year ended March, 2013, the weakest pace in 10 years, and the government estimates a 4.9% rate in the year that ended 31 March, 2014.

Global corporations view India as one of the key markets from where future growth will emerge. The growth in India's consumer market will be primarily driven by a favourable population composition and

rising disposable incomes. A recent study by the McKinsey Global Institute (MGI) suggests that if India continues to grow at the current pace, average household incomes will triple over the next two decades and the country will become the world's fifth largest consumer economy by 2025, up from 12th at present.

India not only supports one of the largest populations in the world, but also one of the youngest. 50% of its population is below the age 25 and 67% is below the age of 35. Also, above 65% of Indians are in the working age group of 15-64 years.

India's appeal lies in its competitive labor costs, lucrative domestic market, and its skilled workforce. Foreign investors also applaud its strong management and business education system, as well as its improving telecommunications infrastructure. However, the country's weaknesses are its under-developed infrastructure and a restrictive operative environment. Overall the Indian economy is poised for sustained growth.

INDIAN CAPITAL MARKET

Overview

Indian stock market has rallied significantly since the announcement of Shri Narendra Modi as the prime ministerial candidate of Bharatiya Janata Party (BJP) on 13th September, 2013, exhibiting a strong and positive faith of the market participants in the Indian capital markets. The significant rise is clearly evident from below chart of Nifty and Sensex:

NIFTY



SENSEX



Foreign Institutional Investors (FIIs) & market participants gained confidence mainly on hopes of a stable and reform oriented government at the Centre. Total Investments by FIIs in Indian equities since January 2014 has risen to about ₹43,935/- Crs.

The trends in FDI are endorsements of India's status as a preferred investment destination among global investors. India's competitive strength span from telecommunication, IT, auto components, chemicals, apparels, pharmaceuticals and jewelry. India's steady economic liberalization and its embrace of the global economy have been key factors in attracting FDI. The government has expressed its willingness to increase FDI limit upto 49% in civil aviation and insurance markets. More government initiatives are expected, such as, reforms in banking, pension, the Land Acquisition Act, regulatory changes in the power sector, systematic plan for reductions in fuel and fertilizer subsidies, recapitalization of state owned banks, clarity on gas pricing, auctioning of coal blocks, augmenting funding and investment in the Railways, to create an investment climate poised for rapid growth.

SMC OVERVIEW

A LEADING FINANCIAL SERVICES GROUP

SMC Global Securities Ltd (SMC), established in 1994, has over a period become a well diversified financial services group, offering wide range of services, namely:

- **Broking & Commission Business**, comprising of Equity, Commodity, Currency & Insurance Broking, Real Estate advisory, Depository, clearing services and Distribution of Financial Products
- **Capital Business**, comprising of Trading and Arbitrage Business, Treasury & Financing Operations

- **Advisory Business**, comprising of Investment Banking, Wealth Management, Research Services and PMS

The company's growth has been powered by strategic vision, strong belief and adherence to its core values and guiding principles, its ability to raise capital and deploy it judiciously, attract and retain talent and a strong focus on technology, corporate governance and risk management.

AWARDS & RECOGNITIONS

- **Best Equity Broking House in Derivative Segment in India**- (Source: BSE IPF-D&B Equity Broking Awards, 2013)
- **Fastest Growing Equity Broking House- Large Firm** - (Source: BSE IPF-D&B Equity Broking Awards, 2013)
- **Emerging SME Investment Banker of the year 2013**- (Source: ASSOCHAM SME Excellence Awards, 2013)
- **Best Commodity Broking house in Derivative Segment in India**-(Source: ASSOCHAM Excellence Awards, 2014)

ii) HUMAN RESOURCES

ORGANISATIONAL STRUCTURE

At SMC it has been our constant endeavor to manage our growth in most efficient and effective manner. This involves creating strong organization, creating leaders out of internal resources and having robust back office support system. In order to meet the expectations of our ever growing and demanding customer base, we strive hard to find innovative ways to come up to provide them world class services.

The diversified business of SMC is being conducted through an organizational structure consisting of seven subsidiaries and three step down subsidiary companies, including one at Dubai, UAE. These subsidiaries are regulated by various regulators in India and UAE respectively, depending upon business handled by them. We have presence in major cities through 50 offices including one at Dubai, UAE as on 31st March 2014. Through a strong network of 2400+ authorized persons and sub brokers, SMC footprints cover nearly 550+ cities across India. SMC group employs around 2400+ employees, including outsourced employees, leveraging a strong partnership and ownership culture.

SMC STRATEGY

SMC has, since inception, successfully followed the strategy of synergetic diversification, while focusing on people, processes, products and structure. This strategy has stood us in good stead as demonstrated by the resilience of our business model across cycles.

Our strategy, which has resulted in our success over the years, revolves around following key areas:

- Capitalizing on human resources with conducive environment for development of strong leaders
- Commitment towards excellent customer services
- Strong governance & compliance culture
- Focus on Risk Management
- Leveraging Technology for strategic advantage
- Strong Balance Sheet
- Good quality Research

The strategy has proved to be our key strength in providing us strong foothold vis-à-vis competition. It has facilitated us diversification into new businesses, gaining market share, establishing a strong and visible Brand and achieving leadership position.

iii) DISCUSSION OF FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

FINANCIAL PERFORMANCE HIGHLIGHTS

SMC Financial Information- Standalone and Consolidated

(₹ in lacs)

Particulars	Standalone		Consolidated	
	FY 2013-14	FY 2012-13	FY 2013-14	FY 2012-13
Revenue from Operations	17,501.52	17,586.88	29,262.38	29,137.64
PBDIT	2,937.92	3,216.18	5,091.31	4,872.83
Net Profit	1,256.85	1,060.00	2,260.29	2,037.55
Cash and marketable securities	31,679.76	31,447.70	40,508.34	44,979.76
Fixed Assets	1,832.52	2,169.12	2,908.42	3,428.10
Gross Debt	2,846.68	1,982.16	3,742.79	3,308.57

SMC delivered superior financial performance with improvements across key parameters.

Revenue from operations of ₹ 17501.52 lacs has decreased marginally by 0.48% in comparison to previous year. Revenue was impacted by a marginal decline in Income from Proprietary Trading.

Operating profit before other income and depreciation & finance cost decreased from ₹ 2978.08 lacs to ₹ 2319.05 lacs in FY 2013-14 as advertisement cost increased manifold during the year.

Other income was higher at ₹ 618.87 lacs as against ₹ 238.09 lacs in the previous year, largely on account of campaigning and advertisement income. Other income includes Rent Income of ₹ 165.60 lacs.

Interest cost was lower at ₹ 1000.93 lacs as against ₹ 1412.16 lacs in previous year, as term loan from ICICI Bank was paid ahead of schedule, thereby reduction in interest cost during the year.

Depreciation expense (including amortization) was lower by 21.80% at ₹ 395.88 lacs as against ₹ 506.21 lacs in previous year, as no major additions were made during the year and depreciation is charged on w.d.v. method.

Tax expenses for the year increased to ₹ 284.26 lacs as compared to ₹ 237.30 lacs in the previous year.

Profit after tax for the year was at ₹ 1298.85 lacs which is higher by 18.57% over ₹ 1060 lacs in the previous year. Growth in net profit was led by higher other income, lower interest cost & depreciation.

The basic and diluted EPS for the year was ₹ 111 per share as compared to ₹ 94 per share in previous year registering a growth of 17.63%.

The Board of Directors has recommended, subject to approval of shareholders, final dividend of 12% amounting to ₹ 271.52 lacs, exclusive of dividend distribution tax, in addition to 12% Interim Dividend amounting to ₹ 271.52 lacs paid during the year. This makes total Dividend @24% amounting to ₹ 543.04 lacs.

Return on capital employed was at 2.93% and return on equity was at 2.39%. Return ratios improved marginally compared to the previous year.

SMC's Consolidated Revenue from operations for FY 2013-14 was ₹ 29262.38 lacs, an increase of 0.43% in comparison to previous year. Consolidated profit after tax was at 2260.29 lacs, an increase of 10.93% against 2037.55 lacs in the previous year. EPS on consolidated basis for the year was at ₹ 1.99 as against ₹ 1.87 in the previous year.

SMC's consolidated net worth is ₹ 50739.53 lacs & fixed assets stood at ₹ 2908.42 lacs as of March 31, 2014. This includes fixed assets of its subsidiaries of ₹ 1075.90 lacs.

SMC's gross debt on consolidated basis was at ₹ 3742.79 lacs. This includes standalone gross debt of ₹ 2846.68 lacs.

Consolidated cash and marketable securities were at ₹ 40508.34 lacs.

Key Subsidiaries

(₹ in lacs)

Particulars	Revenue from Operations	PBDIT	Profit/ (loss) after Tax
SMC Comtrade Limited	5,490.72	993.82	415.44
SMC Insurance Brokers Pvt. Ltd.	3,154.53	786.35	460.97
Moneywise Financial Services Pvt. Ltd.	693.13	670.19	324.72

iv) SEGMENT-WISE PERFORMANCE

EQUITY BROKING:

BUSINESS PERFORMANCE HIGHLIGHTS

SMC is a member of NSE, BSE and MCX-SX in the cash equities and derivative segments.

Overall turnover of SMC in Equity Market



CURRENCY BROKING:

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

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

Overall turnover of SMC in Currency Market



COMMODITY BROKING:

SMC Comtrade Ltd., Wholly owned Subsidiary of SMC Global Securities Limited, is member of all major commodities exchanges in India. Also it has

international presence through its Wholly owned subsidiary, SMC Comex International DMCC, which is a member of Dubai Gold and Commodity Exchange (DGCX).

Overall turnover of SMC in Commodity Market**INSTITUTIONAL BROKING:**

SMC's Institutional Desk 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 which analyzes various sectors and the Indian economy to identify equity & trading ideas for Institutional clients.

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 services in Life Insurance and General Insurance Category. We at SMC have sold around 4.50 Lac policies during FY 2013-14 and in the Life Insurance category added over 7,000 customers capable of

generating recurring renewal revenues. For the FY 2013-14 in Honda Assure, (exclusive arrangement between Honda Cars India Ltd. and SMC Insurance), we have sold more than 260,000 policies against 1,58,389 policies in previous year.

FINANCIAL PRODUCTS DISTRIBUTION:

SMC offers distribution services of IPO, Mutual Fund, other public issues, Corporate Fixed deposits and Bonds through its network of branches across India. 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 ₹ 1323 Cr in Corporate fixed deposits segment in FY 2013-14 and established itself amongst the top mobilisers.
- Developed network of 23,000 - channel partners

for distribution of third party products.

- Mobilised ₹ 1264 Cr in various schemes of Mutual Funds during 2013-14.
- Procured more than ₹ 606 Cr in REC & NHAI Capital Gain Bonds under section 54EC (private Placement Bonds) in the year 2013-14.
- Mobilised ₹ 1046 Cr in Tax Free Bonds with 21749 applications in 2013-14.
- Procured more than ₹ 354 Cr with 28860 applications in IPO & FPO segment in the year 2013-14.
- We have built a cumulative Asset Under Management (AUM) of ₹ 1000 Cr. and having more than 2.52 Lacs Folio in Mutual Fund segment as on 31st Mar 2014.
- Over 17000 running SIPs in various schemes of Mutual Funds.

INVESTMENT BANKING

SMC Capitals Limited is the investment banking arm of the SMC Group. We provide services in the areas of Equity Capital Market, M&A advisory services, Private Equity and Debt Syndication. The investment banking group is led by professionals having more than 15 years of experience in this business.

During FY 2013-14, on advisory side SMC Capitals advised Mahindra & Mahindra Group in establishing a joint venture with Univeg, a Euro 3 bn fresh produce major, headquartered in Belgium, for setting up a fresh produce business in India and on Merchant Banking side managed a buyback offer (through tender route) by VLS Finance Limited, an Open Offer to

the shareholders of Gujarat Automotive Gears Limited by Him Technoforge Limited & others and managed public issues of NCDs by reputed NBFIs namely, IIFL Limited, IIFL Housing Finance Limited, SREI Infrastructure Finance Limited and Shriram Transport Finance Co. Limited etc in the capacity of a Co-Lead Manager. SMC Capitals also provided valuation services to number of corporates during FY 2013-14. However, due to paucity of deals in the market, the subsidiary incurred loss of 1.78 crores but we are quite optimistic for next fiscal.

FINANCING BUSINESS

The group is engaged in the business of providing loans against securities, mortgage/pledge of immovable property through its subsidiary company Moneywise Financial Services Private Limited, having net worth of ₹ 75.46 Crs. & client base of more than 3000 as on 31st March, 2014.

WEALTH MANAGEMENT

We commenced Wealth Management services to high net worth individuals, through our wholly owned subsidiary SMC Investment and Advisors Limited ("SMCIAL"), registered with SEBI as portfolio management service provider, in 2008. The nature of business involves long gestation period and sluggish market conditions has made the gestation even longer. However, we are confident that this activity will start making profits from next fiscal year.

(v) OUTLOOK & STRATEGY

Optimism will continue in stock market as stable government will now have greater charge of fulfilling its election manifesto which is targeted towards conducive investment climate and fiscal consolidation. Policy paralysis, which has been the root cause of current economic situation, will also be

focused in order to get the wheel spinning at a higher pace; further, control on corruption which will have direct bearing on the fiscal health of the country and sovereign re-rating. Taming inflation through greater efficiency in Food Corporation of India's (FCI) operations and setting up a price stabilisation fund, bringing in Goods and Services Tax (GST) would help in overall growth of the economy.

However, converging all the parameters towards growth will not be an easy task for the new government. Though WPI for the month of April 2014 has eased to 5.2 percent compared to 5.7 percent in March 2014, but still remains above RBI's comfort zone. With persistence of high inflation amid slow economic growth, coordination between the government and the Reserve Bank of India (RBI) will be the key for balancing growth-inflation dynamics.

(vi) OPPORTUNITIES & THREATS

OPPORTUNITIES

We firmly believe that Indian economy is poised for rapid growth and faster development under the dynamic leadership of newly elected government. As such the financial service sector also presents exciting opportunities, as enumerated below:

- India's long term growth story remains intact notwithstanding declining growth in past two to three years. As such, there are tremendous opportunities to grow the business manifold over medium term.
- With nearly 70% of Indian household financial savings currently flowing to Banks, scope of channelizing savings to Equity, Mutual Funds, Bonds, commodities and Insurance is enormous.

- It is expected that the new government at center shall take the reforms agenda to next level, which shall further expand the market & hence opportunities.
- Our pan India network shall help us in tapping growing retail participation.
- Our strong and well established Brand and wide range of financial products & services gives us edge over competition.
- Experienced promoters & efficient management team further adds glitter to the gold.

THREATS

At the same time, we perceive following threats for growth of financial service sector:

- Macroeconomic environment including inflation above the threshold of RBI, limited scope to reduce interest rates, high fiscal and current account deficit could prove to be dampener to growth.
- Investor confidence needs to be restored by avoiding retrospective Tax amendments and rationalization of provisions like GAAR.

(vii) RISKS & CONCERNS

SMC has adequate Risk Management techniques and safeguards in place, to ensure that major risks are properly assessed, analyzed and mitigation tools are applied and that the identified risks are commensurate with the potential returns.

SMC is active in various markets and in its course of doing business with various counterparties the organization is exposed to various risks. These risks can be broadly classified as market risk, credit risk and

operational risk. SMC risk team constantly evaluates these risks & puts necessary mitigation measures in place on near real time basis.

MARKET RISK

SMC actively participates in various asset classes such as equity, fixed income securities, commodities and foreign exchange markets. These asset classes experience volatility from time to time due to economic growth levels, inflation, prices, interest rates, foreign exchange rates and other macro-economic factors. A robust system of monitoring daily positions, durations and value at risk helps in managing market risks. Limits on concentration, liquidity mismatches between asset & liabilities and limits on margin utilization, ensures that market risk is monitored and mitigated in an effective manner. Care is taken to maintain enough liquidity cushion overnight and to meet unforeseen circumstances.

CREDIT RISK

Since SMC deals with large number of clients, we have a system in place to assess creditworthiness of counterparties, prior to taking exposure on them. Accordingly limits are assigned and our monitoring mechanism ensures that exposure to single client does not cross the laid down threshold limit. Besides we also collect collateral from client to adequately cover the exposure.

OPERATIONAL RISK

SMC faces operational risks arising from people, systems and processes through which it operates. Operational risk broadly encapsulates other category of risks, inter alia, reputation risk, fraud risk, legal risk and environment risk.

SMC has well defined processes and systems to check

& balance operational risks at key points. A platform for exception reporting of violations is in place, which are reviewed regularly and remedial measures are taken immediately. Enough importance is attached to compliance related issues to keep reputation risk at bay.

(viii) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

SMC has adequate internal audit and control system across all companies / business segments. Risk based internal audits, through external audit firms, are being conducted periodically to independently evaluate adequacy of internal controls, adherence of processes and procedures and compliance of regulatory and legal requirements. The internal audit programme is periodically reviewed by Audit committee of Board, which is chaired by independent Director, for its effectiveness and timely reporting. The internal control procedures include segregation of roles and responsibilities, independent confirmations, physical verifications and preventive checks on compliance risk.

Statutory and standard auditing practices employed include, inter alia, compliance to accounting and auditing standards, compliance of all relevant rules & regulations, tax laws and review of related party transactions.

SMC believes in conduct of its affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior.



Moneywise. Be wise.

EXPAND YOUR
INVESTMENT
PORTFOLIO WITH
COMMODITY

LONGEST TRADING TIME

PAN INDIA PRESENCE

OFFLINE & ONLINE TRADING FACILITIES

STRONG DELIVERY HANDLING TEAM

DEDICATED RESEARCH TEAM

auditors' report

STANDALONE

To,

The Members

SMC Global Securities Limited

Report on the financial statements

We have audited the accompanying financial statements of SMC Global Securities Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2014, 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.

Management's Responsibility for the financial statements

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") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. 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.

Auditors' Responsibility

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.

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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements 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 31 March 2014;
- (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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("Order"), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. 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 purposes 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, the Statement of Profit

and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

- (d) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
- (e) on the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

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

PLACE : NEW DELHI
DATE : 26.05.2014

ANNEXURE

Referred to our audit report of even date

1. a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
- c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
2. a) The securities held as stock-in-trade have been verified from the statement of holding from the depository participants and by physical verification of the share certificates in case of stock held in physical form, by the management, during the year/at the year end. In our opinion, the frequency of verification is reasonable.
- b) In our opinion, the procedures of physical verification of stock-in-trade followed by the Management are reasonable and adequate in relation to the size of the

Company and the nature of its business

- c) On the basis of our examination of the records of the Company relating to securities held as stock-in-trade, in our opinion, the Company is maintaining proper records of stock-in-trade. There are no material discrepancies noticed between the book records and the statement of holding provided by the depository participants, physically verified shares in physical form.
3. The company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
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 Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed 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, 2014 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 / nidi / 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 : 26.05.2014**

BALANCE SHEET

AS AT 31ST MARCH, 2014

(Amount in ₹)

PARTICULARS	NOTE NO.	AS AT 31.03.2014	AS AT 31.03.2013
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	2.01	226,268,900	226,268,900
Reserves and surplus	2.02	5,035,720,534	4,973,569,257
NON-CURRENT LIABILITIES			
Long-term borrowings	2.03	-	347,062
Long-term provisions	2.04	27,920,680	23,296,026
Other Long-term Liabilities	2.05	60,000,000	-
CURRENT LIABILITIES			
Short-term borrowings	2.06	284,668,436	197,968,660
Other current liabilities	2.07	3,173,610,090	2,815,405,199
Short-term provisions	2.08	54,682,575	28,729,830
TOTAL		8,862,871,215	8,265,584,934
ASSETS			
NON-CURRENT ASSETS			
Fixed assets:	2.09		
Tangible assets		168,006,738	198,453,785
Intangible assets		15,245,395	18,457,771
Non-current investments	2.10	2,716,537,254	2,525,938,176
Deferred tax Assets (Net)	2.11	17,591,016	14,922,411

(Amount in ₹)

PARTICULARS	NOTE NO.	AS AT 31.03.2014	AS AT 31.03.2013
Long-term loans and advances	2.12	448,055,122	540,969,274
Trade Receivables	2.13	200,745,307	269,928,102
CURRENT ASSETS			
Current Investment	2.10	53,606,828	-
Inventories	2.14	(182,065,540)	748,789,113
Trade receivables	2.15	2,041,311,178	1,243,462,630
Cash and Bank Balances	2.16	1,805,130,701	2,233,024,235
Short-term loans and advances	2.17	193,370,904	451,151,377
Other current assets	2.18	21,205,232	20,488,060
TOTAL		8,862,871,215	8,265,584,934

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. D05402N

FOR AND ON BEHALF OF THE BOARD

sd/-
RAJINDER MALHOTRA
PROPRIETOR
M No. F083680sd/-
S. C. AGGARWAL
(CHAIRMAN & MANAGING
DIRECTOR)sd/-
MAHESH C. GUPTA
(VICE-CHAIRMAN & MANAGING
DIRECTOR)sd/-
VINOD KUMAR JAMAR
(CHIEF FINANCIAL OFFICER)sd/-
SUMAN KUMAR
(COMPANY SECRETARY)PLACE: NEW DELHI
DATE: 28.05.2014STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount in ₹)

PARTICULARS	NOTE NO.	FOR THE YEAR ENDED 31.03.2014	FOR THE YEAR ENDED 31.03.2013
Revenue:			
Revenue from operations	2.19	1,750,151,947	1,758,688,088
Other incomes	2.20	61,887,359	23,809,163
Total Revenue		1,812,039,306	1,782,497,251
Expenses:			
Stock Exchange & Other Operating expenses	2.21	802,580,402	760,778,233
Employee benefits expenses	2.22	335,906,707	379,666,446
Finance costs	2.23	100,093,126	141,265,717
Depreciation and amortization expenses	2.24	39,588,066	50,621,630
Other expenses	2.25	379,760,091	320,434,993
Total expenses		1,657,928,392	1,652,767,019
Profit before Tax		154,110,914	129,730,232
Tax expense:			
Current tax		32,000,000	44,941,306
Deferred tax		(2,668,605)	(20,027,259)
Wealth tax		26,958	30,649
Prior Period Taxes		(932,308)	(1,214,630)
Profit for the year		125,684,869	106,000,166
Earning per Equity Share of ₹ 2 /- each - Basic & Diluted	2.34	1.11	0.94
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 083580sd/-
S. C. AGGARWAL
(CHAIRMAN & MANAGING
DIRECTOR)sd/-
MAHESH C. GUPTA
(VICE-CHAIRMAN & MANAGING
DIRECTOR)sd/-
VINOD KUMAR JAMAR
(CHIEF FINANCIAL OFFICER)sd/-
SUMAN KUMAR
(COMPANY SECRETARY)PLACE : NEW DELHI
DATE : 26.05.2014

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount in ₹)

PARTICULARS	FOR THE YEAR ENDED 31.03.2014	FOR THE YEAR ENDED 31.03.2013
A Cash Flow From Operating Activities		
Profit before Tax	154,110,914	129,730,231
Add:		
Depreciation & Amortization	39,588,066	50,621,630
Deferred revenue expenses amortized	-	160,466
Provision for Doubtful Debts	43,851,428	31,935,767
Loss on sale / Discarded Fixed assets	3,317,835	82,313
Provision for Gratuity	2,143,577	(1,576,227)
Provision for Leave encashment	1,275,160	(248,503)
Interest Expenses on Secured Loans	79,988,571	127,783,674
Operating Profit before Working Capital Changes	324,275,551	338,489,351
Adjustments for:		
Changes in assets and liabilities		
Liabilities and Provisions	413,596,757	709,920,774
Trade Receivables	(772,517,180)	614,818,572
Loans & advances and Other Assets	270,000,701	(54,602,600)
Cash Generated from Operations	235,355,829	1,608,626,098
Direct Taxes Paid (net of refunds)	(31,094,650)	(43,757,325)
Net Cash From Operating Activities	204,261,179	1,564,868,773
B Cash Flow from Investing Activities		
(Purchase) of Fixed Assets	(11,400,537)	(14,427,520)
Sale of Fixed Assets	2,154,059	15,181,210
Sale / (Purchase) of Current Investments (net)	(53,606,828)	46,951,241
(Purchase) of non-current Investments	(190,599,078)	(910,960,959)
Net Cash used in Investing Activities	(253,452,384)	(863,256,028)

SIGNIFICANT ACCOUNTING POLICIES AND
NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED MARCH 31, 2014

(Amount in ₹)

PARTICULARS	FOR THE YEAR ENDED 31.03.2014	FOR THE YEAR ENDED 31.03.2013
C Cash Flow From Financing Activities		
Interim Dividend Paid and Tax thereon	(31,766,796)	-
Proceeds from Issue of Share Capital (including premium)	-	410,007,774
Interest expense on Secured Loans	(79,988,571)	(127,783,674)
(Payment)/ receipt of short term borrowings	86,699,776	(405,045,310)
(Payment) / proceeds from Secured Loan from Banks (net)	(347,062)	(525,624,532)
Net Cash Used in Financing Activities	(25,402,653)	(648,445,742)
Net Increase / (decrease) in cash and cash Equivalents	(74,593,859)	53,167,002
Cash and Cash Equivalent at the beginning of the year	97,211,371	44,044,369
Cash and Cash Equivalent at the end of the year (refer Note No. 2.16)	22,617,512	97,211,371

Notes:

- The above Cash flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 on Cash Flow Statements notified under Companies Act, 1956, read with the general circular 15/2013 dated 13.09.13 of Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.
- Fixed deposits have been included in the Operating activities, since it is directly distributable to the primary revenue generating operations of the company.
- Figures in brackets indicate cash outgo.
- 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
CHARTERED ACCOUNTANTS
F R N : 005402Nsd/
RAJINDER MALHOTRA
PROPRIETOR
M. No. F 083680

FOR AND ON BEHALF OF THE BOARD

sd/
S. C. AGGARWAL
(CHAIRMAN & MANAGING
DIRECTOR)sd/
VINOD KUMAR JAMAR
(CHIEF FINANCIAL OFFICER)sd/
MAHESH C. GUPTA
(VICE-CHAIRMAN & MANAGING
DIRECTOR)sd/
SUMAN KUMAR
(COMPANY SECRETARY)PLACE : NEW DELHI
DATE : 26.05.2014

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 EARNINGS PER SHARE

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the year. Diluted earnings per share are computed using the weighted average number of equity and dilutive potential equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

1.17 CASH AND CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

1.18 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 ₹)

PARTICULARS	AS AT 31.03.2014	AS AT 31.03.2013
a Authorised		
50,00,000 Preference Shares of ₹ 10 each	50,000,000	50,000,000
14,00,50,000 (Previous Year 14,00,50,000) Equity Shares of ₹ 2/- each	280,100,000	280,100,000
	330,100,000	330,100,000
b Issued, Subscribed & Paid up		
11,31,34,450 (Previous Year 11,31,34,450) Equity Shares of ₹ 2/- each fully paid up	226,268,900	226,268,900
	226,268,900	226,268,900

c Reconciliation of Number of Equity Shares Outstanding

Particulars	Number of Shares	(Amount in ₹)
As At 31.03.2014		
At the beginning of the year	113,134,450	226,268,900
Issued during the year	-	-
At the end of the year	113,134,450	226,268,900
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	-
Issued during the period	-	-
Issue of Bonus shares *	56,567,225	113,134,450
At the end of the year	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

d Shares held by shareholders holding more than 5% shares

Name of Shareholder	No. of Shares held	% of Holding
As At 31.03.2014		
Millennium India Acquisition Company Inc	14,736,035	13.03
Maresh C. Gupta	10,248,500	9.06
Subhash Chand Aggarwal	10,095,500	8.92
Sushma Gupta	7,566,550	6.69
Hemlata Aggarwal	7,720,550	6.82
Sainty Financial Services (P) Ltd	6,000,000	5.30
Sanlam International Investment Partners Ltd	9,460,590	8.36

NOTE NO. 2.01

SHARE CAPITAL

(Amount in ₹)

Name of Shareholder	No. of Shares held	% of Holding
As At 31.03.2013 #		
Millennium India Acquisition Company Inc	15,867,380	14.03
Maresh C. Gupta	10,248,500	9.06
Subhash Chand Aggarwal	10,095,500	8.92
Sushma Gupta	7,566,550	6.69
Hemlata Aggarwal	7,720,550	6.82
Sainty Financial Services (P) Ltd	6,000,000	5.30
Sanlam International Investment Partners Ltd	9,460,590	8.36

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 During the Previous Year, 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 31.03.2014	AS AT 31.03.2013
Securities Premium Reserve		
Opening Balance	3,444,449,991	3,151,253,537
Addition during the Year	-	406,330,904
Utilised for issuing as fully paid bonus shares	-	(113,134,450)
Closing Balance	3,444,449,991	3,444,449,991
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**

DESCRIPTIONS	(Amount in ₹)	
	AS AT 31.03.2014	AS AT 31.03.2013
General Reserve		
Opening Balance	609,011,539	609,011,539
Addition during the Year	15,000,000	-
Closing Balance	624,011,539	609,011,539
Surplus		
Opening balance	692,006,907	586,006,742
Profit for the year	125,684,869	106,000,165
Amount Available for Appropriation	817,691,776	692,006,907
Less: Appropriations		
Transfer to General Reserve	15,000,000	-
Interim Dividend	27,152,268	-
Proposed Dividend-Final	27,152,268	-
Tax on Dividend	9,229,056	-
Closing Balance	739,158,184	692,006,907
Total	5,035,720,534	4,973,569,257

NOTE NO. 2.03**LONG TERM BORROWINGS**

DESCRIPTIONS	(Amount in ₹)	
	AS AT 31.03.2014	AS AT 31.03.2013
Term Loans* (Secured Against Vehicles)		
From Banks	347,062	971,594
Less: Current Maturities disclosed under the head "Other Current Liabilities" (Note No. 2.07)	347,062	624,532
	-	347,062
Secured		
Term loans		
Term loan from Banks	-	100,000,000
Less: Current Maturities disclosed under the head "Other Current Liabilities" (Note No. 2.07)	-	100,000,000
	-	-
Total	-	347,062

* Repayable in 36 equated monthly instalments bearing interest @ 8.82% to 10.50% p.a.

NOTE NO. 2.04**LONG TERM PROVISIONS**

DESCRIPTIONS	(Amount in ₹)	
	AS AT 31.03.2014	AS AT 31.03.2013
Provision for employee benefits		
Provision For Gratuity #	22,136,717	18,704,467
Provision For Leave Encashment #	57,839,63	4,591,559
Total	27,920,680	23,296,026

also refer to Note No. 2.08 & 2.22

NOTE NO. 2.05**OTHER LONG TERM LIABILITIES**

DESCRIPTIONS	(Amount in ₹)	
	AS AT 31.03.2014	AS AT 31.03.2013
Security & Deposits Received from related party*	60,000,000	-
Total	60,000,000	-

*also refer to Note No. 2.35

NOTE NO. 2.06**SHORT TERM BORROWINGS***

DESCRIPTIONS	(Amount in ₹)	
	AS AT 31.03.2014	AS AT 31.03.2013
Secured		
Short Term Loan from Banks secured against Shares	284,668,436	168,660
Short Term Loan from Banks secured against FDR	-	197,800,000
Total	284,668,436	197,968,660

*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

DESCRIPTIONS	AS AT 31.03.2014	AS AT 31.03.2013
Trade Payables		
- Due to micro and small enterprises *		
- Others	816,467,973	820,091,082
Others		
Book Overdraft from Banks	101,147,143	253,596,319
Current Maturities of Long Term Borrowings (Refer Note No. 2.03)	347,062	100,624,532
Security & Deposits Received from clients	22,441,051	23,429,030
Advances /Margin Received from Clients	1,807,133,328	1,593,944,695
Unpaid Dividend	216,564	
Unearned Income	4,316,963	5,424,686
Payable to Related Party on Current Account #	404,924,882	
Payable to Statutory authorities	16,615,124	18,294,855
Total	3,173,610,090	2,815,405,199

* 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, 2014.

Also refer to Note no. 2.35

NOTE NO. 2.08

SHORT TERM PROVISIONS

DESCRIPTIONS	AS AT 31.03.2014	AS AT 31.03.2013
Provision for employee benefits		
Salary and Perquisites	21,584,413	27,765,083
Provision For Gratuity #	1,042,279	754,725
Provision For Leave Encashment #	262,129	179,373
Others		
Provision For Wealth Tax	26,958	30,649
Proposed Dividend	27,152,268	
Tax on Dividend	4,614,528	
Total	54,682,575	28,729,830

also refer to Note No. 2.04 & 2.22

NOTE NO. 2.09
FIXED ASSETS

PARTICULARS	GROSS BLOCK		DEPRECIATION		NET BLOCK	
	As At 01.04.2013	As At 31.03.2014	As At 01.04.2013	As At 31.03.2014	As At 01.04.2013	As At 31.03.2014
Tangible Assets						
Land						
Office Building	51,040,923	31,040,923	1,911,308	36,333,619	19,246,166	36,333,619
Office Equipment	92,292,893	95,442,856	45,458,846	24,089,343	51,834,028	44,803,298
Furniture & Fixtures	327,069,962	124,796,330	67,633,348	49,807,962	69,035,634	50,394,174
Computer Hardware	168,779,663	155,334,606	114,024,118	3,134,841	10,408,814	21,272,300
Vehicles	12,540,304	12,554,468	2,140,762	1,222,607	4,699,143	1,596,983
VST	36,833,736	36,742,236	23,290,136	1,877,109	11,529,690	11,529,690
Total Tangible Assets	493,894,461	485,712,429	295,440,676	36,113,190	198,453,785	168,006,738
Previous Year	503,979,634	493,894,461	258,436,944	45,672,004	244,492,690	198,453,785
Intangible Assets						
Computer Software	52,679,136	52,641,636	3,474,118		8,455,876	52,641,636
Trade Mark/Logo	20,000,000	20,000,000	758		1,895	20,000,000
Goodwill	60,000,000	62,961,636				60,000,000
Total Intangible Assets	62,699,136	62,961,636	44,241,365	3,474,876	18,457,771	15,245,395
Previous Year	65,670,330	62,699,136	41,213,873	5,540,630	23,876,492	18,457,771
CURRENT YEAR	556,593,597	548,674,065	339,682,041	39,588,066	216,911,556	183,252,133
PREVIOUS YEAR	568,550,004	556,593,597	300,180,815	50,621,630	268,369,189	216,911,556

NOTE NO. 2.10

INVESTMENTS

(Amount in ₹)

PARTICULARS	FACE VALUE	AS AT 31.03.2014		AS AT 31.03.2013	
		NUMBERS	AMOUNT	NUMBERS	AMOUNT
A. Non-Current Investments					
Investment Property			10,686,191		10,686,191
Sub- Total			10,686,191		10,686,191
Trade Investments (Valued at cost)					
Investment in Equity Instruments (Un-quoted)					
INVESTMENT IN SUBSIDIARIES					
SME Comtrade Limited	10	8,500,000	735,400,000	8,500,000	735,400,000
Moneywise Financial Services (P) Limited	10	18,364,650	652,293,000	13,364,650	452,293,000
SME Capitals Limited	10	10,000,000	124,876,767	9,041,660	105,709,967
SME Investment & Advisors Limited	10	15,000,000	600,000,000	15,000,000	600,000,000
SME 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	1,000,000	9,798,700
SME Finvest Limited	10	41,000,000	379,988,000	40,180,000	372,772,000
Sub- Total			2,527,356,467		2,300,973,667
Non- Trade Investments (Valued at Cost)					
Investment in Equity Instruments (Quoted)					
NHPC Limited	10	719,152	26,947,192	719,152	26,947,192
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	858,025	16,903,093	2,578,610	50,798,617
Pradip Overseas Limited	10	424,108	9,447,024	424,108	9,447,024
Khandwala Securities Limited	10	315,935	5,260,318	315,935	5,260,318
Surya Roshni Limited	10	-	-	33,512	1,836,458
ITC Limited	1	9,000	2,541,060	9,000	2,541,060
Welspun Corp Limited	5	14,938	1,485,883	14,938	1,485,883
Gabriel India Limited	1	30,000	649,800	30,000	649,800
Unitech Limited	2	19,650	717,422	19,650	717,422
Larsen & Toubro Limited	2	652	669,811	428	669,811
Amtek Auto Limited	2	8,150	1,077,838	8,150	1,077,838
Hindustan Oil Exploration Company Limited	10	5,267	624,034	5,267	624,034
Bajaj Hindustan Limited	1	20,000	531,400	20,000	531,400
Tata Motors Limited	2	1,250	366,138	1,250	366,138
Zee Entertainment Enterprises Limited	1	1,270	286,715	1,270	286,715

(Amount in ₹)

PARTICULARS	FACE VALUE	AS AT 31.03.2014		AS AT 31.03.2013	
		NOS.	AMOUNT	NOS.	AMOUNT
Reliance Capital Limited	10	576	272,892	576	272,892
Steel Authority of India Limited	10	2,485	217,264	2,485	217,264
Aftek Limited	2	20,902	208,602	20,902	208,602
Gayatri Sugars Limited	10	44,999	134,997	44,999	134,997
TATA Steel Limited	10	301	121,812	301	121,812
Indian Hotels Company Limited	1	1,513	96,968	1,513	96,968
Fortis Healthcare Limited	10	468	47,727	468	47,727
Tech Mahindra Limited	10	-	-	45	44,869
Som Datt Finance Corporation Limited	10	4,100	27,470	4,100	27,470
JCT Electronics Limited	1	16,000	12,320	16,000	12,320
Gail India Limited	10	30	11,084	30	11,084
Murudeshwar Ceramics Limited	10	452	7,842	452	7,842
Punj Lloyd Limited	2	-	-	100	6,293
GVK Power & Infrastructure Limited	1	400	6,008	400	6,008
Zee Learn Limited	1	158	2,326	158	2,326
Jaiprakash Associates Limited	2	45	3,730	45	3,730
Reliance Power Limited	10	36	3,394	36	3,394
HB Portfolio Limited	10	100	2,575	100	2,575
Peacock Industries Limited	10	200	950	200	950
Moorigipa Capital Finance Limited	10	100	399	100	399
Hindalco Industries Limited	1	-	-	5	578
Jaiprakash Power Ventures Limited	10	4	140	4	140
Sub- Total			127,173,246		162,956,968
Investment in Equity Instruments (Unquoted)					
Ludhiana 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
Prikrit 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			2,716,537,254		2,525,938,176

Note

1. Aggregate Market Value of Quoted Investment is ₹ 6,62,16,468 (Previous Year is ₹ 9,96,03,177)
2. Aggregate Book Value of Quoted Investment is ₹ 12,71,73,246 (Previous Year is ₹ 16,29,56,968)
3. Aggregate Book Value of Unquoted Investment is ₹ 2,57,86,77,817 (Previous Year is ₹ 2,35,22,95,017)

NOTE NO. 2.10

INVESTMENTS

PARTICULARS	FACE VALUE	AS AT 31.03.2014		AS AT 31.03.2013	
		NUMBERS	AMOUNT	NUMBERS	AMOUNT
B. Current Investment					
(at lower of cost or fair value)					
Investment in equity instrument under Portfolio Management Service					
Hindustan Unilever Ltd.	1	2,131	1,192,544	-	-
Eicher Motors Ltd.	10	1,022	5,141,758	-	-
Britannia Industries Ltd	2	4,279	3,608,695	-	-
Ipsa Laboratories Ltd	2	2,865	2,174,996	-	-
Tech Mahindra Limited	10	1,105	1,982,978	-	-
HCL Technologies Ltd	2	3,744	5,206,032	-	-
Wipro Ltd	2	5,059	2,745,013	-	-
Dr Reddys Laboratories Ltd	5	754	1,930,843	-	-
Mother'son Sumi Systems Ltd	1	3,610	721,707	-	-
Torrent Pharmaceuticals Ltd	5	4,705	2,463,773	-	-
Bharat Forge Ltd	2	5,539	2,150,781	-	-
Bajaj Holdings & Investment Ltd	10	1,466	1,419,526	-	-
Mahindra & Mahindra Financial Services Ltd	2	2,446	616,147	-	-
Procter & Gamble Hygiene And Health Care Ltd	10	180	555,161	-	-
Maruti Suzuki India Ltd	5	202	365,337	-	-
ABB Ltd	2	235	188,222	-	-
Crompton Greaves Ltd	2	879	134,315	-	-
Sub- Total			32,597,828	-	-
Investment in Mutual Fund					
Reliance Money Manager Fund-Growth Option		12,164	21,009,000	-	-
Sub- Total			21,009,000	-	-
Total			53,606,828	-	-

NOTE NO. 2.11

DEFERRED TAX ASSETS / DEFERRED TAX LIABILITY

DESCRIPTIONS	AS AT 31.03.2014	AS AT 31.03.2013
Deferred Tax Assets:		
Provision for Doubtful Debts	4,583,286	7,477,417
Provision for Gratuity	7,520,425	6,313,535
Disallowance u/s 43B of the Income Tax Act, 1961	2,365,363	1,547,929
Long Term Capital Loss	197,206	197,206
Difference between carrying cost of fixed assets as per Companies Act, 1956 and Income Tax Act, 1961	2,924,736	-
A	17,591,016	15,536,087
Deferred Tax Liabilities:		
Difference between carrying cost of fixed assets as per Companies Act, 1956 and Income Tax Act, 1961	-	613,676
B	-	613,676
Net Deferred Tax Asset/ (Liability)	(A-B)	14,922,411

NOTE NO. 2.12

LONG TERM LOANS AND ADVANCES

DESCRIPTIONS	AS AT 31.03.2014	AS AT 31.03.2013
Unsecured, considered good		
Security Deposits	48,668,961	65,909,102
Advances Recoverable in cash or in kind	351,561,283	448,077,525
Balance with Statutory Authorities	30,624,071	22,180,544
Advance tax and TDS	17,200,807	4,802,103
(Net of Provision for Income Tax of ₹3,20,00,000; PY ₹4,49,41,306)		
Total	448,055,122	540,969,274

NOTE NO. 2.13

TRADE RECEIVABLES (NON CURRENT)

DESCRIPTIONS	AS AT 31.03.2014	AS AT 31.03.2013
Outstanding for a period exceeding one year		
Unsecured, considered good	200,745,307	269,928,102
Unsecured, considered doubtful	14,126,324	23,046,438
Less: Provision for doubtful debts #	14,126,324	23,046,438
Total	200,745,307	269,928,102

also refer to Note No. 2.32

NOTE NO. 2.14

INVENTORIES (VALUED AT MARKET PRICE)

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2014	AS AT 31.03.2013
Stock-in-trade of Securities #	1,133,750,791	748,789,113
Stock-in-trade of Bonds #	48,314,749	-
Total	1,182,065,540	748,789,113

also refer to Note No. 2.36

NOTE NO. 2.15

TRADE RECEIVABLES (CURRENT)

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2014	AS AT 31.03.2013
Unsecured		
Debt outstanding for more than six months		
Considered good	3,783,257	8,980,434
Considered doubtful	-	-
Other Debts		
Considered good	2,037,527,921	1,234,482,196
Considered doubtful	-	-
Total	2,041,311,178	1,243,462,630

NOTE NO. 2.16

CASH AND BANK BALANCES

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2014	AS AT 31.03.2013
Cash & Cash Equivalents		
Balance with Banks on current accounts	20,732,524	92,929,561
Cash in hand	1,578,077	1,902,578
Foreign Currency in hand	6,911	22,572
Bank deposits with maturity of 3 months or less than 3 months	300,000	2,356,660
	22,617,512	97,211,371
Other Bank Balances		
Margins Deposited with Exchanges or against guarantees and other commitments #	1,782,513,189	2,135,812,864
Total	1,805,130,701	2,233,024,235

also refer to Note No. 2.31

NOTE NO. 2.17

SHORT-TERM LOANS AND ADVANCES

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2014	AS AT 31.03.2013
Unsecured, considered good		
Loans and advances to related parties *	-	313,897,116
Advances Recoverable in cash or in kind	161,984,944	98,095,016
Prepaid Expenses	29,420,240	37,393,463
Balance with Statutory Authorities	1,965,720	1,765,782
Total	193,370,904	451,151,377

* also refer to Note No. 2.35

NOTE NO. 2.18

OTHER CURRENT ASSETS

(Amount in ₹)

DESCRIPTIONS	AS AT 31.03.2014	AS AT 31.03.2013
Accrued Interest on FDR	20,969,537	20,488,060
Accrued Interest on Bonds	235,695	-
Total	21,205,232	20,488,060

NOTE NO. 2.19

REVENUE FROM OPERATIONS

(Amount in ₹)

DESCRIPTIONS	FOR THE YEAR ENDED 31.03.2014	FOR THE YEAR ENDED 31.03.2013
Income from Brokerage	751,887,258	732,393,259
Income from Proprietary Trading	673,492,257	651,449,351
Income from Distribution of Financial products	32,371,221	48,942,058
Income from Depository Business	30,908,475	35,877,935
Treasury Income	183,541,105	194,222,180
Dividend Earned	60,883,950	12,647,880
Income from Exchange	20,803,944	15,028,438
Income from Reverse Book Building	2,127,500	2,530,100
Other Operating Income		
Income from Investment in PMS	(1,549,878)	15,735,212
Dividend on Investment	2,951,213	1,083,116
Profit on Sale of Investment	2,608,163	106,150
Currency Advisory Services	420,541	13,373
Delay Payment Charges	49,706,198	48,659,036
Total	1,750,151,947	1,758,688,088

NOTE NO. 2.20**OTHER INCOMES**

DESCRIPTIONS	(Amount in ₹)	
	FOR THE YEAR ENDED 31.03.2014	FOR THE YEAR ENDED 31.03.2013
Interest on Income Tax Refund	886,125	467,890
Rent Income	16,560,615	7,500,000
Liability no Longer Required	4,906,941	14,154,768
Miscellaneous Income	39,533,678	1,686,505
Total	61,887,359	23,809,163

NOTE NO. 2.21**STOCK EXCHANGE AND OTHER OPERATING EXPENSES**

DESCRIPTIONS	(Amount in ₹)	
	FOR THE YEAR ENDED 31.03.2014	FOR THE YEAR ENDED 31.03.2013
Client Introduction Charges	353,380,263	334,011,216
Exchange & Other Regulatory Charges	221,383,038	157,577,062
VPN, Leasing, Internet & VSAT Expenses	9,348,585	9,291,696
Securities Transaction Tax	217,788,935	259,430,160
Demat Charges	679,581	468,099
Total	802,580,402	760,778,233

NOTE NO. 2.22**EMPLOYEE BENEFIT EXPENSES**

DESCRIPTIONS	(Amount in ₹)	
	FOR THE YEAR ENDED 31.03.2014	FOR THE YEAR ENDED 31.03.2013
Salaries and incentives	317,576,352	364,961,349
Employers' Contributions to –		
Provident fund	7,821,678	8,234,822
ESI	2,238,111	2,901,396
Gratuity	4,678,999	(1,876,227)
Staff welfare expenses	3,591,567	5,445,106
Total	335,906,707	379,666,446

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**

PARTICULARS	(Amount in ₹)	
	FOR THE YEAR ENDED 31.03.2014	FOR THE YEAR ENDED 31.03.2013
Present Value of the Obligation as at the beginning of the year	20,876,923	22,411,366
Interest Cost	1,826,731	1,960,995
Current Service Cost	3,828,957	4,008,149
Benefit Paid	(2,327,794)	(926,543)
Actuarial (gain)/loss on obligations	(945,026)	(6,577,044)
Present Value of the Obligation as at the end of the year	23,259,791	20,876,923

Amount recognized in the Balance Sheet

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Present Value of the Obligation as at the end of the year	23,259,791	20,876,923
Fair Value of Plan Assets as at the end of the year	80,795	1,417,731
Net Liability recognised in Balance Sheet	23,178,996	19,459,192

Amount recognized in the Statement of Profit and Loss

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Interest Cost	1,826,731	1,960,995
Current Service Cost	3,828,957	4,008,149
Expected Return on Plan Assets	(120,507)	(220,949)
Actuarial (gain)/loss on obligations	(945,026)	(6,577,044)
Actuarial (gain)/loss on plan assets	88,844	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	4,678,999	(1,876,227)

NOTE NO. 2.22

EMPLOYEE BENEFIT EXPENSES

(Amount in ₹)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Reconciliation of Balance Sheet		
Present Value of the Obligation as at the beginning of the year	20,876,923	22,411,366
Total expense recognized in the Statement of Profit and Loss	4,678,999	(652,777)
Benefits paid	(2,327,794)	(926,543)
Actuarial return on plan assets	31,663	44,877
Present Value of the Obligation as at the end of the year	23,259,791	20,876,923
Less: Fair value of plan assets at the end of the year	80,795	1,417,731
Net Liability	23,178,996	19,459,192
Bifurcation of the present value of the Obligation as at the end of the year		
Current Liability	1,042,279	754,725
Non-Current Liability	22,217,512	20,122,198
Less: Fair value of plan assets at the end of the year	80,795	1,417,731
Net Non-Current liability	22,136,717	18,704,467
Net Liability	23,178,996	19,459,192

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

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Discount rate	8.75%	8.75%
Increase in compensation cost	5.00%	5.00%

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

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Present Value of the Obligation as at the beginning of the year	4,770,932	5,019,435
Interest Cost	417,457	439,201
Current Service Cost	1,299,313	1,245,897
Benefits Paid	(1,507,959)	(1,453,019)
Actuarial (gain)/loss on obligations	1,066,349	(480,582)
Present Value of the Obligation as at the end of the year	6,046,092	4,770,932

Amount recognized in the Balance Sheet

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Present Value of the Obligation as at the end of the year	6,046,092	4,770,932
Fair Value of Plan Assets as on the end of the year	-	-
Net Liability recognised in Balance Sheet	6,046,092	4,770,932

NOTE NO. 2.22

EMPLOYEE BENEFIT EXPENSES

(Amount in ₹)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Amount recognized in the Statement of Profit and Loss		
Interest Cost	417,457	439,201
Current Service Cost	1,299,313	1,245,897
Expected Return on Plan Assets	-	-
Actuarial (gain)/loss on obligations	1,066,349	(480,582)
Arrear of Leave encashment Liability as at beginning of the year	-	-
Total expense recognized in the Statement of Profit and Loss	2,783,119	1,204,516
Reconciliation of Balance Sheet		
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Present Value of the Obligation as at the beginning of the year	4,770,932	5,019,435
Total expense recognized in the Statement of Profit and Loss	2,783,119	1,204,516
Benefits paid	(1,507,959)	(1,453,019)
Present Value of the Obligation as on the end of the year	6,046,092	4,770,932
Bifurcation of the present value of the Obligation as on the end of the year		
Current Liability	262,129	179,373
Non-Current Liability	5,783,963	4,591,559
Total	6,046,092	4,770,932

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

ASSUMPTIONS	CURRENT YEAR	PREVIOUS YEAR
Discount rate	8.75%	8.75%
Increase in compensation cost	5.00%	5.00%

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. 2.23

FINANCE COSTS

(Amount in ₹)

DESCRIPTIONS	FOR THE YEAR ENDED 31.03.2014	FOR THE YEAR ENDED 31.03.2013
Interest expense	79,988,571	127,783,674
Other Borrowing Cost	20,104,555	13,482,043
Total	100,093,126	141,265,717

NOTE NO. 2.24**DEPRECIATION AND AMORTISATION EXPENSES**

(Amount in ₹)

DESCRIPTIONS	FOR THE YEAR ENDED 31.03.2014	FOR THE YEAR ENDED 31.03.2013
Depreciation on Tangible Assets	36,113,190	45,072,004
Amortisation on Intangible Assets	3,474,876	5,549,626
Total	39,588,066	50,621,630

NOTE NO. 2.25**OTHER EXPENSES**

(Amount in ₹)

DESCRIPTIONS	FOR THE YEAR ENDED 31.03.2014	FOR THE YEAR ENDED 31.03.2013
Advertisement	72,341,551	15,036,570
Business Promotion	57,688,165	40,559,401
Provision for Doubtful Debts #	43,851,428	31,935,767
Computer Repair & Maintenance	11,122,869	13,672,582
Conveyance & Traveling Expenses	10,308,907	12,634,800
Director Sitting Fee	270,000	540,000
Donations	231,100	-
Electricity & Water Charges	24,043,320	23,382,264
Insurance	1,253,266	943,191
Legal & Professional Charges	39,919,100	40,649,962
Bank Charges	5,893,182	17,029,873
Stock Exchange Listing Fee	121,780	142,036
Loss On Sale / Discarded Fixed Assets	3,317,835	82,313
Office Repair & Maintenance	15,253,641	17,706,609
Printing and Stationery	8,753,281	10,366,875
Rent	54,128,457	66,594,661
Rates & Taxes	3,667,959	987,546
Membership Fees & Subscription	734,446	705,411
Communication Expenses	21,218,301	20,284,233
Vehicle Running & Maintenance	2,740,302	2,625,435
Miscellaneous Expenses	2,401,201	4,032,978
Auditor's remuneration:		
As Statutory Auditor	350,000	250,000
As Tax Auditor	75,000	50,000
As Fee for Other Services	75,000	62,000
Deferred Revenue Expenditure Amortized	-	160,466
Total	379,760,091	320,434,993

also refer to Note No. 2.32

NOTE NO. 2.26**CONTINGENT LIABILITIES**

Contingent liabilities not provided in the financial statements:

(Amount in ₹)

PARTICULARS	AS AT 31.03.2014	AS AT 31.03.2013
Corporate guarantee executed by the company for credit facility extended to a subsidiary	53,37,50,000	60,12,50,000
ESI demand in dispute (Amount Paid under protest ₹ 12,42,581 (P.Y. ₹ 12,42,581))	31,06,450	31,06,450

NOTE NO. 2.27**COMMITMENTS**

(Amount in ₹)

PARTICULARS	AS AT 31.03.2014	AS AT 31.03.2013
Contracts remaining to be executed on account of capital (Net of Advances)		
- For investment in subsidiaries	Nil	72,16,000
- For purchase of office building	5,27,145	Nil

NOTE NO. 2.28**EARNING AND EXPENDITURE IN FOREIGN CURRENCY**

(Amount in ₹)

PARTICULARS	FOR THE YEAR ENDED 31.03.2014	FOR THE YEAR ENDED 31.03.2013
a) Earning in Foreign Currency	Nil	Nil
b) Expenditure in Foreign Currency		
- Management & Advisory Services	2,31,34,000	2,69,00,000
- Expense on Foreign Tour	16,350	31,877
- Purchase of Investments	72,16,000	51,87,70,660

NOTE NO. 2.29**REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND**

The Company has paid dividend in respect of shares held by Non-Residents on repatriation basis. The total amount remittable in this respect is given herein below:

(Amount in ₹)

PARTICULARS	FOR THE YEAR ENDED 31.03.2014	FOR THE YEAR ENDED 31.03.2013
a) Number of Non Resident Shareholders	2	2
b) Number of Equity Shares held by them	2,41,96,625	2,53,27,970
c) (i) Amount of Dividend Paid (Gross)	46,90,620	Nil
(ii) Tax Deducted at Source	-	-
(iii) Year to which dividend relates	2013-14	Nil

Note No. 2.30

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.

Note No. 2.31

Fixed Deposit with Schedule Banks includes ₹ 152,30,38,189 (PY ₹ 189,24,37,864) under lien in favour of the bank as margin deposit for the guarantees issued/credit facilities or otherwise. And ₹ 25,94,75,000 (PY ₹ 24,33,75,000) pledge with stock exchanges as margin, which does not include margins paid by client constituents on their own behalf.

Note No. 2.32

Provision for doubtful debts of ₹ 1,41,26,324 (PY ₹ 2,30,46,438) is net of bad debts written off ₹ 5,52,65,101 (Previous Year ₹ 99,34,422) & recovery of ₹ 24,93,559 (PY ₹ Nil). No provision has been made in respect of certain overdue Trade Receivable amounting to ₹ 20,07,45,307 (PY ₹ 26,99,28,102) since the company has taken suitable measures to recover the said dues including filing of legal cases wherever considered appropriate and is hopeful of recovery.

Note No. 2.33**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.
- And since it is the only reportable segment as envisaged in Accounting Standard 17 'Segment Reporting' notified under the Companies Accounting Standard Rules, 2006. Accordingly, no separate disclosure for Segment reporting is required to be made in the financial statements of the company.

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.

Note No. 2.34**EARNING PER SHARE**

In accordance with AS-20 'Earning per Share', notified under the Companies Act, 1956, read with the general circular 15/2013 dated 13.09.13 of Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013, the basic & diluted earnings per share is being calculated as under:-

PARTICULARS	(Amount in ₹)	
	FOR THE YEAR ENDED 31.03.2014	FOR THE YEAR ENDED 31.03.2013
Net Profit attributable to Equity Shareholders	12,56,84,869	10,60,00,165
Weighted Average No. of Equity Shares*		
- For Basic EPS	11,31,34,450	11,22,37,898
- For Diluted EPS	11,31,34,450	11,22,37,898
Nominal Value per share	₹ 2	₹ 2
Basic EPS	1.11	0.94
Diluted EPS	1.11	0.94

*As per Accounting Standard 20 'Earning Per Share', notified (1/5-21/30) of the Companies Act, 1956, in case of Bonus Shares, the number of shares outstanding before the event is applied for the purpose of ascertaining 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.

Note No. 2.35**RELATED PARTY DISCLOSURES**

The following are the details of transactions with related parties as defined in the Accounting Standard - 18 on Related Party Disclosures as notified under the Companies Act, 1956, read with the general circular 15/2013 dated 13.09.13 of Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

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
Associates	MVR Share Trading Private Limited

2) Significant Transactions with Related Parties for the year ended 31st March, 2014

(Amount in ₹)

NATURE OF TRANSACTION	KEY MANAGERIAL PERSONNEL	RELATIVES OF KEY MANAGERIAL PERSONNEL	SUBSIDIARIS	ASSOCIATE
Purchase of Fixed Assets				
SMC Investments and Advisors Limited			2,14,524 (1,43,964)	
SMC Insurance Brokers Private Limited			5,26,700 (Nil)	
Investments				
Moneywise Financial Services Private Limited			20,00,00,000 (Nil)	
SMC Capitals Limited			1,91,66,800 (Nil)	
SMC Comtrade Limited			Nil (30,00,00,000)	
SMC Investment & Advisors Limited			Nil (29,99,99,960)	
SMC Finvest Limited			72,16,000 (21,28,72,000)	
Moneywise Finvest Limited			Nil (58,98,700)	
Loans & Advances to related Parties (net)				
SMC Capitals Limited			Nil (2,13,80,980)	
Loans & Advances recovered from Related Party (net)				
SMC Comtrade Limited			29,25,16,136 (16,18,93,125)	
SMC Capitals Limited			2,13,80,980 (Nil)	
MVR Share Trading Private Limited				Nil (43,40,000)
Loan & Advances from related Parties (net)				
SMC Comtrade Limited				40,49,24,882 (Nil)
Security Deposit received				
SMC Insurance Brokers Private Limited				6,00,00,000 (Nil)
Brokerage Received				
SMC Securities Private Limited				4,76,75,952

2) Significant Transactions with Related Parties for the year ended 31st March, 2014

(Amount in ₹)

NATURE OF TRANSACTION	KEY MANAGERIAL PERSONNEL	RELATIVES OF KEY MANAGERIAL PERSONNEL	SUBSIDIARIS	ASSOCIATE
				(14,19,073)
SMC ARC Limited				5,50,151 (7,86,066)
SMC Comtrade Limited				5,17,180 (83,269)
SMC Investments and Advisors Limited				10,76,038 (Nil)
SMC Finvest Limited				15,956 (1,106)
Moneywise Financial Services Limited				34,000 (6,566)
Demat Charges Received				
SMC Comtrade Limited				2,52,753 (2,71,100)
Others				18,984 (4,821)
Rent received				
SMC Insurance Brokers Pvt. Ltd.				1,50,00,000 (75,00,000)
Moneywise Financial Service Pvt. Ltd.				1,50,000 (Nil)
Remuneration				
Mr. Subhash Chand Aggarwal	65,00,000 (60,00,000)			
Mr. Mahesh Chand Gupta	65,00,000 (60,00,000)			
Mr. Pradeep Aggarwal	42,50,875 (39,23,700)			
Mr. Anurag Bansal	32,50,000 (30,00,000)			
Mr. Ajay Garg	30,00,000 (30,00,000)			
Mr. Himanshu Gupta		19,50,000 (18,00,000)		
Ms. Shweta Aggarwal		19,50,000		

2) Significant Transactions with Related Parties for the year ended 31st March, 2014

(Amount in ₹)

NATURE OF TRANSACTION	KEY MANAGERIAL PERSONNEL	RELATIVES OF KEY MANAGERIAL PERSONNEL	SUBSIDIARIS	ASSOCIATE
		(18,00,000)		
Commission Paid				
SMC Finvest Limited			5,61,106 (Nil)	
SMC Investments and Advisors Limited			9,33,690 (12,91,049)	
Client Introduction Charges Paid				
SMC Investments and Advisors Limited			80,74,921 (2,77,73,950)	
Management Fee on PMS (Paid)				
SMC Investments and Advisors Limited			1,42,195 (13,40,890)	
Net Reimbursement of Expenses (Received)				
SMC Insurance Brokers Private Limited			11,85,132 (85,92,216)	
SMC Investments and Advisors Limited			2,35,725 (19,14,871)	
SMC Securities Private Limited			2,47,58,468 (Nil)	
Moneywise Financial Services Limited			7,98,207 (Nil)	
SMC Finvest Limited			3,00,000 (18,82,500)	
SMC Capitals Limited			8,355 (61,38,797)	
Net Reimbursement of Expenses (Paid)				
SMC Comtrade Limited			31,38,390 (57,05,912)	
SMC Investments and Advisors Limited			1,97,919 (1,55,098)	
SMC Capitals Limited			3,47,852 (1,13,529)	

Note:

- Figures shown in bracket indicate 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 under online trade mechanism

3) Balance Outstanding

(Amount in ₹)

PARTY NAME	INCLUDED IN	AS AT 31.03.2014	AS AT 31.03.2013
SMCARCLimited	Trade Payable	Nil	1,06,94,418
SMC Comtrade Limited	Short Term Loans & Advances	Nil	29,25,16,136
SMC Comtrade Limited	Other Current Liabilities	40,49,24,882	Nil
SMC Comtrade Limited	Trade Payable (Current)	1,20,578	2,20,97,465
SMC Comtrade Limited	Margin received from client	49,27,390	1,29,40,568
SMC Investments and Advisors Limited	Trade Payable (Current)	42,80,212	Nil
SMC Investments and Advisors Limited	Other Current Liabilities	55,11,694	Nil
SMC Capitals Limited	Short Term Loans & Advances	Nil	2,13,80,980
SMC Securities Private Limited	Trade Payable (Current)	10,44,31,933	52,14,587
SMC Insurance Brokers Private Limited	Other Current Liability	6,00,00,000	Nil
MVR Share Trading Private Limited	Long Term Loans & Advances	3,92,41,800	3,92,41,800

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

2.37 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 off to the nearest to rupee

In terms of our Audit Report of even date attached

FOR ATUL & RAJINDER
CHARTERED ACCOUNTANTS
F R N 005402Nsd/-
RAJINDER MALHOTRA
PROPRIETOR
M. No. F 083680PLACE NEW DELHI
DATE 26.05.2014

FOR AND ON BEHALF OF THE BOARD

sd/-
S. C. AGGARWAL
(CHAIRMAN & MANAGING
DIRECTOR)sd/-
VINOD KUMAR JAMAR
(CHIEF FINANCIAL OFFICER)sd/-
MAHESH C. GUPTA
(VICE-CHAIRMAN & MANAGING
DIRECTOR)sd/-
SUMAN KUMAR
(COMPANY SECRETARY)

Statement of Inventory
"Annexure - A"

(Amount in ₹)

S.NO.	SCRIP NAME	YEAR ENDED ON 31-03-2014		YEAR ENDED ON 31-03-2013	
		QTY	VALUE	QTY	VALUE
1	AZZ Maintenance & Engg. Services Ltd.	500,000	5,225,000	125,001	2,391,769
2	ACE Ltd.	-	-	7,955	9,221,436
3	Adani Enterprise Ltd.	8,000	2,944,000	8,000	161,760
4	Adani Ports & Special Economic Zone Ltd.	12,000	2,249,400	4,000	554,800
5	Adani Power Ltd.	-	-	8,000	325,200
6	Aditya Birla Nuvo Ltd.	7,777	8,487,040	1,750	1,707,213
7	Aiok Industries Ltd.	-	-	50	410
8	Ambuja Cements Ltd.	6,000	1,213,200	4,000	698,800
9	Apollo Tyres Ltd.	12,000	1,915,200	16,000	1,335,200
10	Arch Pharma Labs Ltd.	1	-	1	-
11	Archidply Industries Ltd.	-	-	50	313
12	Arvind Mills Ltd.	4,000	695,800	4,500	348,075
13	Asian Paints Ltd.	-	-	375	1,843,969
14	Atlanta Limited	-	-	50	2,495
15	Aurobindo Pharma Ltd.	26,000	13,292,000	2,000	291,900
16	AXIS Bank Ltd.	-	-	2,123	2,761,385
17	Bafna Pharmaceuticals Ltd.	25,000	426,250	-	-
18	Bajaj Auto Ltd.	-	-	875	1,574,606
19	Bajaj Finance Ltd.	-	-	2,911	2,342,119
20	Bank of Baroda	4,000	2,683,000	20,000	13,509,000
21	Bank of India	53,000	12,110,500	2,000	605,700
22	Bata India Ltd.	500	570,350	6,750	4,848,863
23	BEML Ltd.	-	-	200	29,390
24	BGR Energy Systems Ltd.	-	-	200	38,430
25	Bharat Electronics Ltd.	-	-	200	231,070
26	Bharat Heavy Electricals Ltd.	5,000	980,250	1,000	177,000
27	Bharat Petroleum Corporation Ltd.	72,209	35,520,000	28,000	10,575,600
28	Bharti Airtel Ltd.	8,000	2,542,000	17,800	5,193,150
29	Bhushan Steel Ltd.	-	-	2,284	568,602
30	Biocon Ltd.	4,000	1,697,600	32,000	8,756,800
31	Blue Star Infotech Ltd.	-	-	50	2,815
32	Cairn India Ltd.	185,000	61,605,000	148,100	40,549,845

(Amount in ₹)

S.NO.	SCRIP NAME	YEAR ENDED ON 31-03-2014		YEAR ENDED ON 31-03-2013	
		QTY	VALUE	QTY	VALUE
33	Canara Bank	2,000	528,700	1,000	384,050
34	Century Textile and Industries Ltd.	1,000	363,300	32,924	9,450,834
35	CESC Ltd.	3,000	1,503,750	3,271	866,324
36	Chambal Fertilizers & Chemicals Ltd.	-	-	52,000	2,589,600
37	Cipla Ltd.	5,500	2,105,400	47,940	18,205,215
38	Claris Lifesciences Ltd.	5,000	804,250	-	-
39	Coal India Ltd.	1,000	288,750	1,000	309,100
40	Colgate Palmolive India Ltd.	7,250	9,950,625	4,500	5,587,425
41	Crompton Greaves Ltd.	28,000	4,491,200	4,000	375,200
42	CUPID TRADES	1	75	-	-
43	Dabur India Ltd.	-	-	9,500	1,301,025
44	Dena Bank Ltd.	-	-	4,287	383,686
45	Dewan Steel Ltd.	3,100	-	3,100	-
46	Dish TV India Ltd.	24,000	1,250,400	44,000	2,952,400
47	Dives Laboratories Ltd.	-	-	500	493,750
48	DLF Ltd.	24,000	4,234,800	27,000	6,336,900
49	Dr Reddys Laboratories Ltd.	1,250	3,204,875	750	1,324,875
50	Exide Industries Ltd.	22,000	2,665,300	2,000	258,900
51	Federal Bank Ltd.	32,438	3,105,939	-	-
52	Financial Technologies India Ltd.	-	-	250	178,150
53	Gail India Ltd.	6,000	2,256,300	4,500	1,432,125
54	GlaxoSmithKline Consumer Healthcare Ltd.	-	-	50	209,985
55	GlaxoSmithKline Pharmaceuticals Ltd.	-	-	90	198,473
56	Global Offshore Services Ltd.	-	-	7,565	444,444
57	Godrej Industries Ltd.	-	-	2,000	588,200
58	Goldman Sachs	-	-	4,000	2,275,280
59	Goldman Sachs Gold BEES	-	-	3,000	8,420,700
60	Grasim Industries Ltd.	11,250	32,490,563	250	703,325
61	GUJARAT AMBUJA EXPORTS Ltd.	100	-	100	-
62	Gujarat Mineral Development Corp Ltd.	-	-	50	8,350
63	Gulf Oil Corporation Ltd.	1,000	108,750	-	-
64	HCL Technologies Ltd.	4,268	5,935,508	9,000	7,155,000

(Amount in ₹)

S.NO.	SCRIP NAME	YEAR ENDED ON 31-03-2014		YEAR ENDED ON 31-03-2013	
		QTY	VALUE	QTY	VALUE
1	AZZ Maintenance & Engg Services Ltd	500,000	5,225,000	125,001	2,393,789
2	ACC Ltd	-	-	7,955	9,221,436
3	Adani Enterprise Ltd	8,000	2,944,000	800	161,760
4	Adani Ports & Special Economic Zone Ltd	12,000	2,249,400	4,000	554,800
5	Adani Power Ltd	-	-	8,000	325,200
6	Aditya Birla Nuvo Ltd	7,777	8,487,040	1,750	1,707,213
7	Alok Industries Ltd	-	-	50	410
8	Ambuja Cements Ltd	6,000	1,213,200	4,000	696,800
9	Apollo Tyres Ltd	12,000	1,915,200	16,000	1,335,200
10	Arch Pharma Labs Ltd	1	-	1	-
11	Archidply Industries Ltd	-	-	50	313
12	Arvind Mills Ltd	4,000	695,800	4,500	348,075
13	Asian Paints Ltd	-	-	375	1,843,969
14	Atlanta Limited	-	-	50	2,495
15	Aurobindo Pharma Ltd	26,000	13,299,000	2,000	291,900
16	AXIS Bank Ltd	-	-	2,123	2,761,385
17	Bafna Pharmaceuticals Ltd	25,000	426,250	-	-
18	Bajaj Auto Ltd	-	-	875	1,574,606
19	Bajaj Finance Ltd	-	-	2,911	3,342,119
20	Bank of Baroda	4,000	2,883,000	20,000	13,508,000
21	Bank of India	53,000	12,110,500	2,000	605,700
22	Bata India Ltd	500	570,350	6,750	4,848,863
23	BEML Ltd	-	-	200	29,390
24	BGR Energy Systems Ltd	-	-	200	38,430
25	Bharat Electronics Ltd	-	-	200	231,070
26	Bharat Heavy Electricals Ltd	5,000	980,250	1,000	177,000
27	Bharat Petroleum Corporation Ltd	77,209	35,520,000	28,000	10,575,600
28	Bharti Airtel Ltd	8,000	2,542,000	17,800	5,193,150
29	Bhushan Steel Ltd	-	-	2,284	568,602
30	Brecon Ltd	4,000	1,697,600	32,000	8,756,800
31	Blue Star Infotech Ltd	-	-	50	2,815
32	Carm India Ltd	185,000	61,605,000	148,100	40,349,945

(Amount in ₹)

S.NO.	SCRIP NAME	YEAR ENDED ON 31-03-2014		YEAR ENDED ON 31-03-2013	
		QTY	VALUE	QTY	VALUE
33	Canara Bank	2,000	528,700	1,000	384,050
34	Century Textile and Industries Ltd	1,000	363,300	32,924	9,450,834
35	CESC Ltd	3,000	1,503,750	3,271	866,324
36	Chambal Fertilizers & Chemicals Ltd	-	-	52,000	2,589,600
37	Cipla Ltd	5,500	2,105,400	47,940	18,205,215
38	Clarix Lifesciences Ltd	5,000	804,250	-	-
39	Coal India Ltd	1,000	288,750	1,000	309,100
40	Colgate Palmolive India Ltd	7,250	9,950,625	4,500	6,587,425
41	Crompton Greaves Ltd	28,000	4,491,200	4,000	375,200
42	CUPID TRADES	1	75	-	-
43	Dabur India Ltd	-	-	9,500	1,301,025
44	Dena Bank Ltd	-	-	4,287	383,685
45	Dewan Steel Ltd	3,100	-	3,100	-
46	Dish TV India Ltd	24,000	1,250,400	44,000	2,952,400
47	Divis Laboratories Ltd	-	-	500	493,750
48	DLF Ltd	24,000	4,234,800	27,000	6,336,900
49	Dr Reddys Laboratories Ltd	1,250	3,204,875	750	1,324,875
50	Ekide Industries Ltd	22,000	2,665,300	2,000	258,900
51	Federal Bank Ltd	32,438	1,105,939	-	-
52	Financial Technologies India Ltd	-	-	250	178,150
53	Gail India Ltd	6,000	2,256,300	4,500	1,432,125
54	GlaxoSmithKline Consumer Healthcare Ltd	-	-	50	209,985
55	GlaxoSmithKline Pharmaceuticals Ltd	-	-	90	198,473
56	Global Offshore Services Ltd	-	-	7,565	444,444
57	Godrej Industries Ltd	-	-	2,000	588,200
58	Goldman Sachs	-	-	4,000	2,275,280
59	Goldman Sachs Gold BEE5	-	-	1,000	8,420,700
60	Grasim Industries Ltd	11,250	32,490,563	250	703,325
61	GUJARAT AMBUJA EXPORTS Ltd	100	-	100	-
62	Gujarat Mineral Development Corp Ltd	-	-	50	8,350
63	Gulf Oil Corporation Ltd	1,000	108,750	-	-
64	HCL Technologies Ltd	4,268	5,935,508	9,000	7,155,000

(Amount in ₹)

S.NO.	SCRIP NAME	YEAR ENDED ON 31-03-2014		YEAR ENDED ON 31-03-2013	
		QTY	VALUE	QTY	VALUE
65	HDFC BANK Ltd	505,500	378,518,400	30,900	19,323,315
66	HDFC Ltd	500	441,950	39,500	32,636,875
67	Hero MotoCorp Ltd	375	853,050	50	77,100
68	Hexaware Technologies Ltd	32,000	4,816,000	64,300	5,436,565
69	Hindalco Industries Ltd	-	-	24,000	2,198,400
70	Hindustan Oil Exploration Company Ltd	-	-	500	26,100
71	Hindustan Petroleum Corp Ltd	20,000	6,196,000	8,000	2,281,600
72	Hindustan Unilever Ltd	-	-	2,500	1,167,374
73	Hindustan Zinc Ltd	4,000	515,600	-	-
74	Housing Development & Infra Ltd	8,000	460,800	2,000	92,400
75	ICICI Bank Ltd	9,500	11,827,975	7,500	7,839,000
76	IDBI Ltd	16,000	1,044,800	36,000	2,889,000
77	Idea Cellular Ltd	24,000	3,298,800	-	-
78	IDFC Ltd	388,000	47,433,000	10,000	1,436,000
79	IFCI Ltd	-	-	36,000	1,461,600
80	India Cements Ltd	168,000	10,222,800	-	-
81	India Infoline Investment services Ltd	-	-	1,000	60,650
82	Indiabulls Real Estate Ltd	16,200	882,900	32,000	1,745,600
83	Indian Oil Corp Ltd	-	-	27,000	7,603,200
84	INDIAN OVERSEAS BANK	-	-	16,000	1,040,800
85	Indraprastha Gas Ltd	-	-	1,000	277,150
86	Indusind Bank Ltd	26,000	13,048,100	-	-
87	INFO-DRIVE SOFTWARE LTD	-	-	50	300
88	Infosys Ltd	-	-	4,500	13,002,075
89	IRB Infrastructure Developers Ltd	-	-	26,102	2,961,272
90	ITC Ltd	9,000	3,175,650	14,600	4,517,970
91	IVRCL Infrastructure & Projects Ltd	-	-	164,000	3,157,000
92	Jai Rapid Roller Ltd	100	-	100	-
93	Jain Irrigation Systems Ltd	8,000	523,800	16,100	987,735
94	Jaiprakash Associates Ltd	5,000	429,601	8,000	523,600
95	Jaiprakash Power Ventures Ltd	28,000	1,103,700	24,000	626,400
96	Jindal Steel & Power Ltd	7,000	2,047,150	8,000	2,782,000

(Amount in ₹)

S.NO.	SCRIP NAME	YEAR ENDED ON 31-03-2014		YEAR ENDED ON 31-03-2013	
		QTY	VALUE	QTY	VALUE
97	JSW ENERGY Ltd	8,000	474,000	-	-
98	JSW ISPAT Steel Ltd	-	-	4,320,000	37,800,000
99	JSW Steel Ltd	20,500	21,239,025	1,000	672,350
100	Jubilant FoodWork Ltd	3,000	3,192,150	500	623,475
101	Just Dial Ltd	432	669,341	-	-
102	kakinada fertilizers Ltd	26,400	343,200	26,400	343,200
103	Kesoram Industries Ltd	1,000	72,450	-	-
104	Koutons Retail India Ltd	-	-	50	248
105	Lakshmi Vilas Bank Ltd	1,000	71,350	-	-
106	Larsen & Toubro Ltd	16,000	20,350,400	7,000	9,563,400
107	LAUREL ORGANICS Ltd	100	-	100	-
108	LIC Housing Finance Ltd	2,000	472,300	18,000	4,048,200
109	Lumax Automotive Systems Ltd	-	-	50	923
110	Lupin Ltd	31,500	29,394,225	5,300	3,331,315
111	Madhucan Projects Ltd	-	-	50	1,075
112	Mahanagar Telephone Nigam Ltd	-	-	2,000	36,800
113	Mahindra & Mahindra Fin Services Ltd	9,000	2,268,000	-	-
114	Mahindra & Mahindra Ltd	2,000	1,961,400	200	172,260
115	Manna Glass Tech Ltd	10,000	-	10,000	-
116	Marg Ltd	29,777	199,506	12,550	243,470
117	Maruti Suzuki India Ltd	16,250	33,026,812	4,250	5,445,100
118	McLeod Russel India Ltd	3,000	917,700	-	-
119	Mail Ltd	-	-	80	17,836
120	Moser Bagel India Ltd	-	-	1,000	4,450
121	National Aluminium Corp Ltd	-	-	10,000	331,500
122	National Thermal Power Corp Ltd	14,000	1,678,600	74,000	10,504,300
123	NCC Ltd	-	-	-	-
124	NHPC Ltd	1,130,424	21,591,098	172,000	3,414,200
125	NMDC Ltd	8,000	1,114,000	12,000	1,645,200
126	Oil & Natural Gas Corp Ltd	16,000	5,099,200	15,068	4,692,175
127	Opta Circuits India Ltd	-	-	1,000	59,950
128	Oracle Financial Services Software Ltd	-	-	3,668	9,391,180

(Amount in ₹)

S.NO.	SCRIP NAME	YEAR ENDED ON 31-03-2014		YEAR ENDED ON 31-03-2013	
		QTY	VALUE	QTY	VALUE
129	Orchid Chemical & Pharmaceuticals Ltd	-	-	1,000	62,650
130	Orient Abrasive Ltd.	-	-	140,000	1,295,000
131	Orient Refractories Ltd.	32,000	2,008,000	328,531	12,587,770
132	Oriental Bank of Commerce Ltd	20,988	4,678,225	-	-
133	ORKAY SILK MILL Ltd	23,450	-	28,450	-
134	Pagham Technologies Ltd	50	-	50	-
135	Pantaloon Retail India Ltd	-	-	102,000	15,269,400
136	Paramount Communications Ltd.	-	-	50	73
137	Petronet LNG Ltd	20,000	2,740,000	30,000	4,065,000
138	Power Finance Corp Ltd.	32,000	6,182,400	28,000	5,059,600
139	Power Grid Corp Ltd	48,000	5,040,000	34,000	2,597,200
140	Pradip Overseas Ltd	14,025	54,697	14,025	94,669
141	Punjab National Bank	39,000	29,012,100	43,736	31,398,074
142	Ranaxy Laboratories Ltd.	36,004	13,137,860	22,900	10,047,375
143	Raymond Ltd.	-	-	4,000	1,143,400
144	Reliance Capital Ltd	46,000	15,911,399	31,371	9,809,712
145	Reliance Communication Ltd	2,000	257,800	20,000	1,106,000
146	RELIANCE ENTERPRISES Ltd	15	-	15	-
147	Reliance Industries Ltd	4,248	3,953,826	11,498	8,886,804
148	Reliance Infrastructure Ltd	14,000	6,071,100	45,500	14,762,474
149	Reliance Power Ltd	1	71	60,001	3,690,062
150	RIICOH INDIA LTD(RPG RIICOH)	2,000	263,900	-	-



auditors' report

CONSOLIDATED

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, 2014, the consolidated Statement of Profit and Loss, 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 judgment, 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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 ₹ 1,27,76,19,687 as at March 31, 2014, total revenue (including other income) of ₹ 19,80,43,174; net profit of ₹ 74,88,562 and net cash outflows amounting to ₹ 99,42,300 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 one 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.

- In the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014.
- In the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- 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 : 26.05.2014

CONSOLIDATED BALANCE SHEET

AS AT 31st MARCH, 2014

(Amount in ₹)

PARTICULARS	NOTE NO.	AS AT 31.03.2014	AS AT 31.03.2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	2.01	226,268,900	226,268,900
Reserves and Surplus	2.02	4,847,683,813	4,681,358,953
Minority Interest		6,521,749	13,539,587
Non-Current Liabilities			
Long Term Borrowings	2.03	89,611,012	33,226,001
Long Term Provisions	2.04	68,239,913	54,378,881
Current Liabilities			
Short Term Borrowings	2.05	284,668,436	297,631,114
Other Current Liabilities	2.06	3,406,900,688	3,582,131,314
Short Term Provisions	2.07	94,959,042	60,005,469
TOTAL		9,024,853,553	8,948,540,219
Non-Current Assets			
Fixed Assets			
Tangible Assets	2.08	268,100,255	315,170,035
Intangible Assets	2.08	22,742,139	27,639,672
Non-Current Investments	2.09	287,610,304	294,432,620
Deferred Tax Asset (net)	2.10	123,756,682	131,797,638
Long Term Loans and Advances	2.11	773,184,562	870,815,573
Trade Receivables	2.12	205,765,669	283,408,509
Current Assets			
Current Investments	2.09	106,949,794	80,801,481
Inventories	2.13	1,448,030,405	1,371,732,204
Trade Receivables	2.14	2,371,371,876	1,568,399,584
Cash And Bank Balances	2.15	2,292,750,730	2,823,016,831
Short Term Loans And Advances	2.16	1,099,310,735	1,156,169,742
Other Current Assets	2.17	25,280,402	25,156,330
TOTAL		9,024,853,553	8,948,540,219
Significant Accounting Policies Notes on Financial Statements	1 & 2		

As per our Report of even date

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

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

PLACE: NEW DELHI
DATE: 26.05.2014

FOR AND ON BEHALF OF THE BOARD

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

sd/-
VINOD KUMAR JAMAR
(CHIEF FINANCIAL OFFICER)

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

sd/-
SUMAN KUMAR
(COMPANY SECRETARY)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31st MARCH, 2014

(Amount in ₹)

PARTICULARS	NOTE NO.	FOR THE YEAR ENDED 31.03.2014	FOR THE YEAR ENDED 31.03.2013
INCOME:			
Revenue from Operations	2.18	2,926,237,586	2,913,764,439
Other Income	2.19	82,566,934	32,755,674
Total Revenue		3,008,804,520	2,946,520,113
EXPENDITURE:			
Exchange & Other Operating Expense	2.20	1,009,866,614	983,050,070
Employee Benefits Expense	2.21	845,427,680	859,409,076
Finance Costs	2.22	124,320,779	155,563,842
Depreciation and Amortisation Expense	2.23	71,173,389	84,615,078
Other Expenses	2.24	644,379,726	616,777,837
Total Expenses		2,695,168,188	2,699,415,903
Profit before Tax		313,636,332	247,104,210
Tax Expense:			
Current Tax		94,161,972	68,206,058
Deferred Tax		8,040,956	(6,298,516)
Wealth Tax		84,518	93,354
MAT Credit Entitlement		(14,528,990)	(17,451,023)
Prior Period Taxes		(150,673)	(1,199,659)
Profit for the year (before adjustment for Minority Interest)		226,028,549	203,754,896
Less/(Add): Share of profit/(loss) transferred to Minority Interest		1,117,648	(6,192,577)
Profit for the year (after adjustment for Minority Interest)		224,910,901	209,947,473
Earning per Equity Share of face value of ₹ 2 each			
Basic & Diluted	2.30	1.99	1.87
Significant Accounting Policies	1 & 2		
Notes on Financial Statements			

As per our Report of even date

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

sd/-
RAJINDER MALHOTRA
PROPRIETOR
M No F 083680

PLACE: NEW DELHI
DATE: 26.05.2014

FOR AND ON BEHALF OF THE BOARD

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

sd/-
VINOD KUMAR JAMAR
(CHIEF FINANCIAL OFFICER)

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

sd/-
SUMAN KUMAR
(COMPANY SECRETARY)

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31st MARCH, 2014

(Amount in ₹)

PARTICULARS	FOR THE YEAR ENDED 31.03.2014	FOR THE YEAR ENDED 31.03.2013
A Cash Flow From Operational Activities		
Profit before Tax	313,636,332	247,104,210
Adjusted for:		
Provision for Doubtful Debts	52,497,440	37,249,307
Bad Debts Written off	1,953,511	3,376,258
Deferred Revenue Expenditure written off	-	160,466
Provision for Gratuity	11,306,871	11,297,165
Provision for Leave Encashment	3,775,306	4,577,788
Provision for non performing assets	9,570,665	4,198,883
Provision for Standard Assets	268,327	65,498
Carvat Credit Unavailed	704,568	1,581,832
Depreciation & Amortization Expenses	71,173,389	84,615,078
Interest Expenses	99,989,175	137,471,130
Loss/(Profit) on Sale of Investment	(877,539)	(1,807,676)
Loss on sale of Fixed Assets	7,666,970	7,866,918
Interest on Deposits	-	(8,060,788)
Interest income on Investment	(979,264)	(10,597,409)
Interest Income	(2,729,633)	(9,404,233)
Liability no Longer Required written back	(5,599,859)	(15,268,072)
Income from Dividend	(5,541,778)	(3,557,812)
Operating Profit before Working Capital Changes	556,814,481	490,868,543
Adjustments for:		
Change in Operating Assets & Liabilities		
Trade Receivable	(779,780,401)	453,842,197
Loans & Advances and other assets	523,181,360	166,562,464
Liabilities & Provisions	(136,166,667)	143,467,675
Cash Generated from Operations	164,048,773	1,254,740,879
Direct Taxes Paid (net of refunds)	(79,566,825)	(49,647,830)
Net Cash From / (used in) Operating Activities	84,481,948	1,205,093,049
B Cash Flow from Investing Activities		
Purchase of Fixed Assets	(30,588,258)	(50,741,093)
Proceed from Sale of Fixed Assets	3,715,211	16,506,125
Purchase of Current/Non Current Investments	(260,437,800)	(232,945,578)
Proceeds from Sale of Current/Non Current Investments	241,989,338	139,144,857

(Amount in ₹)

PARTICULARS	FOR THE YEAR ENDED 31.03.2014	FOR THE YEAR ENDED 31.03.2013
Interest on Deposits	-	8,060,788
Interest income on Investment	979,264	10,597,409
Interest Income	2,729,633	9,404,233
Income from Dividend	5,541,778	3,557,812
Net Cash from/ (used) in Investing Activities	(36,070,834)	(96,415,447)
C Cash Flow From Financing Activities		
Proceeds from Issue of Share Capital (including share premium)	-	399,740,673
Interest Expense	(99,989,175)	(137,471,130)
Proceeds from / (Repayment of) borrowing (net)	43,422,333	(1,154,826,860)
Proposed Dividend	(27,152,268)	-
Interim Dividend	(27,152,268)	-
Tax on Dividend	(9,229,056)	-
Change in Capital Reserve on consolidation	919,486	(197,505,253)
Net Cash from/ (used) in Financing Activities	(119,180,948)	(1,090,062,570)
	(A+B+C)	18,615,032
Adjustment on account of Change in Minority Interest	(8,135,486)	(311,248,347)
Net decrease in cash and cash Equivalents	(78,905,320)	(292,633,315)
Cash and Cash Equivalent at the beginning of the year	222,211,922	514,845,237
Cash and Cash Equivalent at the end of the year	143,306,602	222,211,922
		(refer note no. 2.15)

Notes:

- The above Cash flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 on Cash Flow Statements notified under Companies Act, 1956, read with the general circular 15/2013 dated 13.09.13 of Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.
- Figures in brackets indicate cash outgo.
- The significant accounting policies and notes to the consolidated financial statements - note 1 & 2 form an integral part of the consolidated Cash Flow Statement.

As per our Report of even date

FOR ATUL & RAJINDER
CHARTERED ACCOUNTANTS
F. R. N. : 005402Nsd/-
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/-
VINOD KUMAR JAMAR
(CHIEF FINANCIAL OFFICER)sd/-
SUMAN KUMAR
(COMPANY SECRETARY)PLACE : NEW DELHI
DATE : 26.05.2014**SIGNIFICANT ACCOUNTING POLICIES & NOTES ON CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH, 2014****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 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 30.01.2014*	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/ 20.04.2013*	India	100%
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 Private 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 2% during the year

- Company holds 85% equity directly and 15% through a subsidiary company

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.
- d) The separate financial statements of the company, its subsidiaries and step-down subsidiaries have been drawn for the period from April 1, 2013 or date of incorporation / acquisition, whichever is later, to March 31, 2014 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 are 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/AMORTISATION

In case of the Company and its Indian Subsidiaries:

In accordance with AS-6 on 'Depreciation Accounting', depreciation/amortisation on fixed assets, other than as stated below, 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 amortisation has been provided on Goodwill except in one subsidiary SMC Investments & Advisors Limited where the value of acquired business is amortised over the expected life of cash generating unit i.e. over a period of three years starting from 01-01-2014.

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

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

VIII INVENTORIES

Inventories or stock-in-trade are valued at lower of cost and market value except inventory of the Company and two subsidiary companies listed at Serial No. a & b in Accounting Policy II where inventories has been valued at market value/net realizable 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 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 irrespective of the date of policy.
- 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
- 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 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. Also refer to Accounting Policy III (g)

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. f 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. e & g where the liability for Gratuity is being accounted on payment basis wherever required by the statute
- c) Un-availed 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. f and step-down subsidiary listed at serial no. i where the liability for Un-availed leave is being

accounted on estimated basis and for subsidiaries listed at serial no e & g where the liability for un availed 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 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.

XIV BORROWING COSTS

In accordance with AS-16 'Borrowing Cost

borrowing costs that are attributable to acquisition, construction or production of qualifying assets, are capitalized as part of the cost of such qualifying assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit & Loss.

XV IMPAIRMENT OF ASSETS

Wherever events or changes in circumstances indicate that the carrying value of fixed assets may be impaired, such assets are being subject to a test of recoverability based on discounted cash flows expected from use or disposal thereof. If the assets are impaired, the 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' and is charged as amortisation.

XVI 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'.

XVII 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.

XVIII 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

PARTICULARS	(Amount in ₹)	
	AS AT 31.03.2014	AS AT 31.03.2013
a Authorised		
50,00,000 Preference shares of ₹ 10 each	50,000,000	50,000,000
14,00,50,000 Equity Shares of ₹ 2 each	280,100,000	280,100,000
	330,100,000	330,100,000
b Issued, Subscribed & Paid up		
11,31,34,450 Equity Shares of ₹ 2 each fully paid up	226,268,900	226,268,900
Total	226,268,900	226,268,900

c Reconciliation of Number of Equity Shares Outstanding

Particulars	Number of Shares	Amount in ₹
As at 31st March, 2014		
At the beginning of the year	113,134,450	226,268,900
Issued during the year	-	-
At the end of the year	113,134,450	226,268,900
As at 31st March, 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	45,253,790	-
Issue of Bonus shares*	56,567,225	113,134,450
At the end of the year	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

d Shares held by shareholders holding more than 5% shares

Name of Shareholder	No. of Shares held	% of Holding
As at 31st March, 2014		
Millennium India Acquisition Company Inc	14,736,035	13.03
Mahesh C. Gupta	10,248,500	9.06
Subhash Chand Aggarwal	10,095,500	8.92
Sarlam 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

Name of Shareholder	No. of Shares held	% of Holding
As at 31st March, 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
Sarlam 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

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 During the previous year, 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 31.03.2014	AS AT 31.03.2013
a Securities Premium Reserve		
Opening Balance	3,444,890,890	3,151,961,537
Addition during the Year	-	406,313,803
Share Issue Expenses written off	-	(250,000)
Securities Premium Utilised for issue of Bonus Shares	-	(113,134,450)
Closing Balance	3,444,890,890	3,444,890,890
b Capital Reserves (On Amalgamation)		
Opening Balance	104,102,620	104,102,620
Closing Balance	104,102,620	104,102,620
c Capital Reserves (On Consolidation)		
Opening Balance	34,194,814	231,700,067
Adjustment during the year	919,486	(197,505,253)
Closing Balance	35,114,300	34,194,814
d Capital Reserves (On Forfeiture)		
Opening Balance	123,998,200	123,998,200
Closing Balance	123,998,200	123,998,200
e Foreign Currency Fluctuation Reserve		
Opening Balance	16,815,670	13,094,477
Addition during the year	4,028,065	3,721,193
Closing Balance	20,843,735	16,815,670
f Statutory Reserves (Reserve Fund u/s 45- IC of RBI Act 1934)		
Opening Balance	4,076,234	1,298,981
Addition during the year	6,494,460	2,777,253
Closing Balance	10,570,694	4,076,234
g General Reserve		
Opening Balance	626,297,127	626,297,127
Addition during the Year	15,000,000	-
Closing Balance	641,297,127	626,297,127

NOTE NO. 2.02

RESERVES AND SURPLUS

(Amount in ₹)

PARTICULARS	AS AT 31.03.2014	AS AT 31.03.2013
h Surplus		
Opening Balance	326,983,398	115,306,453
Adjustment on account of Minority Interest	-	5,691,725
Profit for the year	224,910,901	209,947,473
Prior Period Adjustment	-	(1,185,000)
Transfer to General Reserves	(15,000,000)	-
Transfer to Statutory Reserves	(6,494,460)	(2,777,253)
Interim Dividend	(27,152,268)	-
Proposed Dividend	(27,152,268)	-
Tax on Dividend	(9,229,056)	-
Closing Balance	466,866,247	326,983,398
Total	4,847,683,813	4,681,358,953

NOTE NO. 2.03

LONG TERM BORROWINGS

(Amount in ₹)

PARTICULARS	AS AT 31.03.2014	AS AT 31.03.2013
Term Loans (secured against vehicle) *		
From Banks	4,651,178	1,945,563
From Others	62,500	1,057,104
Less: Current Maturities disclosed under the head "Other Current Liabilities" @	(1,346,259)	(2,401,280)
	3,367,419	601,387
Secured against pledge of Securities #		
Loan From Financial Institution	86,243,593	-
Term loans (secured)		
Term loan from Banks	-	100,000,000
Less: Current Maturities disclosed under the head "Other Current Liabilities" @	-	(100,000,000)
	-	-
Term Loans (unsecured)		
From Others	-	32,624,614
Total	89,611,012	33,226,001

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

@ also refer to Note 2.D6

Repayable over 36 months of Loan Agreement and bearing interest @11 % p.a

NOTE NO. 2.04**LONG TERM PROVISIONS**

(Amount in ₹)

PARTICULARS	AS AT 31.03.2014	AS AT 31.03.2013
Provision for employee benefits:		
Gratuity #	48,522,155	38,021,333
Leave Encashment #	14,084,449	9,374,356
Provision for Non Performing Assets*	4,500,000	6,118,210
Provision for Contingencies	1,133,309	864,982
Total	68,239,913	54,378,881

also refer to Note 2.07, 2.21 & 2.31

* also refer to Note 2.22(b)

NOTE NO. 2.05**SHORT TERM BORROWINGS***

(Amount in ₹)

PARTICULARS	AS AT 31.03.2014	AS AT 31.03.2013
Secured		
Short Term Loan from Banks secured against Stock in Trade	284,668,436	99,831,114
Short Term Loan from Banks secured against FDR	-	197,800,000
Total	284,668,436	297,631,114

* 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. 2.06**OTHER CURRENT LIABILITIES**

(Amount in ₹)

PARTICULARS	AS AT 31.03.2014	AS AT 31.03.2013
Trade Payables	1,185,644,842	1,367,327,202
Others		
Advances /Margin Received from Clients	1,960,205,571	1,735,118,556
Book Overdraft from Banks	203,743,195	319,322,038
Current Maturities of Long Term Borrowings #	1,346,259	102,401,280
Security & Deposits Received from clients	22,441,051	23,429,030
Payable to Statutory Authorities	28,986,243	28,808,597
Unpaid Dividend	216,564	-
Unearned Income	4,316,963	5,724,611
Total	3,406,900,688	3,582,131,314

also refer to Note 2.03

NOTE NO. 2.07**SHORT TERM PROVISIONS**

(Amount in ₹)

PARTICULARS	AS AT 31.03.2014	AS AT 31.03.2013
Provision for employee benefits		
Salary and Perquisites	53,192,797	56,126,987
Gratuity #	2,590,867	1,784,818
Leave Encashment #	1,065,523	2,000,310
Others		
Provision for Income Tax **	6,013,652	-
Provision for Wealth Tax	84,518	93,354
Proposed Dividend	27,152,268	-
Tax on Dividend	4,614,528	-
MTM Equity Payable	244,889	-
Total	94,959,042	60,005,469

also refer to Note 2.04, 2.21 & 2.31

* also refer to Note 2.11

** Net of Advance tax & TDS ₹ 11,679,467 (PY ₹ 9,39,75,881) and MAT ₹ 19,27,387 (PY ₹ Nil)

NOTE NO. 2.08

FIXED ASSETS

DESCRIPTION	GROSS BLOCK		DEPRECIATION		NET BLOCK	
	As At 01.04.2013	Additions/ Adjustment	Deductions/ Adjustments	As At 01.04.2013	For the year	As At 31.03.2014
TANGIBLE ASSETS:						
Land Building	58,465,989		5,689,794	14,137,917	2,276,429	16,154,026
Office Equipment	524,898,462	5,034,769	1,689,794	31,933,764	9,443,091	58,495,873
Furniture & Fixtures	124,581,844	5,721,020	8,140,092	18,766,453	15,949,848	85,760,992
Computer Hardware	268,420,973	11,412,202	15,950,016	199,702,965	28,366,790	215,036,585
Temporary infrastructure	4,323,339	446,460	4,323,339	4,323,339	446,460	4,999,699
Tractor (Held Impairment)	2,435,148		2,435,148	1,118,881	3,867,770	1,116,267
Vehicle	18,507,809	4,959,855	1,789,383	20,295,407	4,494,227	23,982,964
Plant	36,899,736		72,500	21,305,046	1,860,183	25,149,972
TOTAL (A)	708,733,397	27,554,305	34,781,416	393,563,362	63,241,903	433,406,031
Intangible Assets						
Computer Software	99,262,846	262,500	90,835,346	77,625,069	7,699,774	80,124,842
Trade Marks (net)	10,000,000		10,000,000	48,105	758	10,000,000
Goodwill					2,90,954	2,90,954
TOTAL (B)	109,262,846	3,033,953	100,835,346	72,643,174	7,931,486	80,574,660
TOTAL (A+B)	809,016,243	30,588,258	34,781,416	466,206,536	71,173,389	513,980,691
PREVIOUS YEAR	801,051,587	50,741,093	42,776,437	399,994,851	84,615,078	466,206,536
						342,809,707
						401,056,736

NOTE NO. 2.09

INVESTMENTS

(Amount in ₹)

PARTICULARS	AS AT 31.03.2014	AS AT 31.03.2013
A. Non-Current Investments		
Investment Property	-10,686,191	10,686,191
Non- Trade Investments (Valued at Cost)		
Investment In Equity Instruments (Quoted)	203,102,763	222,425,079
Investment in Equity Instruments (Unquoted)		
in associates companies	10,000,000	10,000,000
in other Companies	63,821,350	51,321,350
Total	287,610,304	294,432,620
Aggregate Market Value of Quoted Investment	125,739,279	141,285,602
Aggregate Book Value of Quoted Investment	203,102,763	222,425,079
Aggregate Book Value of Unquoted Investment	73,821,350	61,321,350
B. Current Investments		
(At lower of Cost or Net Realisable Value)		
Investment in Portfolio Management Service (Quoted)		
Equity	49,798,429	66,081,226
Mutual Funds	57,151,365	8,469,927
Investment in units of Mutual Funds (Unquoted)	-	6,250,328
Total	106,949,794	80,801,481

NOTE NO. 2.10

DEFERRED TAX ASSETS (NET)

(Amount in ₹)

PARTICULARS	AS AT 31.03.2014	AS AT 31.03.2013
Deferred Tax Assets :		
Disallowances under Income Tax Act	29,946,506	25,327,560
Carried Forward Losses	99,393,909	116,891,922
A	1293,40,415	14,22,19,482
Deferred Tax Liabilities :		
Related to Fixed Assets	5,583,733	10,421,844
B	5,583,733	10,421,844
Deferred Tax Asset (Net)	(A-B)	123,756,682
		131,797,638

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

PARTICULARS	(Amount in ₹)	
	AS AT 31.03.2014	AS AT 31.03.2013
Secured, considered good (unless stated otherwise)		
Security Deposits	87,897,120	115,785,095
Loans and advances to Related Party *	39,241,800	39,241,800
Advances Recoverable in cash or in kind	493,688,486	594,259,249
Receivable under financing activities		
Standard Assets - Secured	1,700,945	3,009,602
Doubtful Assets - Unsecured	7,370,373	20,393,802
Prepaid Expenses	328,989	548,698
Balance with Statutory Authorities	82,600,646	54,355,610
Advance tax and TDS * #	30,572,533	25,769,794
MAT Credit Entitlement	29,783,670	17,451,923
Total	773,184,562	870,815,573

* also refer to Note 2.29

^ also refer to Note 2.07

Net of Provision for Income Tax ₹ 9,41,61,972 (PY ₹ 6,82,06,058)

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

PARTICULARS	(Amount in ₹)	
	AS AT 31.03.2014	AS AT 31.03.2013
Outstanding for a period exceeding one year		
Unsecured - considered good	205,765,669	283,408,509
Unsecured - considered doubtful	26,824,074	27,715,228
Less: Provision for doubtful debts *	(26,824,074)	(27,715,228)
Total	205,765,669	283,408,509

* also refer to Note 2.27(a)

NOTE NO. 2.13**INVENTORIES #**

PARTICULARS	(Amount in ₹)	
	AS AT 31.03.2014	AS AT 31.03.2013
Stock-in-trade	1,448,030,405	1,371,732,204
Total	1,448,030,405	1,371,732,204

Refer Accounting policy VIII

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

PARTICULARS	(Amount in ₹)	
	AS AT 31.03.2014	AS AT 31.03.2013
Unsecured		
Debts Outstanding for more than six months		
Considered good	65,497,903	75,539,552
Considered doubtful	195,900	-
Less: Provision for Doubtful Debts *	(195,900)	-
Other Debts		
Considered good	2,305,873,973	1,492,860,032
Total	2,371,371,876	1,568,399,584

* also refer to Note 2.27(a)

NOTE NO. 2.15**CASH & BANK BALANCES**

PARTICULARS	(Amount in ₹)	
	AS AT 31.03.2014	AS AT 31.03.2013
Cash in hand	3,998,415	3,875,805
Bank Balances:		
Balance with Banks on current accounts	138,753,483	215,956,885
Foreign Currency in hand	254,704	22,572
Bank deposits with maturity of 3 months or less	300,000	2,356,660
	143,306,602	222,211,922
Other Bank Balances		
Bank deposits with maturity of more than 12 months	3,000,000	-
In-fixed deposit against commitment to IRDA	1,200,000	1,200,000
Bank Deposits with maturity more than 12 months but within one year from the reporting date	1,500,000	1,500,000
Margins Deposited with Exchanges or against guarantees and other commitments **	2,143,744,128	2,598,104,909
Total	2,292,750,730	2,823,016,831

* also refer to Note 2.26

NOTE NO. 2.16**SHORT-TERM LOANS AND ADVANCES**

PARTICULARS	(Amount in ₹)	
	AS AT 31.03.2014	AS AT 31.03.2013
Unsecured, considered good (unless stated otherwise)		
Security Deposit	2,540,000	2,340,000
Loans and advances to Related Party *	-	37,560,372
Receivables under financing activities		
Secured, considered good	339,713,365	304,818,494

NOTE NO. 2.16**SHORT-TERM LOANS AND ADVANCES**

PARTICULARS	(Amount in ₹)	
	AS AT 31.03.2014	AS AT 31.03.2013
Unsecured, considered good	111,909,222	15,360,531
Balance with Statutory Authorities:	14,590,808	26,941,290
Advances Recoverable in cash or in kind	590,513,696	720,581,420
Prepaid Expenses	40,043,644	48,567,635
Total	1,099,310,735	1,156,169,742

* also refer to Note 2.29

NOTE NO. 2.17**OTHER CURRENT ASSETS**

PARTICULARS	(Amount in ₹)	
	AS AT 31.03.2014	AS AT 31.03.2013
Accrued Interest on FDR	25,044,707	25,156,330
Accrued Interest on Bonds	235,695	-
Total	25,280,402	25,156,330

NOTE NO. 2.18**REVENUE FROM OPERATIONS**

PARTICULARS	(Amount in ₹)	
	FOR THE YEAR ENDED 31.03.2014	FOR THE YEAR ENDED 31.03.2013
Income from Brokerage	1,241,193,987	1,322,515,588
Income from Proprietary Trading	1,100,636,279	1,013,011,909
Treasury Income	221,834,274	237,174,534
Interest Income from Financing Activities	68,698,285	36,833,567
Income from Distribution of Financial products	74,832,016	71,275,657
Income from Depository Business	30,636,738	35,602,014
Income from management and advisory services	37,822,811	87,563,785
Income from Reverse Book Building	2,127,500	2,530,100
Dividend Earned	60,883,950	12,647,880
Incentive from Exchange	20,803,944	15,028,438
	2,859,469,784	2,834,183,472
Other Operating Income		
Profit/Loss on sale of Investment	2,608,163	594,236
Loan Processing Fees	615,000	-
Income from PMS Account	5,251,814	15,226,138
Interest Income on Investments	979,264	10,597,409
Income from Dividend	5,541,778	3,557,812
Currency Advisory Services	420,541	13,373
Delay Payment Charges	51,351,242	49,591,999
Total	66,767,802	79,580,967
	2,926,237,586	2,913,764,439

NOTE NO. 2.19**OTHER INCOME**

PARTICULARS	(Amount in ₹)	
	FOR THE YEAR ENDED 31.03.2014	FOR THE YEAR ENDED 31.03.2013
Interest Income	2,729,633	9,404,233
Research Services	12,785,796	-
Commission on FD Procurement	7,373,333	-
Liability no Longer Required written back	5,599,859	15,268,072
Miscellaneous Income	54,078,313	8,083,369
Total	82,566,934	32,755,674

NOTE NO. 2.20**EXCHANGE & OTHER OPERATING EXPENSE**

PARTICULARS	(Amount in ₹)	
	FOR THE YEAR ENDED 31.03.2014	FOR THE YEAR ENDED 31.03.2013
Client Introduction Charges	429,800,534	439,664,096
Exchange & Other Regulatory Charges	339,508,392	259,293,839
Securities Transaction Tax	217,788,935	259,430,160
Membership Fees & Subscription	128,683	84,363
VPN, LeaseLine, internet & VSAT Expenses	22,640,070	24,477,612
Total	1,009,866,614	983,050,070

NOTE NO. 2.21**EMPLOYEE BENEFIT EXPENSE ***

PARTICULARS	(Amount in ₹)	
	FOR THE YEAR ENDED 31.03.2014	FOR THE YEAR ENDED 31.03.2013
Salaries and incentives	790,762,881	803,485,280
Employers Contributions to PF & other fund	20,126,872	23,483,056
Gratuity	12,255,383	11,574,839
Staff welfare expenses	22,282,544	20,865,901
Total	845,427,680	859,409,076

*also refer to Note 2.04, 2.07 & 2.31

NOTE NO. 2.22**FINANCE COSTS**

PARTICULARS	(Amount in ₹)	
	FOR THE YEAR ENDED 31.03.2014	FOR THE YEAR ENDED 31.03.2013
Interest expense	99,989,175	137,471,130
Other Borrowing Cost	24,331,604	18,092,712
Total	124,320,779	155,563,842

NOTE NO. 2.23**DEPRECIATION AND AMORTISATION EXPENSES**

(Amount in ₹)

PARTICULARS	FOR THE YEAR ENDED 31.03.2014	FOR THE YEAR ENDED 31.03.2013
Depreciation on Tangible Assets	63,241,903	73,922,465
Depreciation on Intangible Assets	7,931,486	10,692,613
Total	71,173,389	84,615,078

NOTE NO. 2.24**OTHER EXPENSES**

(Amount in ₹)

PARTICULARS	FOR THE YEAR ENDED 31.03.2014	FOR THE YEAR ENDED 31.03.2013
Advertisement	95,171,423	57,034,610
Bad debts written off	1,953,511	3,376,258
Bank charges	6,058,822	17,154,210
Business Promotion	98,090,780	80,405,843
Convat Credit Unavailed	704,568	1,581,832
Communication Expenses	32,703,697	32,476,162
Computer Repair & Maintenance	16,428,640	16,219,297
Conveyance & Traveling Expenses	25,640,714	24,942,657
Director's Sitting Fee	330,000	780,000
Electricity & Water Charges	50,560,133	46,348,723
Insurance Expenses	3,120,180	3,110,017
Legal & Professional Charges	51,392,963	55,488,805
Loss on Sale of Investments	1,730,624	-
Loss on Sale of Fixed Assets	7,666,970	7,869,326
Meeting & Conference Expenses	3,213,909	38,919
Membership Fees & Subscription	1,621,960	1,574,124
Miscellaneous Expenses	11,841,032	7,967,057
Office Repair & Maintenance	32,943,698	37,556,005
Printing and Stationery	14,778,522	16,053,211
Provision for Doubtful Debts #	52,497,440	37,249,307
Provision for Non Performing Assets #	9,570,665	4,198,883
Provision for Standard Assets	268,327	65,498
Rent	112,771,221	132,183,613
Rates & Taxes	5,335,074	1,733,207
Research Expenses	2,102,636	2,156,315
Staff Support Services	-	21,359,494
Stamp & Other Expenses	182,905	219,515

NOTE NO. 2.24**OTHER EXPENSES**

(Amount in ₹)

PARTICULARS	FOR THE YEAR ENDED 31.03.2014	FOR THE YEAR ENDED 31.03.2013
Vehicle Running & Maintenance	4,423,976	4,355,979
Deferred Revenue Expenditure written off	-	160,466
Auditor's remuneration:		
As Statutory Auditor	891,600	847,768
As Tax Auditor	208,736	163,736
As Fees for Other Services	125,000	104,000
Total	644,379,726	616,777,837

also refer to Note 2.27

NOTE NO. 2.25**CONTINGENT LIABILITIES**

(Amount in ₹)

PARTICULARS	AS AT 31.03.2014	AS AT 31.03.2013
On Account of Sales tax demand (U.P.) (Amount paid in dispute ₹ 8,18,947 (PY ₹ 8,18,947))	677,808	743,064
On Account of Income Tax demand ESI demand in dispute (Amount paid under protest ₹ 12,42,581 (PY ₹ 12,42,581))	680,140	835,112
	3,106,450	3,106,450

Note No. 2.26

Margin deposited with exchanges or against guarantees & other commitments includes ₹ 1,81,58,36,688 (PY ₹ 2,25,38,73,064) under lien in favour of the bank as margin deposit for the guarantees issued/credit facilities or otherwise. ₹ 7,15,000 (PY ₹ 7,15,000) under lien with sales tax authorities and ₹ 32,71,92,440 (PY ₹ 34,35,91,845) 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 step down subsidiary

namely SMC Insurance Brokers Pvt. Ltd. where lien has been marked in favour of Insurance Regulatory and Development Authority.

Note No. 2.27

a) Provision for doubtful debts of ₹ 2,70,19,974 (PY ₹ 2,77,15,228) is net of bad debts written off ₹ 5,56,86,253 (PY ₹ 1,86,69,416) & recovery of ₹ 24,93,559 (PY ₹ Nil). No provision has been made in respect of certain overdue doubtful sundry debtors amounting to ₹ 20,57,65,669 (PY ₹ 28,34,08,509) since the Company has taken suitable measures to recover the said

dues including filing of legal cases wherever considered appropriate (also refer to Note 2.12, 2.14 and 2.24)

b) Provision for doubtful debts on account of non-performing assets of ₹ 45,00,000 (PY ₹ 61,18,210) is net of bad debts written off ₹ 1,11,88,875 (PY ₹ 1,20,072)

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. D. P. Agarwal	Director	SMC Capitals Ltd.
Ms. Aditi Aggarwal	Director	SMC ARC Ltd.
Ms. Shweta Aggarwal	Director	SMC Capitals Ltd.
	Director	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.
Mrs. Anuradha Goel	Director	SMC Finvest Ltd.
Mr. Dinesh Chand Gupta	Director	SMC Finvest Ltd.
Mr. Ashish Kumar Gupta	Director	Moneywise Finvest Ltd.
Mr. Rajendra Prasad Mahipal	Director	Moneywise Finvest Ltd.
Mrs. Uma Aggarwal	Director	Moneywise Finvest Ltd.

Associates with whom transaction have taken place during the year:

SMC Share Brokers Ltd.
Pulin Investments Pvt. Ltd.
MVR Share Trading Pvt. Ltd.

NOTE NO. 2.28

COMMITMENTS

PARTICULARS	(Amount in ₹)	
	AS AT 31.03.2014	AS AT 31.03.2013
Contracts remaining to be executed on account of capital (net of advances)		
- For purchase of Office Building	5,27,145	Nil

Note No. 2.29

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 under the Companies Act, 1956, read with the general circular 15/2013 dated 13.09.13 of Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

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 Pvt. Ltd.
Mr. Anurag Bansal	Whole Time Director Director Director	SMC Global Securities Ltd. SMC ARC Ltd. Moneywise Finvest Ltd.
Mr. Ravi Aggarwal	Whole Time Director	SMC Insurance Brokers Pvt. Ltd.
Mr. D. K. Aggarwal	Managing Director Managing Director Managing Director Director	SMC Comtrade Ltd. SMC Investments and Advisors Ltd. SMC Capitals Ltd. SMC Securities Pvt. Ltd.

B. Significant Transactions with Related Parties* Key Management Personnel

PARTICULARS OF TRANSACTIONS	(Amount in ₹)	
	FOR THE YEAR ENDED 31.03.2014	FOR THE YEAR ENDED 31.03.2013
Equity Share Capital		
Pravin Agarwal	Nil	1,00,00,000
Expenses: Director's Remuneration		
Mr. S. C. Aggarwal	65,00,000	60,00,000
Mr. M. C. Gupta	65,00,000	60,00,000
Mr. Pradeep Aggarwal	42,50,675	39,23,700
Mr. Anurag Bansal	32,50,000	30,00,000
Mr. Ajay Garg	30,00,000	30,00,000
Mr. D. K. Aggarwal	48,75,000	45,00,000
Mrs. Hemlata Aggarwal	32,50,000	30,00,000
Mrs. Sushma Gupta	32,50,000	30,00,000

(Amount in ₹)

PARTICULARS OF TRANSACTIONS	FOR THE YEAR ENDED 31.03.2014	FOR THE YEAR ENDED 31.03.2013
Mr. Narendra Balasia	12,52,752	12,52,752
Mr. Pravin Agarwal	24,00,000	24,00,000
Mrs. Reema Barg	12,76,164	8,00,000
Mr. D. P. Aggarwal	15,84,000	15,84,000
Mr. Ravi Aggarwal	24,00,000	24,00,000
Remuneration ^		
Mr. Himanshu Gupta	19,50,000	18,00,000
Ms. Shweta Aggarwal	19,50,000	18,00,000
Mr. Lalit Kumar Aggarwal	19,50,000	18,00,000
^ Paid other than as director		
Income: Advisory Services		
Mr. D. K. Aggarwal	10,061	7,506
Loans & Advances recovered from Related Party (net)		
MVR Share Trading Private Limited	Nil	43,40,000
Pulin Investments Private Limited	3,75,60,372	Nil
Repayment of Loans & Advances (net)		
SMC Share Brokers Private Limited	Nil	28,50,000
Loans & Advances given to Related Party		
Pulin Investments Private Limited	Nil	3,75,60,372

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

C. Balance Outstanding

(Amount in ₹)

PARTY NAME	INCLUDED IN	AS AT 31.03.2014	AS AT 31.03.2013
Pulin Investments Private Limited	Short Term Loans & Advances	Nil	3,75,60,372
MVR Share Trading Private Limited	Long Term Loans & Advances	3,92,41,800	3,92,41,800

Note No. 2.30**EARNING PER SHARE (EPS)**

In accordance with AS-20 "Earning per Share", notified under the Companies Act, 1956, read with the general circular 15/2013 dated 13.09.13 of Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013, the basic & diluted earning per share is being calculated as under

PARTICULARS	2013-14	2012-13
Net profit attributable to equity shareholders (₹) (before transfer to Statutory reserve)	22,49,10,901	20,99,47,473
Weighted Average No. of Equity Shares For basic & diluted EPS	11,31,34,450	11,22,37,898
Nominal Value per share (₹)	2	2
Basic & Diluted EPS (₹)	1.99	1.87

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.

Note No. 2.31

The details of gross liability, contributions, value of funds and provisions for gratuity & leave encashment as under (also refer Note No. 2.04, 2.07 & 2.21)

A. Gratuity (partly funded)

(Amount in ₹)

PARTICULARS	2013-14	2012-13
a. Change in Present Value of Obligation As per Actuarial Report		
Present Value of the Obligation at the beginning of the year	4,19,92,998	2,97,54,449
Interest Cost	46,51,467	25,74,491
Current Service Cost	92,61,688	81,05,830
Benefit Paid	(27,79,752)	(14,97,138)
Actuarial (gain)/loss on obligations	(28,14,048)	(16,60,662)
(A)	5,03,12,353	3,72,76,970
As per Management Estimation		
Provision for the year	12,42,045	39,25,436
Benefit paid	Nil	(96,157)
Foreign Currency Fluctuation reserve	3,26,588	1,03,749
Prior period adjustment	Nil	7,83,000
(B)	15,68,633	47,16,028
Present Value of the Obligation at the end of the year (A + B)	5,18,80,986	4,19,92,998
b. Amount recognized in the Balance Sheet		
Present Value of the Obligation at the end of the year	5,18,80,986	4,19,92,998

		(Amount in ₹)	
PARTICULARS		2013-14	2012-13
Fair Value of Plan Assets at the end of the year		(7,67,964)	(21,86,847)
Net Liability recognized in Balance Sheet		5,11,13,022	3,98,06,151
c. Amount recognized in the Statement of Profit and Loss As per Actuarial Report			
Interest Cost		46,51,467	25,74,491
Current Service Cost		92,61,688	81,05,830
Expected Return on Plan Assets		(1,85,882)	(2,76,413)
Actuarial (gain)/loss on obligations		(27,13,935)	(15,31,055)
Prior Period Adjustment		Nil	(12,23,450)
(A)		1,10,13,338	76,49,403
As per Management Estimation			
Provision for the year		12,42,045	39,25,436
(B)		12,42,045	39,25,436
Total expense recognized in the Statement of Profit and Loss	(A+B)	1,22,55,383	1,15,74,839
d. Reconciliation of Balance Sheet As per Actuarial Report			
Present Value of the Obligation at the beginning of the year		4,19,92,998	2,97,54,449
Total expense recognized in the Statement of Profit and Loss		1,10,13,338	88,72,853
Actual Return on Plan Assets		31,364	1,46,806
Benefits paid		(27,25,347)	(14,97,138)
(A)		5,03,12,353	3,72,76,970
As per Management Estimation	(B)	15,68,633	47,16,028
Present Value of the Obligation at the end of the year	(A+B)	5,18,80,986	4,19,92,998
e. Bifurcation of Present Value of the Obligation at the end of the year			
Non-Current Liability		4,92,90,119	4,02,08,180
Less: Fair Value of Plan Assets at the end of the year		(7,67,964)	(21,86,847)
(A)		4,85,22,155	3,80,21,333
Current Liability	(B)	25,90,867	17,84,818
Total	(A+B)	5,11,13,022	3,98,06,151

		(Amount in ₹)	
PARTICULARS		2013-14	2012-13
B. Leave Encashment (unfunded)			
a. Change in Present Value of Obligation As per Actuarial Report			
Present Value of the Obligation at the beginning of the year		1,13,74,666	63,94,878
Interest Cost		9,11,644	5,54,671
Current Service Cost		35,26,440	43,45,830
Benefit Paid		(24,78,421)	(24,07,026)
Actuarial (gain)/loss on obligations		9,91,048	9,80,434
(A)		1,43,55,904	98,68,787
As per Management Estimation			
Provision for the year		7,49,855	11,03,879
Foreign Currency Fluctuation reserve		44,213	Nil
Prior period adjustment		Nil	4,02,000
(B)		7,94,068	15,05,879
Present Value of the Obligation at the end of the year	(A+B)	1,51,49,972	1,13,74,666
b. Amount recognized in the Balance Sheet			
Present Value of the Obligation at the end of the year		1,51,49,972	1,13,74,666
Fair Value of Plan Assets at the end of the year		Nil	Nil
Net Liability recognized in Balance Sheet		1,51,49,972	1,13,74,666
c. Amount recognized in the Statement of Profit and Loss As per Actuarial Report			
Interest Cost		9,11,644	5,54,671
Current Service Cost		35,26,440	43,45,830
Actuarial (gain)/loss on obligations		9,91,048	9,80,434
(A)		54,29,132	58,80,935
As per Management Estimation			
Provision for the year	(B)	7,49,855	11,03,879

PARTICULARS		2013-14	2012-13
Total expense recognized in the Statement of Profit and Loss	(A+B)	61,78,987	69,84,814
d. Reconciliation of Balance Sheet			
As per Actuarial Report			
Present Value of the Obligation at the beginning of the year		1,13,74,666	63,94,878
Total expense recognized in the Statement of Profit and Loss		62,09,514	69,84,814
Benefits paid		(24,78,421)	(24,07,026)
	(A)	1,51,05,759	1,09,72,666
As per Management Estimation			
Foreign Currency Fluctuation reserve		44,213	Nil
Prior period adjustment		Nil	4,02,000
	(B)	44,213	4,02,000
Present Value of the Obligation at the end of the year	(A+B)	1,51,49,972	1,13,74,666
e. Bifurcation of Present Value of the Obligation at the end of the year			
Non-Current Liability		1,40,84,449	93,74,356
Current Liability		10,65,523	20,00,310
Total		1,51,49,972	1,13,74,666

**Note No. 2.32
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, Financing activities 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.

d) **Financing activities:** Comprises of loans against securities.

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

Note No. 2.33

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 ₹

As per our Report of even date

FOR ATUL & RAJINDER
CHARTERED ACCOUNTANTS,
F. R. N. D054D2N

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/-
VINOD KUMAR JAMAR
(CHIEF FINANCIAL OFFICER)

sd/-
SUMAN KUMAR
(COMPANY SECRETARY)

PLACE: NEW DELHI
DATE: 26.05.2014

Annexure I to Note No. 2.32 of Notes forming part of the Consolidated Financial Statements
Segment Information:

(Amount in ₹)

Particulars	CapitalMarket		Insurance Broking Services		Wealth Management Services		Financial Services		Unallocated		Elimination		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
(i) Primary Segment-Business														
Revenue														
External revenue	2,549,357,850	2,584,968,587	316,038,986	278,933,332	47,148,975	35,301,909	95,783,380	45,275,706	475,327	2,040,583			3,008,804,520	2,946,520,113
Inter segment revenue	37,393,070	6,986,470			10,688,377	30,244,408	(89,000)	(106,366)	(729,681)	(880,706)	(47,262,766)	(36,243,606)		
Total	2,586,750,920	2,591,955,057	316,038,986	278,933,332	57,837,352	65,546,317	95,694,380	45,169,140	(254,354)	1,159,877	(47,262,766)	(36,243,606)	3,008,804,520	2,946,520,113
Segment Profit/(Loss) (before tax)	226,346,281	193,069,876	68,477,157	71,215,356	(28,483,757)	(37,487,523)	47,950,695	19,653,522	(654,044)	652,981			313,636,332	247,104,210
Income taxes (Current tax)														
Deferred tax & Mat Credit									87,673,935	44,455,619			87,673,938	44,455,619
Wealth tax and Prior Period Taxes									(66,153)	(1,106,305)			(66,155)	(1,106,305)
Segment Profit/(Loss) after tax	226,346,281	193,069,876	68,477,157	71,215,356	(28,483,757)	(37,487,523)	47,950,695	19,653,522	(88,261,826)	(42,696,333)			226,028,549	203,754,896
Other Information														
Segment assets	7,780,607,201	7,793,187,589	182,578,984	125,046,457	32,305,589	41,466,708	881,826,265	844,268,383					8,877,318,044	8,803,969,137
Other unallocated assets									23,778,828	12,773,436			23,778,828	12,773,436
Total Assets	7,780,607,201	7,793,187,589	182,578,984	125,046,457	32,305,589	41,466,708	881,826,265	844,268,383	23,778,828	12,773,436			8,901,096,872	8,816,742,573
Segment liabilities	3,795,881,377	3,974,077,481	46,536,402	45,218,499	12,909,867	9,761,863	95,184,249	11,778,415					3,950,511,896	4,040,836,258
Other unallocated liabilities									388,944	76,111			388,944	76,111
Total Liabilities	3,795,881,377	3,974,077,481	46,536,402	45,218,499	12,909,867	9,761,863	95,184,249	11,778,415	388,944	76,111			3,950,900,840	4,040,912,369
(ii) Secondary Segment-Geographical														
Revenue														
External revenue							2,939,045,445	2,846,379,283	69,759,075	100,140,830			3,008,804,520	2,946,520,113
Inter segment revenue							(47,262,766)	(36,243,606)			(47,262,766)	(36,243,606)		
Total							2,986,308,211	2,882,622,889	69,759,075	100,140,830	(47,262,766)	(36,243,606)	3,008,804,520	2,946,520,113
Segment Profit/(Loss) (before tax)							319,770,380	204,027,558	(6,134,048)	43,076,652			313,636,332	247,104,210
Income taxes (Current tax and Deferred tax)							87,673,938	44,455,619					87,673,938	44,455,619
Wealth tax and Prior Period Taxes							(66,155)	(1,106,305)					(66,155)	(1,106,305)
Segment Profit/(Loss) after tax							232,162,597	160,678,244	(6,134,048)	43,076,652			226,028,549	203,754,896
Other Information														
Segment assets							8,600,505,247	8,382,183,084	276,812,797	421,786,053			8,877,318,044	8,803,969,137
Other unallocated assets							23,778,828	12,773,436					23,778,828	12,773,436
Total Assets							8,624,284,075	8,394,956,520	276,812,797	421,786,053			8,901,096,872	8,816,742,573
Segment liabilities							3,761,548,092	3,705,295,694	188,963,804	335,540,564			3,950,511,896	4,040,836,258
Other unallocated liabilities							388,944	76,111					388,944	76,111
Total Liabilities							3,761,937,036	3,705,371,805	188,963,804	335,540,564			3,950,900,840	4,040,912,369

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

Name of the Subsidiary Company	Capital	Reserves	Total Assets	Total Liabilities excluding (2) and (3)	Investment other than Investment in Subsidiaries included in Total assets	Turnover	Profit/ (Loss) Before Tax	Provision For Tax	Profit/ (Loss) After Tax	(Amount in ₹)
										Proposed Dividend
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
SMC Capitals Ltd.	100,000,000	(11,754,612)	92,492,851	4,247,463	-	30,093,553	(26,224,537)	(8,469,439)	(17,755,098)	-
Moneywise Financial Services Pvt. Ltd.	183,646,500	570,953,980	884,171,669	129,571,189	88,429,516	95,694,380	47,950,695	15,478,394	32,472,301	-
SMC Comtrade Ltd.	100,000,000	1,178,217,763	2,008,581,566	730,363,803	10,000,000	559,054,239	61,365,571	19,821,899	41,543,672	-
SMC Insurance Brokers Pvt. Ltd.	414,000,000	(143,999,581)	310,015,072	40,014,653	30,000,000	316,038,986	68,477,157	22,379,927	46,097,230	-
SMC Comex International DMCC*										
IN USD	542,035	(930,464)	4,619,047	5,007,476	-	1,218,615	(106,209)	-	(106,209)	-
IN INR	32,576,195	(55,920,700)	277,603,801	300,948,306	-	73,238,518	(6,383,140)	-	(6,383,140)	-
SMC Investments and Advisors Ltd. (formerly known as Sanlam Investments and Advisors (India) Ltd.)	150,000,000	(16,312,915)	146,841,842	13,154,757	-	70,650,127	(18,961,590)	-	(18,961,590)	-
SMC ARC Ltd.	25,000,000	(1,799,162)	23,351,395	150,557	12,606,852	(983,285)	(1,330,499)	(485,011)	(845,488)	-
SMC Finvest Ltd. (formerly known as Sanlam Investments Management (India) Ltd.)	410,000,000	15,514,908	427,719,918	2,205,010	-	29,102,800	25,279,849	7,723,992	17,555,857	-
Moneywise Finvest Ltd. (formerly known as Sanlam Trustee Company (India) Ltd.)	10,000,000	1,424,565	11,662,952	238,387	10,736,113	728,931	676,455	126,075	550,380	-
SMC Securities Pvt. Ltd.	100,000,000	4,426,307	110,977,602	6,551,295	-	73,889,171	8,426,365	2,605,900	5,820,465	-

Notes:

1. *Converted in to Indian Rupees at the exchange rate: 1USD = INR 60.0998
2. The aforesaid data in respect of subsidiaries are as on 31st March 2014
3. Provision for tax includes provision for deferred tax & prior period taxes.



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