

SMC GLOBAL SECURITIES LIMITED



Moneywise. Be wise.

23RD  
**ANNUAL  
REPORT**  
2016-2017



 *India On The Go*

INDIA • UAE • USA

# 2016-17

23rd Annual General Meeting

Day: Saturday

Date: 29th day of July, 2017

Time: 11:00 A.M.

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



04	Message from the Chairman
08	Message from the Vice-Chairman
.....	
14	Financial Highlights
16	The Journey so far
18	SMC Vision & Mission
22	SMC In Numbers
24	For all your Investment Needs
28	SMC Pedia
32	Milestones on The Path of Glory
38	People: The Real Asset of SMC
50	Empowering Investors through Knowledge
58	Events, Conferences & Seminars
70	Directors of SMC Group
76	Management Team of SMC Group
.....	
84	Directors' Report
122	Corporate Governance Report
160	Management Discussion & Analysis Report
.....	
178	Consolidated Financial Statements
224	Standalone Financial Statements



#IndiaOnTheGo



**Mr. Subhash C. Aggarwal**  
Chairman & Managing Director

# dear shareholders and partners in growth

On the Occasion of the 23rd Annual General Meeting of your Company, it gives me immense pleasure and satisfaction to present before you the performance of your Company during the Financial Year 2016-17 and various developments that have taken place during the Financial Year which have in some way or the other positively contributed to the success of your Company.

“

Coming together is beginning,  
keeping together is progress,  
working together is success.

- Henry Ford

## OVERVIEW OF ECONOMY

Indian stock market embarked its scintillating growth; with Sensex rising more than 17% and Nifty elevating approx 19% in Financial Year 2017. The Foreign Direct Investment (FDI) policy was further liberalized, resulting in almost 90% of proposals falling under the automatic route. Improving macroeconomic factors and rising FDI cheered the market. To note, according to the Commerce & Industry Ministry, the reform measures introduced in the last financial year resulted in India receiving record FDI inflows of \$ 60.08 billion in financial year 2017 as against \$55.6 billion in financial year 2016.

The country's macro-economy is stable, founded on the governments' commitment to fiscal consolidation and low inflation. India's economic growth is amongst the highest in the world, helped by a reorientation of government spending toward needed public infrastructure. The strong participation of foreign and domestic players in the market indicates that they have given thumbs up to the government's several reforms and policy initiatives and future plans to boost economic

growth. Also the stable currency at home supported the Indian equity markets.

On the back of improved macroeconomic fundamentals and various reforms and measures introduced by the government, Indian stock market managed to withstand global volatility.

## SMC PERFORMANCE

In the year 2017, your Company is back to double-digit growth in spite of the sluggish domestic economic conditions and demonetization and still has recorded a consolidated net profit of ₹4,582.73 Lakhs and standalone net profit of ₹2,933.55 Lakhs and marked a marginal improvement which was achieved by a combination of factors - improved internal efficiencies and improved capacity utilization. Your company continues building markets and brand, manufacturing excellence and keeping the Company ready for meeting future demand- both domestic and global.

The Board of Directors of your company has been continuously declaring dividend from the last three financial years and this year also your company has

recommended a Final Dividend @ 24% (i.e. ₹0.48) per share on face value of ₹2/-each, apart from the interim dividend of 18% which has already been paid.

#### SMC-DIVERSIFIED SERVICES PROVIDER

SMC has invariably increased its scale of operations at domestic as well as international level. At present, SMC with its subsidiaries has a diversified financial services business model reflecting a significant presence in almost all the important segments of the financial services sector such as Broking, Distribution of Mutual Funds & IPOs, Insurance Broking, Financing, Real Estate & Wealth Advisory, Commodity Broking, NRI & FPI services, Investment Banking, etc. SMC is having presence in more than 500 cities across India and also in UAE and United States.

#### NEW VENTURES AND OPPORTUNITIES IN THE YEAR

As you all must be aware of the objective of our

Hon'ble Prime Minister's initiative **"EASE OF DOING BUSINESS"** which also gave rise to the new concept **"Capital Account Convertibility"** which implies the freedom to convert domestic financial assets into overseas financial assets at market determined rates. India allows greater capital account convertibility in financial Special Economic Zones (SEZs). The first IFSC centre in India is set up in Gujarat International Finance Tec-City (GIFT City), near Ahmedabad. The Objective of setting up of IFSC in GIFT City seeks to bring to the Indian Shores, those financial services transactions that are currently carried on outside India by Overseas Financial Institution and Overseas branches/subsidiaries of Indian Financial institutions to a Centre which has been designated for all practicable purposes as a location having the same eco-system as their present offshore location, which is physically on Indian soil.

Your Company has incorporated a IFSC Company named **SMC Global IFSC Private Limited** in the GIFT City and stepped in another venture, which is likely to benefit the Company in a positive way by increasing the revenue of your Company. The impact of setting up an IFSC is that it will be able to generate more employment opportunities.

With a thrust for global expansion, we have taken a step ahead in issuing ADRs in the U.S.; and proposed to get it listed either on NYSE or NASDAQ. The listing of ADRs will give more visibility in the U.S. market to the Company and thus enable to raise more capital and debt.

SMC will continue to focus on cross selling, the most effective and innovative method of marketing as it considerably reduces customer acquisition costs, servicing, marketing and communication costs. It is well understood that greater the number of products held, leads to an increased probability of customer retention.

I take this opportunity to thank all our stakeholders - shareholders, employees, vendors, government, regulators and communities - for their continued support and encouragement to us during testing times and in putting the Company on the track of sustainable growth.

With these lines I conclude:

**"Act as if you had all the confidence you require, until it becomes your reality"**

- Brian Tracy

Thank you once again for your time and your continued patronage to SMC.

**Warm Regards**

sd/-

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



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

# dear shareholders and partners in growth

I am pleased to converse with you through this statement on the occasion of 23rd Annual General Meeting of your Company. As a premier financial services provider in India, your Company has a distinct track record in the financial services space.

With focused energy, creativity and discipline many new initiatives are beginning to show tangible results. As you are aware, the Indian economy is poised on the cusp of a new era of exponential growth and rapid development under the leadership of our visionary Prime Minister. This will certainly open up new and unique business opportunities in the country. Your Company is confident that with the continuous support from you as well as its team, it will exploit all business opportunities and will work continuously to achieve new heights.

“

No matter who you are, no matter what you did, no matter where you've come from, you can always change, become a better version of yourself

- Madonna Ciccone

## ECONOMY AND THE STOCK MARKET

The financial year 2017 has been good for Indian equity markets that surged nearly 17%. India has attracted substantial foreign investment in recent years on the back of various measures and policy initiatives by the government, bullish stock market and relatively stable rupee. Focusing on removing economic bottlenecks by touching upon various aspects of reforms, government has given major push to improve the ease of doing business and high standards of transparency have been introduced. With improved macroeconomic factors and governments' continuous reforms and measures, India will continue to be an attractive emerging market destination for foreign portfolio investors.

In FY 2016-17, one of the biggest reforms in the history of India was passing of Goods and Services Tax (GST) in the parliament. After the implementation, it would subsume most of the indirect taxes and lead the country towards 'one

nation, one tax'. GST is projected to add as much as 2% to the country's Gross Domestic Product (GDP). Also the announcement of "Demonetization" by the government on 8th November, 2016 is likely to benefit our economy in the long run. This move has shifted behavior of the people towards cashless transactions and going cashless is expected to improve financial inclusion. Undoubtedly, it would push more households towards efficient banking and payment infrastructure.

## SMC AND ITS ROLE IN CSR

SMC has nine (9) subsidiaries, three (3) step-down subsidiaries and one (1) Joint Venture. Over the years, SMC has expanded its operations domestically as well as internationally. The Company aims at improving its position further by increasing the product services and viable growth rate through excellence in all its activities and total satisfaction of customers and society.

One of the Wholly Owned Subsidiary

**Moneywise Financial Services Private Limited** which is a registered Non-Banking Financial Company (NBFC) with the Reserve Bank of India (RBI) has introduced wide spectrum of financial products and services with variety of loan products for the Retail / HNI / Institutions, Corporate Clients and Capital/ Commodity market clients and recorded a profit after tax of more than ₹12.39 Crores during the year.

Besides this, SMC is focusing towards Tier-1 & Tier-2 cities. We anticipate that we will continue to grow our NBFC business @ over 50% year over year for next 3-4 years on conservative side. I am also happy to announce that your Company has managed to grow its business segments by incorporating "SMC Global IFSC Private Limited" in the GIFT City of Gujarat.

During financial year 2016-17, we continued to strengthen our go-to-market operation, accelerated our investment growth and enhanced customer experience. As a result, our overall business grew 25.16% with Profit After Tax (PAT) growth of 32.89%. We also maintained consistent growth across all our other businesses and more importantly ensured that we have a team that is cohesive and motivated. During the year, the Company had paid an interim dividend @ 18% of Face Value of ₹ 2/- each and proposed a final dividend @ 24% of Face Value of ₹ 2/- each thus aggregating to 42% for FY 2016-17 to our shareholders.

As we look ahead, we strongly believe that India is at the cusp of another financial and insurance revolution. The governments' 'Digital India' initiative has the potential to transform the daily lives of our people by bringing in greater

transparency and efficiency in delivery of public services and expand the reach to markets.

We at SMC believe that business enterprises are economic organs of society and draw on social resources. SMC believes in its business values and operations to meet the expectations of stakeholders and a Company's performance /evaluation must be measured by its Triple Bottom Line contribution to building economic, social and environmental capital towards enhancing social sustainability. We continue to fulfill our responsibility towards the environment and our obligation towards the society. We focus on the CSR activities and actively participate in uplifting the society with our CSR commitments.

We remain committed to upholding this vision and creating ever greater value for all our stakeholders as we embark on our next stage of growth.

Last but not the least, I want to thank our clients,

our employees, our partners, our regulators, our exchanges, our bankers and our shareholders for reposing faith in us and helping script this ongoing success story.

sd/-

**Warm Regards**

**Maresh C. Gupta**

**(Vice-Chairman & Managing Director)**

# smc global securities limited

## BOARD OF DIRECTORS

**MR. SUBHASH C. 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. SATISH C. GUPTA**  
(Independent & Non-Executive Director)

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

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

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

**MR. HARI D. KHUNTETA**  
(Independent & Non-Executive Director)

**MR. CHANDRA WADHWA**  
(Independent & Non-Executive Director)

**DR. MADHU VIJ**  
(Independent & Non-Executive Director)

**MR. FINNEY J. CHERIAN**  
(Non-Executive Director)

**\*MS. SHRUTI AGGARWAL**  
(Non-Executive Director)

\* Appointed as the Additional Directors, subject to approval of stock exchange, which is awaited.

## COMPANY SECRETARY & COMPLIANCE OFFICER

MR. SUMAN KUMAR  
E-mail: [sumankumar@smcindiaonline.com](mailto:sumankumar@smcindiaonline.com)

## GROUP CHIEF FINANCIAL OFFICER

MR. VINOD KUMAR JAMAR  
E-mail: [vinodjamar@smcindiaonline.com](mailto:vinodjamar@smcindiaonline.com)

## STATUTORY AUDITORS

R. GOPAL & ASSOCIATES  
Chartered Accountants

## REGISTERED OFFICE

11/6-B, Shanti Chamber, Pusa Road  
New Delhi-110005  
Tel + 91-11-30111000, 40753333  
Fax + 91-11-25754365  
E-mail: [smc@smcindiaonline.com](mailto:smc@smcindiaonline.com)  
Website: [www.smcindiaonline.com](http://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. 011-41410592/93/94  
E-mail id: [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)

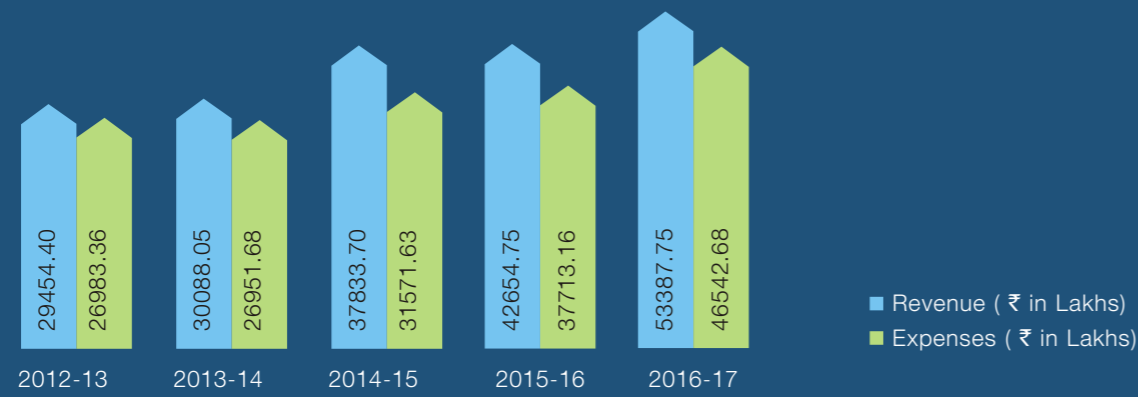
## BANKERS

HDFC Bank, ICICI Bank, Axis Bank, Yes Bank, Punjab National Bank, State Bank of India, Canara Bank, IDBI Bank, IndusInd Bank, Kotak Mahindra Bank, State Bank of Bikaner & Jaipur, DCB Bank, The Federal Bank, Bank of Nova Scotia

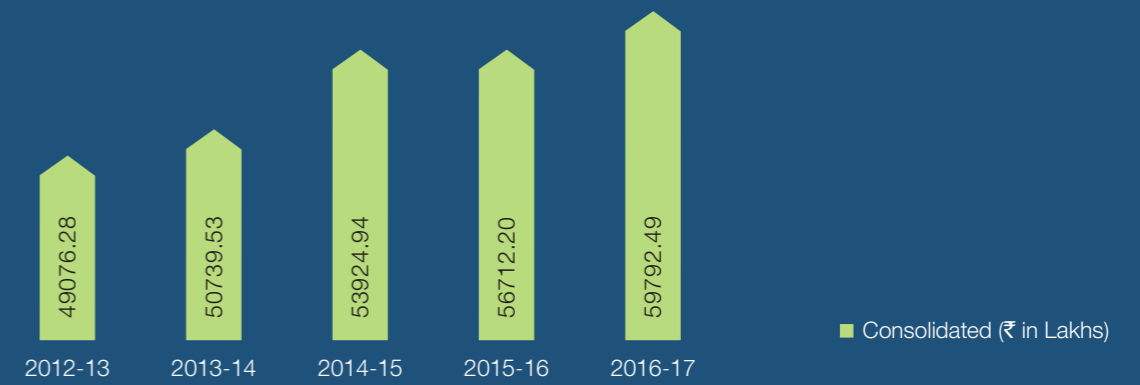


# financial highlights

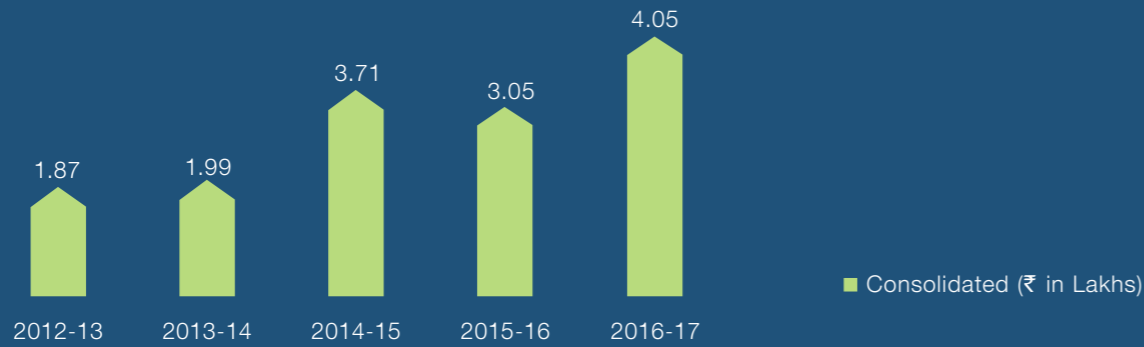
CONSOLIDATED REVENUE V/S EXPENSES



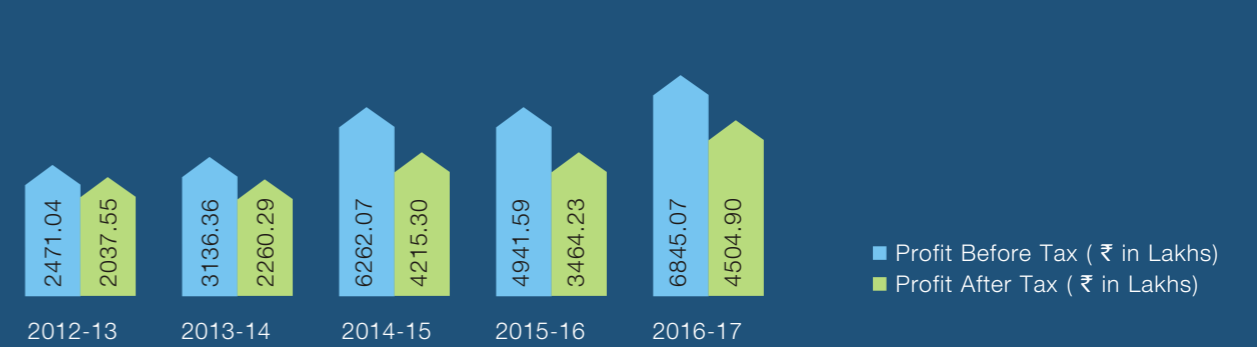
CONSOLIDATED NET WORTH



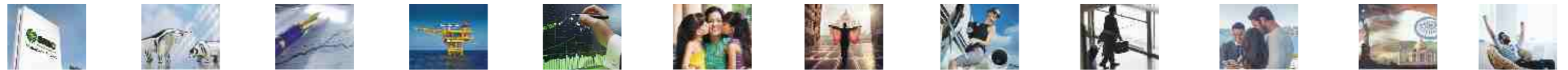
CONSOLIDATED EARNING PER SHARE



CONSOLIDATED PBT V/S PAT



# the journey so far



1990 ..... 1995 ..... 2000 ..... 2003 ..... 2005 ..... 2006 ..... 2007 ..... 2008 ..... 2010 ..... 2014 ..... 2016 ..... 2017

<p><b>FOUNDERS</b> Mr. Subhash C. Aggarwal &amp; Mr. Mahesh C. Gupta took the membership of DSE</p>	<p><b>EQUITY BROKERAGE</b> Company started providing a trading platform for Equities to its clients</p>	<p><b>DEPOSITORY PARTICIPANT</b> SMC started providing services of Depository Participant</p>	<p><b>COMMODITY BROKERAGE</b> Providing trading platforms to clients for trading in commodities</p>	<p><b>RESEARCH SERVICES</b> (Equity &amp; Commodities) Fundamental &amp; Technical Research</p>	<p><b>DISTRIBUTION OF FINANCIAL PRODUCTS</b> Distribution of IPOs &amp; Mutual Fund products</p>	<p><b>NRI BUSINESS</b> NRI Trading and Advisory Services</p>	<p><b>ONLINE TRADING</b> Facility to trade online in Equities, Derivatives &amp; Commodities</p>	<p><b>CORPORATE HEDGING DESK</b> Corporate Desk for Currency &amp; Commodity Hedging</p>	<p><b>REAL ESTATE ADVISORY</b> Providing broking services for Real Estate, Mortgage and Loan Advisory</p>	<p><b>SMC IN USA</b> SMC established overseas office in United States vide its Wholly Owned Subsidiary SMC Global USA Inc.</p>	<p><b>SMC INSURANCE POS</b> Enroll a new distribution partner 'POS' approved by IRDA for selling General Insurance &amp; Life Insurance products</p>
<p><b>ARBITRAGE</b> Engaged in 'Arbitrage' operations employing both proprietary &amp; client funds, for monetizing the market mis-pricings</p>	<p><b>F&amp;O TRADING &amp; CLEARING</b> Started trading &amp; clearing services for Futures and Options segment</p>	<p><b>INSURANCE DISTRIBUTION</b> Distribution of Life and General Insurance products</p>	<p><b>INSTITUTIONAL DESK</b> Institutional Trading and Advisory Services</p>	<p><b>WEALTH MANAGEMENT SERVICES</b> Client based Portfolio &amp; Wealth Management Services</p>	<p><b>INVESTMENT BANKING</b> Fund raising through IPO, Debt &amp; PE routes</p>	<p><b>CURRENCY BROKERAGE</b> Providing trading platforms to clients for trading in currency</p>	<p><b>NBFC</b> Providing Margin funding &amp; IPO financing to clients</p>	<p><b>NATIONAL PENSION SYSTEM</b> SMC became Point-of-presence (POP) for National Pension System (NPS)</p>	<p><b>SMC IM+ REALTY FUND</b> A dedicated real estate fund, SMC IM+ Realty Fund in joint association with IM+ Capitals, Mumbai, AIF (category-II)</p>	<p><b>SMC GLOBAL IFSC</b> Act as a Stock broker and clearing member on derivative segment of India International Exchange</p>	

## smc vision

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



## smc mission

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





## ESTABLISHED

in 1990

## WIDE RANGE

of financial products & services

## IN-HOUSE RESEARCH

team

## LARGE NETWORK

of registered associates and sub-brokers

## OVERSEAS PRESENCE

in UAE & USA



Moneywise. Be wise.

# smc in numbers

Covers  
**500+**  
cities across india

Workforce of  
**2,850+**  
employees

Sold  
**8,37,300+**  
Life Insurance and General Insurance policies

Clearing settlement service to  
**280+**  
trading members

Running SIP's  
**35,000+**  
in various schemes of mutual fund

Large network of  
**2,500+**  
sub-brokers & authorised persons

Serving over  
**18,00,000+**  
unique clients

Cumulative AUM under mutual funds  
**2,800+**  
crores



# for all your investment needs

## BROKING & CLEARING

Trading and Clearing member of Equity, Commodity & Currency segments of various exchanges

## FINANCING (NBFC)

Providing loans against Securities, IPO Funding, Loan against Properties, Business and Personnel Loans to Corporate & Retail clients.

## INSURANCE BROKING

Insurance Broking - Life & General

## INVESTMENT BANKING

Category 1 Merchant Banker- Private Equity, M&A, Corporate Advisory, Debt Syndication, FCCB, IPO, FPO, Rights Issue

## NRI & FPI SERVICES

Providing Trading facilities to NRI & FPI

## DEPOSITORY SERVICES

Depository Services for both Equities & Commodities



## DISTRIBUTION

Distribution of IPOs & Mutual Funds, Fund Mobilization through distribution of Debt Instruments, Corporate Fixed Deposits

## WEALTH MANAGEMENT

SEBI Registered Portfolio Manager-Providing Client Specific Portfolio & Wealth Management Services, Corporate Advisory, Debt Syndication and Loan Advisory.

## INSTITUTIONAL DESK

Institutional Trading and Advisory Services

## REAL ESTATE ADVISORY

Providing Real Estate solutions to Investors, Corporates and property owners across the country

### SMC IM+ REALTY FUND

A dedicated real estate fund, SMC IM+ Realty Fund in joint association with IM+ Capitals, Mumbai, AIF (category-II)



Moneywise. Be wise.

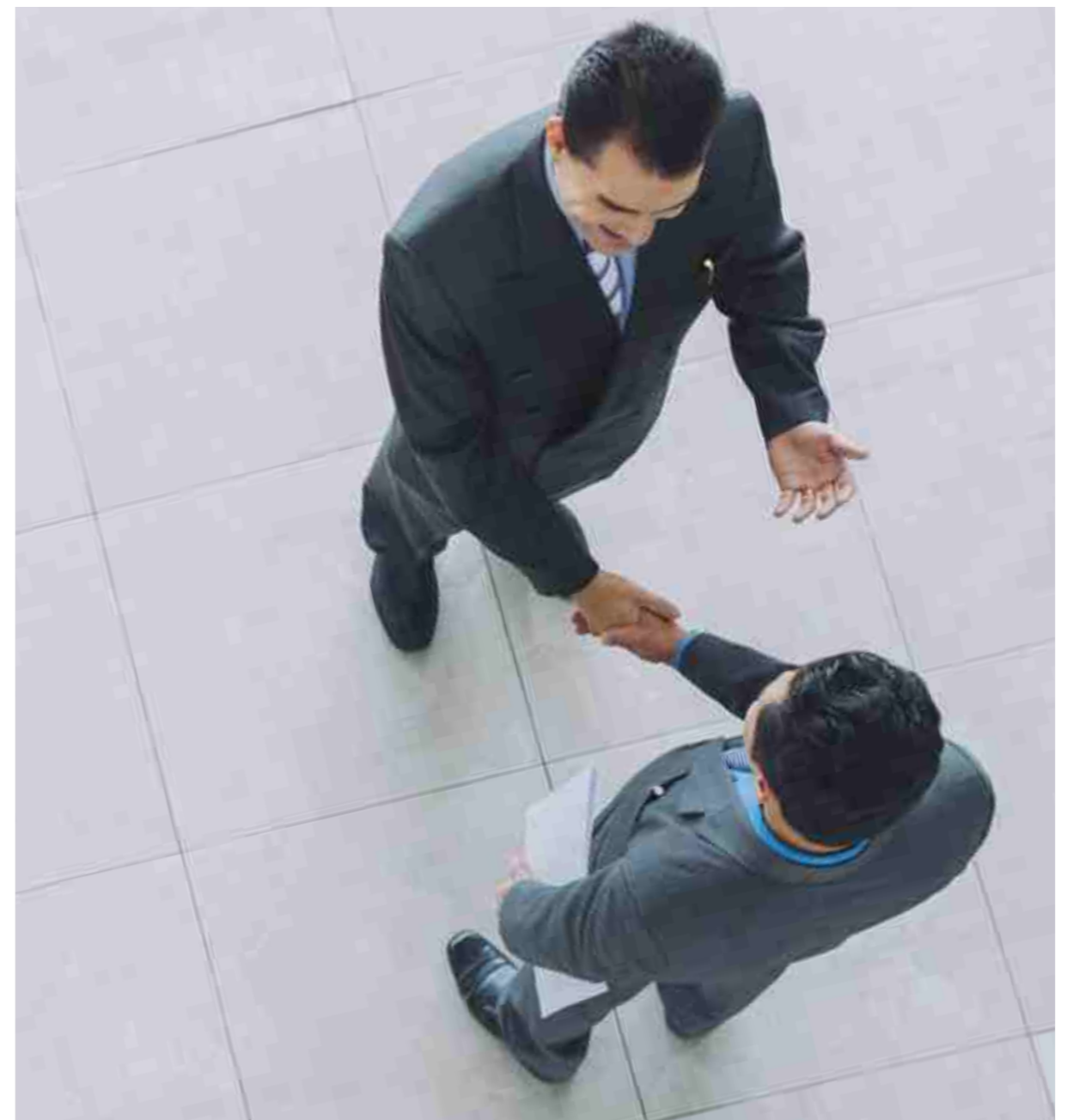
# smc values

INNOVATION: Being ahead with research & technology.



# smc values

INTEGRITY: Being ethical builds trust.



# smclopedia

“

Knowledge speaks, but wisdom listens.

- Jimi Hendrix

The journey of the SMC began, when it bagged the membership of Delhi Stock Exchange (DSE) in 1990 & entered into the arena of Stock Exchange. This privilege gave the consistent momentum to the expansion & diversification of the SMC Group. Over the span of time SMC has earned appreciable reputation and Brand recognition through its client service focused model.

Presently, SMC is one of the leading financial services companies providing Broking, Distribution of mutual funds & IPOs, Insurance Broking, Financing, Real Estate & Wealth Advisory, Commodity Broking, NRI & FPI services, Investment Banking and Alternative Investment with nearly over 500 cities across India, UAE and United States. The Company leads with the team of more than 2,850 people.

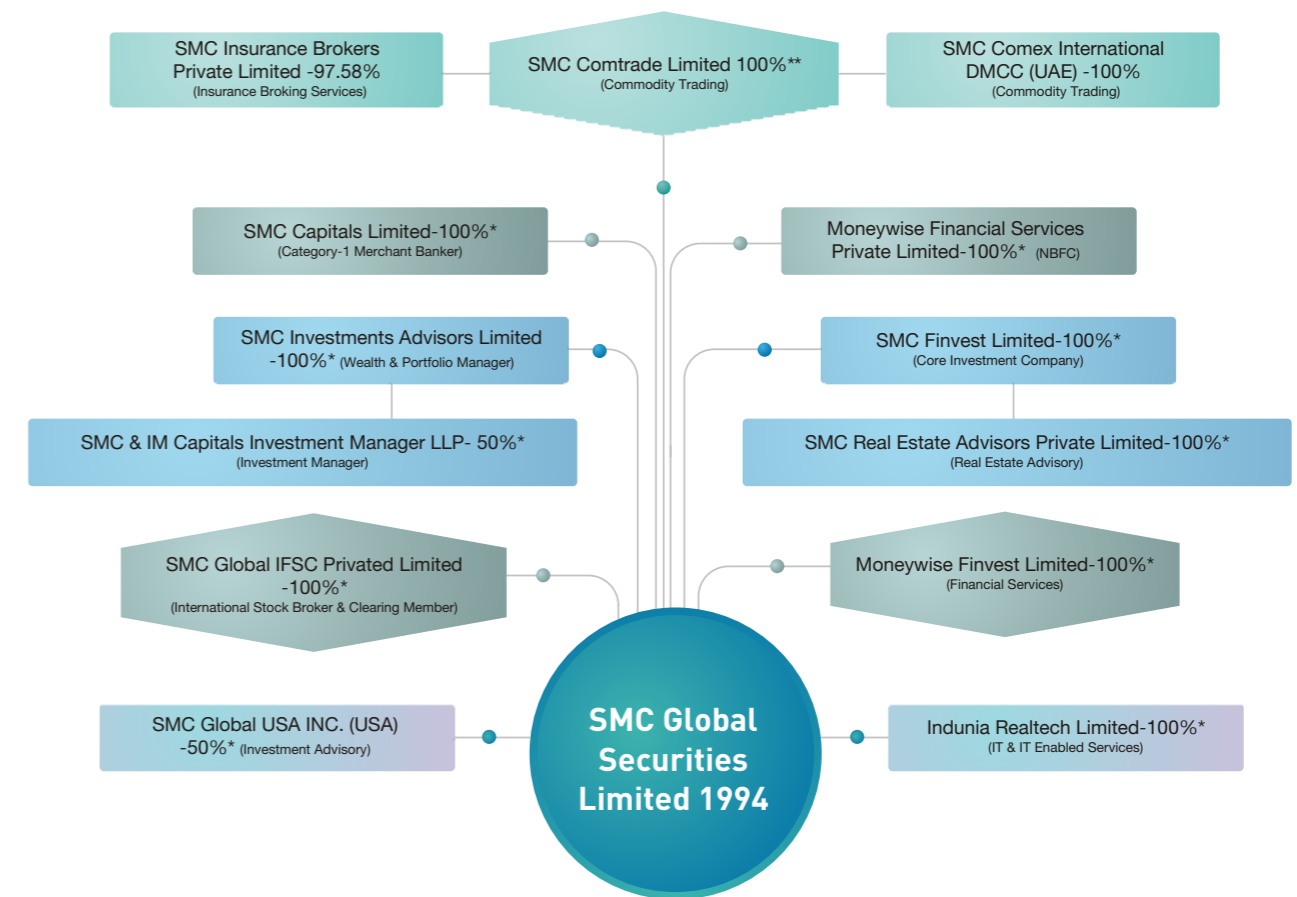
## MARCH TO PROGRESS

- **1995**- Earned the Membership of NSE.
- **2000**- Started providing services of Depository Participant & received the Trading & Clearing membership of Derivatives Segment of NSE.
- **2003**- Initiated the Services to provide trading platform in Commodities segment to clients.
- **2005**- SMC stretched its arm overseas i.e. SMC Comex International DMCC providing Arbitrage, Trading & online clearing services in Dubai. Research & Technical services in Equities and Commodities.
- **2006**- Started as AMFI Registered Mutual Fund Advisor and with various Mutual Fund Asset Management Companies. Distribution of Life and General Insurance Products.
- **2007**- Establishment of NRI Trading Desk and Advisory Services & Institutional desk for Institutional Trading and Advisory Services.
- **2008**- Ventured in Wealth Management, Online Trading, Currency Brokerage, Investment Banking & NBFC Services.
- **2010**- Corporate Hedging Desk.
- **2014**- Stepped into the Real Estate Advisory Business.
- **2015**- Setting up of Wealth Management firm i.e. SMC Global USA Inc. for Business Advisory Services.
- **2016**
  - LLP been formed in the name of SMC & IM Capitals Investment Manager LLP where SMC Investments & Advisors Limited and IM+ Capitals Limited are equal partners.
  - Set up SMC Global IFSC Private Limited in the Gift City, Gujarat.

## OUR STRUCTURE

“ Turn a perceived risk into an asset

- Aaron Patzer



\* The percentage denotes the Shares held by SMC Global Securities Limited.

\*\* SMC Global Securities Limited and SMC Finvest Limited are holding 85% and 15% Equity Shares respectively.

The Chart depicts nine (9) Subsidiaries, three (3) step-down subsidiaries and one (1) Joint Venture. Over the years, SMC has expanded its operations domestically as well as internationally. We provide the services of equity broking, currency broking, commodity broking, financial product distribution, Investment Banking through SMC Capitals Limited, Non- Banking Financial Business by Moneywise Financial Services Private Limited, Wealth Management by SMC Investments & Advisors Limited, Real Estate Advisory and Broking Business through SMC Real Estate Advisors Private Limited and Insurance Broking Services via SMC Insurance Brokers Private Limited. We are also amongst the first financial firms in India to expand operations in the lucrative Gulf market, by acquiring license for broking and

clearing member with Dubai Gold and Commodities exchange (DGCX).

In the last year, Company added two major ventures in its structure. The Company has formed LLP with an object to act as an investment manager and formed an enterprise named SMC Global IFSC Private Limited in the "Gift City", SEZ in the state of Gujarat with an object to act as a stock broker and clearing member on the derivatives segment of the India International Exchange in Gujarat.

The Company aims to improve its position further by increasing the product services and viable growth rate through excellence in all its activities and total satisfaction of customers and society.





# AWARDS AND RECOGNITION OVER THE YEARS



# milestones on the path of glory

## AWARDS & ACCOLADES

With awards galore, SMC is one of the most recognized Company in the field of Financial Services. Our longstanding reputation is poised to continue with strong growth in the future. We have received innumerable corporate awards that speak for the services introduced by us and the various milestones achieved.

### 2016-2017

Commodity Broker of the year-2016



Mr. Damodar K. Aggarwal and Mr. Ajay Garg (Directors of SMC Group) receiving the award "Commodity Broker of the Year-2016" from Mr. C. R. Chaudhary, Minister of State for Consumer Affairs (Food and Public Distribution) during the 15th Commodity Futures Market Summit held at Hotel Le Meridien, New Delhi.

### Best Broker with In-house Research in Bullion



Mr. Subhash C. Aggarwal (CMD) receiving an award of "Best Broker with In-house Research in Bullion" from Dr. M Veerappa Moily, Chairman Parliament Standing Committee on Finance, organized by ASSOCHAM 9th International Gold Summit Excellence Awards.

### NBFC of the year - Northern Region-2016



Mr. Subhash C. Aggarwal, Mr. Damodar K. Aggarwal and Mr. Himanshu Gupta receiving an award from M. Venkaiah Naidu, Minister of Information and Broad casting, "NBFC of the Year - Northern Region 2016 - Assocham Excellence Awards."

Receiving the Trading and Clearing Membership of India's 1st International Exchange "India INX" IFSC



(From Left to Right) Mr. Anurag Bansal, Mr. Ajay Garg and Mr. Damodar K. Aggarwal receiving the Trading and Clearing Membership of India's 1st International Exchange "India INX" IFSC from Mr. Arjun Ram Meghwal, Union Minister of State for Finance & Corporate Affairs and Mr. Sudhakar Rao, Chairman - BSE at GIFT City, Gandhinagar, Gujarat.

Star Performer Award Rising DP- Account Growth Rate



Mr. Damodar K. Aggarwal and Mr. Ajay Garg, Directors of SMC Group receiving the Star Performer Award Rising DP- Account Growth Rate from Mr. G.V. Nageshwara Rao, MD & CEO of NSDL during 31st NSDL DP conference at Hotel Lalit, New Delhi.



Mr. Subhash C. Aggarwal (CMD), has been felicitated as the The Economic Times Most Promising Business Leaders of Asia by the Hon'ble PM of Malaysia Dato Mr. Mohd Bin Tun Haji Abdul Razak during The Economic Times Asian Business Leaders Conclave 2016 held in Kuala Lumpur.



Mr. Ajay Garg receiving an award during National Conference on Making NBFCs relevant for 'Make in India' and 'Start Up India' organized by Federation of Industry, Trade Services at Hotel The Lalit, New Delhi.

# smc values

## RELATIONSHIP:

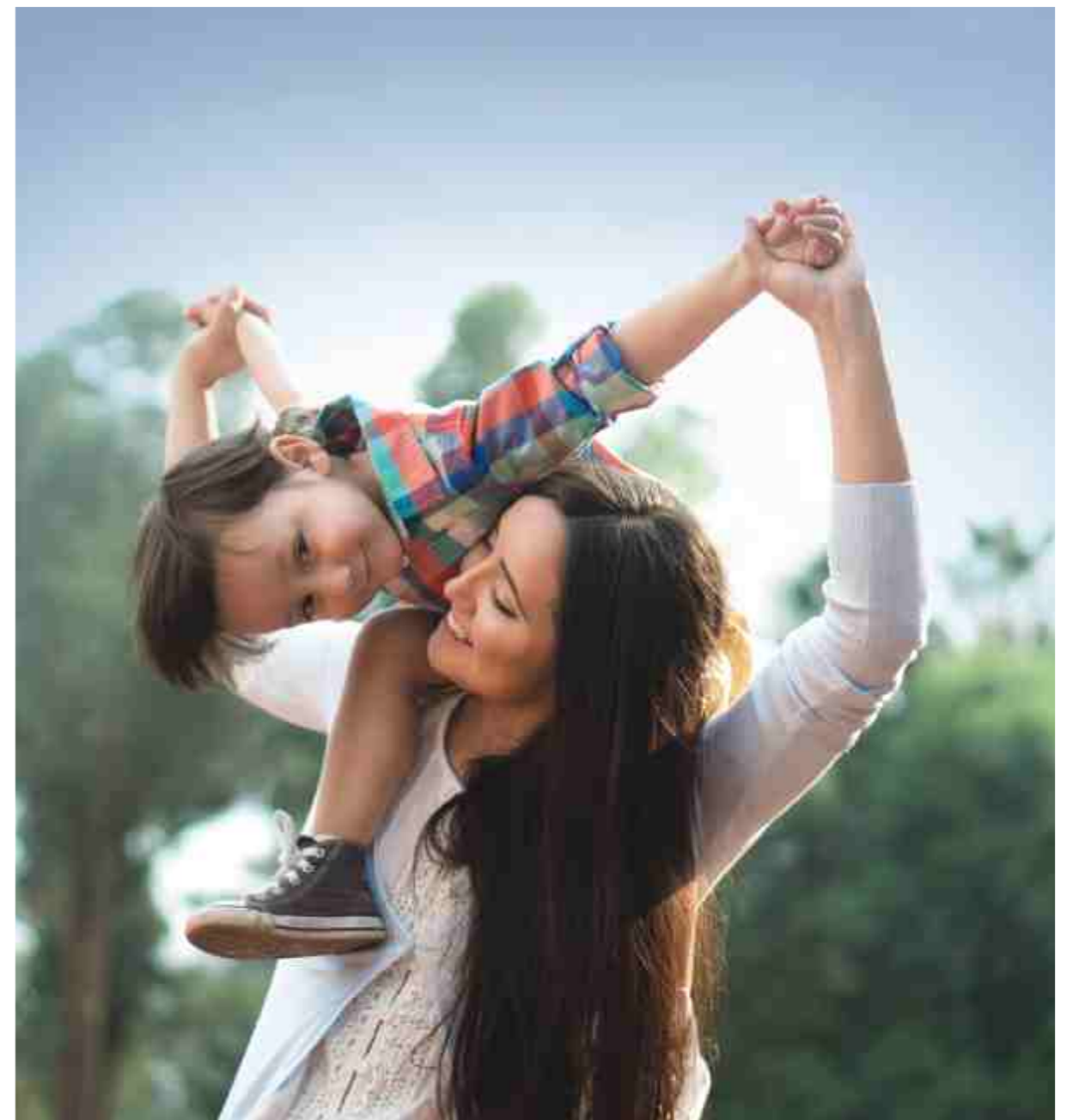
One transaction. Lifetime relationship.



# smc values

## TRUSTWORTHY:

Keeping our promise. Every time.



# people: the real asset of smc



Teamwork: simply stated, it is less me and more we.



Moneywise. Be wise.

## "BOOST EMPLOYEE MORALE WITH CORPORATE EXCURSIONS"

Corporate excursions build a sense of camaraderie amongst employees hence it is imperative for any organization to consciously put an effort in building a strong company culture and positive work environment. For SMC, employees are their greatest asset. We believe that our team would give us better output and higher efficiency only when our members are motivated and productive. If we want to stand out from our competitors, and get nothing but the best from employees at all levels; we need to encourage

our team to build a better team spirit by arranging team building exercises at corporate excursions.

Excursions are organized here in SMC with a motive that when our people spend time with each other and indulge in activities that are different from their daily routine, it will open up communication opportunities. Team activities and healthy competition outside the office space will give them the chance to know their peers and build connection and trust amongst each other.



The personnel of various departments with Directors at Annual Business Meet in Nainital.



Sales Team during the Business Meet at Singapore.

During the year, SMC organized outstation trips for employees to rejuvenate and to motivate them towards their work. We consider this as one of the ways to bring our teams together in a fun-filled informal setting. Besides team building, this kind of excursion also helps our employees to develop a fair portion of skills like leadership, overcoming weak links, bonding with fellow colleagues, etc. The excursions organized by the Company included places like Jim Corbett and Dalhousie. The Corporate Affairs and Legal team visited with their families and enjoyed the beautiful nature.

The Company takes the widest possible view on diversity and ensures that assignments and opportunities for advancement are accessible to everyone. To enrich the quality of life of the workforce, SMC has organized Business Meet for Sales Department in Singapore, Goa and Nainital. These events are organized is to strengthen the employee engagement and enhance their competencies and capabilities at various levels.



Sales Team in Goa for Business Meet.



SMC employees during their team outing at Jim Corbett.



Corporate Affairs and Legal department with their families at Dalhousie.



The participants with their Lord Ganesh Idol for the Ganesh Chaturthi Competition.

### CELEBRATING GANESH CHATURTHI

Every year SMC celebrates the festival of Ganesh Chaturthi with much enthusiasm and splendor. On Ganesh Chaturthi employees of our office made the clay idol of Lord Ganesh with their respective teams and decorated the office with torans (garlands made of marigold flowers and mango leaves). The team which made the best idol won the competition and was rewarded accordingly.

### DIWALI UTSAV

Diwali is celebrated in SMC as one of the biggest and most auspicious festival. Diwali has a huge significance as far as workplace celebrations go. We decorate the office and distribute sweets and gifts to our employees as well as conduct ethnic day, Diwali-themed activities and a feast at the work place. The office was decked up with bright and colourful lanterns and Diyas to add to the festive mood.



### BLOOD DONATION

Remembering the heroes who sacrificed their lives for the nation, SMC organized a voluntary blood donation camp at its premises. Due to acute scarcity of blood for saving lives, this initiative received much appreciation. Around 100 units were donated by employees.



Employees of our Company donating the blood and receiving the token of appreciation from our Vice-Chairman.

## OTHER CELEBRATIONS

Other celebrations demonstrates to seniors and co-workers that you take pride in being a member of the team. Showing up at company office parties can also mean you're in the same room as senior management, so employees can take advantage of these networking opportunities to introduce themselves and get to know their senior management better. With this notion SMC organizes various events for their employees so that they can work and as well as enjoy being in SMC Group as a valued member of our

SMC Family. Events such as cake cutting, celebrating founder's day, frolic Fridays, Newspaper dressing competition, Jio SIM event or painting the cafeteria; all these events are conducted by SMC for our employees. These events give a break to our employees from the daily grind and help them socialize with their colleagues.



Monthly birthday cake cutting program organized at SMC, Pusa Road Office for employees in presence of Chairman and Vice-Chairman of the Company.

## CHRISTMAS CELEBRATION

At SMC Christmas celebration is a great way of helping celebrate the culture of a company beyond just business success. The year ending festival is celebrated in our Company with enthusiasm and joy. We have a team dinner on the day and distribute sweets to all the employees.



Our employees dancing and celebrating the Christmas spirit with the beautifully decorated Christmas tree.



Founders Day (16th July) Celebration in SMC.



**Talent Show organized by SMC**

Talent shows can be seen as a way to help boost the self-esteem, confidence, and assurance of the employees. Employees of SMC exhibited their singing talent via the musical concert organized by SMC on Republic day.

**Winner of musical concert being rewarded by the Director of the Company**

**INTERNATIONAL WOMEN'S DAY CELEBRATION**

SMC believes in Women Empowerment and salutes to all the talented, strong, and bold women across the world. The Company celebrated an International Women's Day at Pratap Nagar Office in Delhi for women employees to honour their accomplishments, inspirations, and actions.

**JUSTICE FOR KULBHUSHAN SUDHIR JADHAV**

The Company motivated it's employees to be the part of a social cause and encouraged them to participate in the march organized for the protest against the Pakistan outside the Pakistan's Embassy on 29th April, 2017.



Women Employees at International Women's Day Celebration.



SMC employees march for justice to Kubhushan Sudhir Jadhav.



Frolic Friday Celebration in SMC.



Newspaper Competition organized by the SMC on occasion of Holi as an employee engagement activity.

**WELLNESS CAMP ORGANISED BY SMC**

With an intention to promote staff health and encourage fitness among them, SMC organized Health and Wellness Check-up Camp at all its Head Office. The camp was organized by BLK Hospital on World Health Day.

SMC wishes to provide continuous wellness and quality work life to its employees and foster healthy workplace for them with many more such events in future.



BLK Hospital team members checking the health of SMC Chairman and Managing Director- Mr. Subhash C. Aggarwal.

### THE STRESS-BUSTING MAGIC OF MINDFUL RHYTHMIC EXERCISE

SMC believes that it isn't possible to eradicate the stress from life but "All you can do is react better to stressful events." With this believe SMC organized a camp on stress management to equip the employees with a technique to handle the stress that occurs from the organizational work. SMC provides friendly working environment, special healthcare facilities, women-friendly policies and support among the team members to keep employees highly motivated and stress-free as far as possible.



Stress Management program in SMC.

### SOCIAL INITIATIVES BY HEAD OFFICE

At SMC, community remains our partners in progress. We believe in being with the community, whatever may be the purpose. We provide critical help and support to those in need during emergencies. This is part of our Corporate Social Responsibility agenda to value the community where we operate.



Serving water to those people who were standing in the queue outside the bank during demonetization and were in need of cash so that they could survive the cash crunch by getting cash from the bank; or were those people who wanted to deposit their cash in the bank account.

# smc values

PASSION:  
Helping people achieve financial goals.



# empowering investors through knowledge

Investor awareness is one of the most important fundamentals of a thriving securities market therefore, financial investment institution focus on making sure that investors are fully informed about the product, trading mechanism, their trade/transactions, fundamental/technical report of the Company they deal in, rights and obligations, exchange norms, Dos and Don'ts, Investor grievance mechanism etc.

It is the customer empowerment that leads to better financial lives and for that SMC has conducted series of programs for the investors besides sub-brokers,

marketing team and employees of the Company so that they can enlighten the investors' knowledge and help them to take informed decisions.

The main key to our sustainable business model is growth of our investors. SMC aims at financial literacy, which as the name suggests, means being familiar with and understanding financial market products, especially the associated rewards and risks with respect to the available choices. The spirit behind such initiatives is not that of making instant gains, but to play a pivotal role in the holistic growth of the industry.



SMC organized an Investment Awareness Program in association with National Securities Depository Ltd. and National Stock Exchange at Guwahati.

“

An investment in knowledge always pays the best interest.

- Benjamin Franklin

It is pertinent to engage and collaborate with investors for our success. Some of our investors are direct participants in our value chain and are integral to our ability to deliver responsible, competitive, profitable and consistent growth. Towards the mandate of investor protection, during the year 2016-17, SMC's major thrust was on enhanced investor

awareness and education and expanding reach to investors. Education and awareness (along with Grievance redressal) were also thrust areas for capacity building and for increasing investors' confidence and awareness while investing in the securities market.



SMC organized an Investment Awareness Program in association with National Securities Depository Ltd and National Stock Exchange at Bhuj- Kutch.



Mr. Ajay Garg (Director, SMC Group) addressing the audience during the Investment Awareness Program at Rajkot, Gujarat.



SMC organized an Investment Awareness Program at Rajkot, Gujarat.

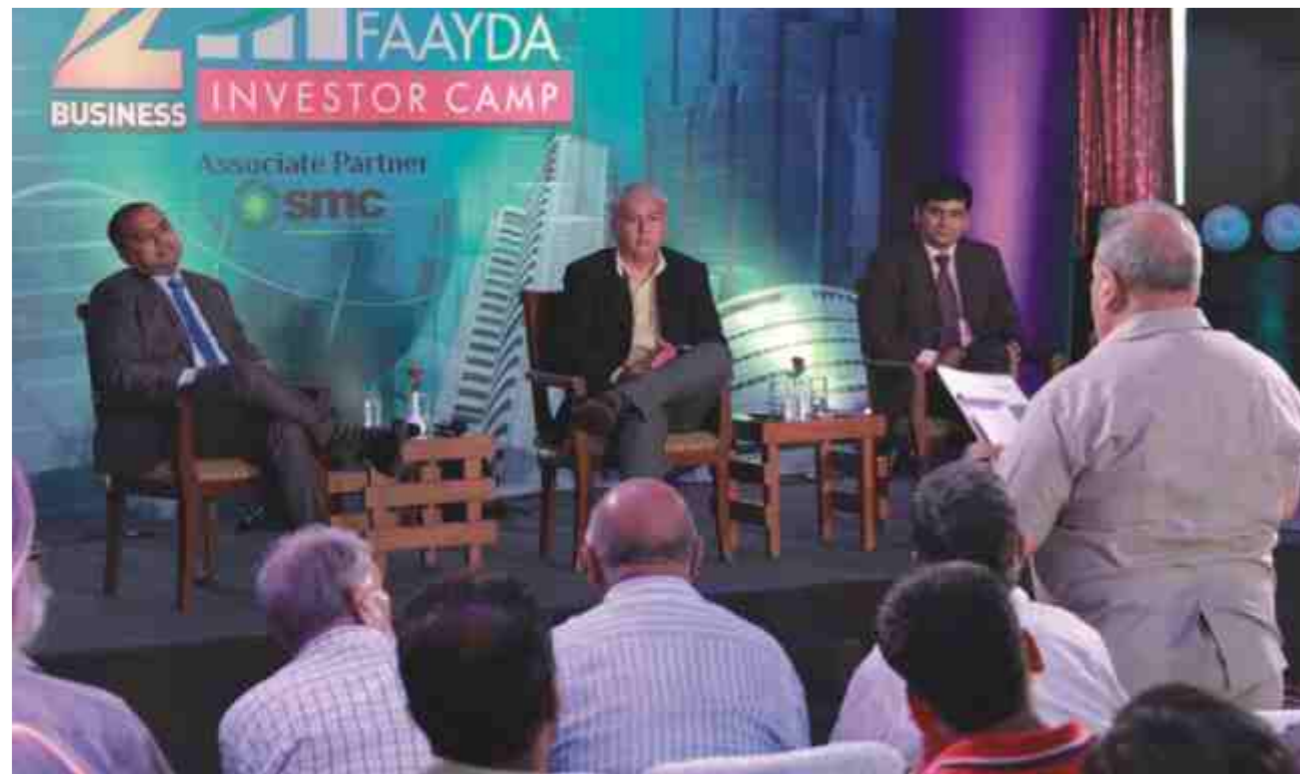
SMC's investors' awareness and protection programs aim at promoting financial education among investors to shift from reactive to proactive decision-making and help in achieving their personal financial goals. Under this initiative, several special type of financial awareness programs have been planned and executed which educate the market participants about the investment opportunities available in the equity market.



Mr. Anurag Bansal (Director, SMC Group) addressing the audience during the Investment Awareness Program in association with Goldman Sachs Asset Management India Pvt. Ltd. at Kochi, Kerala.

We at SMC maintain integrity, honesty and transparency in our dealings with investors. We are consistently endeavoring to promote an efficient and fair market that protects the investors' rights. We value the trust imposed by our investors and are

committed to uphold it by offering proactive and timely world class research based advice and guidance to enable them to take informed decisions.



SMC participated in Investment Awareness Program at Ludhiana, Punjab.

So far, we have organized several seminars, awareness programmes and formulated policies for investors like “Jago Grahak Jago” which has been formulated for creating awareness among investors about their rights and to make them understand the rules as well as risks associated with trading. These initiatives have helped us in successfully emerging as one of the leading equity broking houses for the investment community. Apart from this, SMC offers services such as derivative broking, commodity broking, currency broking, institutional broking, investment banking, wealth management, MFs & IPOs, online trading, research, financing, NRI & FPI services, clearing & depository services and real estate advisory services to corporates, institutions, high net worth individuals and other retail clients.

To sum up, increase in retail investors’ participation is a must for the proper functioning of both the debt and equity markets in the country, in context of which SMC has taken a series of steps to strengthen the framework for investors’ awareness and for safeguarding their interest.



SMC Mumbai Team organized an Investor Awareness Program at Mulund, Mumbai.

# MANAGING YOUR ALL CLEARING SERVICES NEED



Moneywise. Be wise.

One of the leading clearing members | Clearing membership

- F&O Segment: BSE, NSE & MSEI
- Commodity: MCX, NCDEX, ACE & DGCX
- Currency: BSE, NSE, MSEI
- Debt Segment: NSE, BSE & MSEI





# ASSURED LIFE & NON LIFE INSURANCE OFFERING FROM SMC



Life Insurance | Car Insurance | Health Insurance |  
Child Insurance | Travel Insurance | Home Insurance |  
Other Insurance

# events, conferences and seminars

“

Events and conferences connect people, breed innovation,  
build communities & spark change



Mr. Subhash C. Aggarwal (CMD, SMC Group) with the Rt. Hon'ble Bidhya Devi Bhandari (President of Nepal) and Gen. V.K. Singh, Minister of State for External Affairs, during a business meeting organized by Ministry of External Affairs and ASSOCHAM held at Hotel Le Meridien, New Delhi.



Mr. Damodar K. Aggarwal (CMD, SMC Investments & Advisors Ltd.) during the 5th International Convention of Commodities Participants Association of India (CPAI), held at Hotel Le Meridien, New Delhi.



SMC participated in 96th Annual Session of ASSOCHAM held at Taj Palace, New Delhi.



SMC participated in India-Kyrgyz Republic Joint Business Forum organized by ASSOCHAM, FICCI and CII. Business Seminar was in the honor of H. E. Mr. Almazbek Atambayev, President of The Kyrgyz Republic. The seminar focused on key critical sectors like Travel Tourism, Food Agro, Power Energy Generation, Apparel and Textiles, Logistics, Drugs Pharmaceuticals, Healthcare Medical Tourism, Biotechnology and Fine Chemicals.



SMC participated in "4th SMEs Excellence Award Seminar on E-Commerce for MSMEs- Issue and Opportunities" organized by ASSOCHAM in the gracious presence of Hon'ble Shri Hari Bhai P. Chaudhary, Minister of State MSME, Govt. Of India, The Summit was focused on the existing target issues and opportunities for MSMEs in E-Commerce sector and recognition of SMEs for their outstanding efforts under various categories.



SMC participated in Indo-Africa Trade Investment Summit organized by ASSOCHAM in the gracious presence of Hon'ble Shri Ram Kripal Yadav, Minister of State for Rural Development, Govt. of India, at Hotel Le Meridien, New Delhi.



SMC, one of the participants in Joint Business Meeting with High Powered European Company Mission to India organized by ASSOCHAM at Hotel Le-Meridien, New Delhi. The very objective of the meet was to devise means and ways for further enhancement of 'Bilateral Free Trade Relations' between India and EU Region.





SMC participated in Conference on “Linking Farmers with Market” organized by ASSOCHAM in the gracious presence of Hon'ble Shri Radha Mohan Singh, Union Minister of Agriculture & Farmers Welfare, Govt. of India, at Hotel Shangri-La, New Delhi. The prime objective of conference was to bring all the stakeholders including Central, State Governments, SFAC, other policy makers and market forces together on one platform to brainstorm ways for the smooth roll out and functioning of Electronic National Agriculture Market (eNAM).



Mrs. Reema Garg (Chief Human Resource Officer, SMC Group) participated in Panel Discussion on “Compensation and Benefits Conclave 2016, Benefits beyond Money” organized by Timesjobs.com.



SMC participated in India - CIS Business Conclave Boosting Regional Trade organized by ASSOCHAM at Hotel Park, New Delhi. The main objective of organizing this 'Economic Forum' was to devise means and ways for further enhancement of 'Bilateral Free Trade Relations' between India and CIS Region.



SMC participated in the BIMSTEC-SAARC, Women's Economic Forum.



SMC participated in 4th National Conference on Corporate Compliance Management - The Strategic Regulatory Remediation organized by ASSOCHAM.



SMC participated in National Conference Cum Excellence Awards on Empowering MSME Role of Banks and Financial Institutions, IT, Skill Development and Rating Agencies in the gracious presence of Hon'ble Shri Kalraj Mishra, Union Minister for Micro, Small & Medium Enterprises, held at Hotel The Royal Plaza, New Delhi.



Mr. Ajay Garg (Director, SMC Group) sharing his thoughts during global business summit organized by Shri Ram College of Commerce (SRCC) held in New Delhi.



SMC participated in the Business Summit organized by CII, FICCI and ASSOCHAM at Hotel Taj Palace, New Delhi where Hon'ble Prime Minister of India, Mr. Narendra Modi and Hon'ble President of Turkey, Mr. Recep Tayyip Erdogan, addressed the summit for boosting India-Turkey trade and economic ties.

# LOANS SIMPLIFIED WITH SMC FINANCE



Medical Equipment Finance | Personal Loan | Loan Against Property | Loan Against Commodity/Shares | MSME/SME Financing | Lease Rental Discounting | Promoter Financing | Debtors Financing | Structured Financing | Loan Against Mutual Funds/ Bonds | Affordable Housing Application Financing | Construction Financing | Project Financing | ESOP Financing | IPO/ NCD Financing





Left to Right: **Mr. Vinod K. Jamar** (Group CFO, SMC Global Securities Ltd.), **Mr. Himanshu Gupta** (Director & CFO, Moneywise Financial Services Pvt. Ltd.), **Mr. Rajendra P. Mahipal** (Independent & Non-Exe. Director, SMC Insurance Brokers Pvt. Ltd.), **Mr. Kundan M. Agarwal** (Independent & Non-Exe. Director, SMC Global Securities Ltd.), **Mr. Pranay Aggarwal** (Whole Time Director- SMC Comtrade Limited), **Mr. Hari D. Khunteta** (Independent & Non-Exe. Director, SMC Global Securities Ltd.), **Mr. Narain D. Gupta** (Independent & Non-Exe. Director, SMC Global Securities Ltd.), **Mr. Chandra Wadhwa** (Independent & Non-Exe. Director, SMC Global Securities Ltd.), **Mr. Mahesh C. Gupta** (Vice Chairman & MD, SMC Group), **Ms. Akanksha Gupta** (Whole-Time Director, SMC Insurance Brokers Pvt. Ltd.), **Mr. Sunil K. Agarwal** (Statutory Auditor, **R. Gopal & Associates**, Chartered Accountants- SMC Global Securities Ltd.), **Mr. Subhash C. Aggarwal** (Chairman & MD, SMC Group), **Mr. Damodar K. Aggarwal** (MD, SMC Investment & Advisors Ltd.).

**Mr. Satish C. Gupta** (Independent & Non-Exe. Director, SMC Global Securities Ltd.), **Mr. Anurag Bansal** (Whole Time Director, SMC Global Securities Ltd.), **Ms. Shruti Aggarwal** (Non- Executive Director, SMC Global Securities Ltd.) **Mr. Finney J. Cherian** (Non-Executive Director, SMC Global Securities Ltd.), **Mr. Pravin K. Agarwal** (Whole Time Director, SMC Insurance Brokers Pvt. Ltd.), **Mr. Roop C. Jindal** (Independent & Non-Exe. Director, SMC Global Securities Ltd.), **Dr. Madhu Vij** (Independent & Non-Exe. Director, SMC Global Securities Ltd.), **Mr. Ajay Garg** (Whole Time Director, SMC Global Securities Ltd.), **Mr. Ayush Aggarwal** (Whole Time Director, SMC Real Estate Pvt. Ltd.) **Ms. Reema Garg** (Director, SMC Investment & Advisors Ltd.), **Mr. Suman Kumar** (EVP Corporate Affairs & Company Secretary, SMC Global Securities Ltd.).



Moneywise. Be wise.

## DIRECTORS OF SMC GROUP



**Mr. Subhash C. Aggarwal**  
Chairman & Managing Director  
SMC Group

Mr. Subhash C. Aggarwal is the Chairman and Managing Director of the Company since inception. He is Co-founder of SMC Group and has diverse experience in the financial services industry in India and has been instrumental in building SMC into one of the leading financial conglomerate. His vision, skills and outstanding commitment has made the Company, best equity brokerage and one of the largest distribution houses of India. He has over 28 years of experience in securities market and financial services and has been the key architect of its growth. He is fellow member of the Institute of Chartered Accountants of India (ICAI).

Mr. Aggarwal has served as the Chairman of EU Business Promotion Council and National Council on Micro Finance of ASSOCHAM (The Associated Chambers of Commerce and Industry), Co-Chairman of the National Council of Capital Markets and a senior member of the management committee of ASSOCHAM. He has also acted as a member of the expert group on behalf of ASSOCHAM working group constituted by the Ministry of Corporate Affairs and the Cost Accounting Standards Board (CASB).

**Chairperson:** Corporate Social Responsibility Committee, Operational & Decision Making Committee, Borrowings, Investments & Loans Committee and Risk Management Committee.

**Member:** American Depository Receipts/ Global Depository Receipts Committee, Public Issue and Listing Committee.



**Mr. Mahesh C. Gupta**  
Vice-Chairman & Managing Director  
SMC Group

Mr. Gupta is Co-founder of SMC Group, who laid down the roots of the SMC Group in 1990. He is currently holding the position of Vice-Chairman & Managing Director of the Company. He is one of the key directors on the Board of SMC Insurance Brokers Private Limited.

He holds a bachelor degree of Commerce from Delhi University & he is also qualified member of the Institute of Chartered Accountants of India (ICAI). He has a long and illustrious career of almost three decades in stock market. His prudence and decisive leadership is a boon to the Company's momentum. He administers every facet of operational as well as strategic decision making & policy formulation for the Company and the group.

**Vice-Chairperson:** Corporate Social Responsibility Committee.

**Member:** Risk Management Committee, Operational & Decision Making Committee, Borrowings, Investments & Loans Committee, American Depository Receipts/ Global Depository Receipts Committee, Public Issue and Listing Committee.



**Mr. Damodar K. Aggarwal**  
CMD-SMC Capitals Ltd. and  
SMC Investments & Advisors Ltd.  
Director-  
SMC Real Estate Advisors Private Limited  
SMC Comtrade Limited

Mr. Damodar K. Aggarwal, a vibrant & senior member of the SMC Group, presently leads SMC Investments & Advisors Limited & SMC Capitals Limited as Chairperson & Managing Director, Chairperson & Director of the SMC Comtrade Limited & SMC Real Estate & Advisors Private Limited. He has first rate experience of above 25 years in the capital markets working with individual and institutional investors. Under his leadership SMC Group has become an established brand and has won a number of awards and recognition. He is an eminent speaker and regularly presents his views and expertise on various market related issues through print and television media. He is also a fellow member of the Institute of Chartered Accountants of India.



**Mr. Ajay Garg**  
Whole-Time Director

Mr. Ajay Garg is a whole time Director on the Board of SMC Global Securities Ltd. and Director on the Boards of SMC Global IFSC Private Limited, Moneywise Financial Services Private Limited and SMC Insurance Brokers Private Limited. He is a fellow member & rank holder of the Institute of Chartered Accountants of India (ICAI) having wide and rich experience of over 20 years in securities, commodities & currency markets. He heads the core businesses of Broking & Clearing services of SMC having a network of more than 2500 offices across 550+ cities in India. His key roles & responsibilities include business development, risk management & technological up-gradation.

Mr. Garg has played vital role in the development of SMC's state-of-art trading platform & he has been instrumental in the development of SMC's mobile based applications 'SMC Easy Trade' and 'SMC Easy Go'. Under his able leadership SMC has also developed a Robo-advisory platform called 'Portfolio Health Check-up'. He also takes care of the brand building and marketing activities of the entire Group. He looks after SMC's International business focusing upon NRIs & FPIs as well.

Mr. Garg is very creative and enjoys accepting challenges. He has been recognized for his exemplary leadership and contribution to the industry with 'Entrepreneur of the Year - Innovation in Financial Services' award during Entrepreneur India Awards, 2015 organized by Franchise India. He has also won 'Entrepreneur of the Year' award during Franchise India's 4th Entrepreneur India Awards, 2014.

**Member:** Risk Management Committee



**Mr. Anurag Bansal**  
Whole-Time Director

Mr. Bansal joined SMC in 2000 and since 2009 he is a whole time Director on the Board of the Company. He has been appointed as CFO and Director in SMC Capitals Limited and Director on the Boards of Moneywise Finvest Limited, Indunia Realtech Limited and SMC Global IFSC Private Limited. He is Fellow member of Institute of Chartered Accountants of India & member of Institute of Cost Accountants of India. His career spans over 20 years of eminence in the field of capital markets.

He is primarily responsible for investment banking business, institutional equities business, distribution business, strategic management & legal functions.

**Member:** Risk Management Committee, American Depository Receipts/Global Depository Receipts Committee, Public Issue and Listing Committee.



**Mr. Narain D. Gupta**  
Independent & Non-Executive  
Director

Mr. Narain D. Gupta is a Non Executive and Independent Director on the Board of SMC Global. He is a member of the Institute of Chartered Accountants of India (ICAI) since 1970. He has vast experience of over 48 years in consultancy of Direct Taxes and handling corporate affairs. He is Trustee of the National Pension System (NPS). He is the past President of the Institute of Chartered Accountants of India (ICAI) in 2001-02. He was a Board Member of International Accounting Standards Committee (2000) (presently known as International Accounting Standards Board (IASB) which pronounces IFRS & IPSAS). He is the author of book on "Indian Accounting Standards IFRS, US GAAP Comparison" published by British Publishers Lexis Nexis Butterworth in 2005.

**Member:** Audit Committee, Nomination & Remuneration Committee, Risk Management Committee, Operational & Decision Making Committee, Borrowings, Investments & Loans Committee, American Depository Receipts/Global Depository Receipts Committee.

## DIRECTORS OF SMC GROUP



**Mr. Satish C. Gupta**  
Independent & Non-Executive  
Director

Mr. Gupta received his bachelor's degree from Agra University & Masters of Commerce from Meerut University. He is an Independent and Non Executive Director on the Board of SMC Global. Mr. Gupta is a doyen in the field of Banking having expertise of over 46 years. He is certified member of Indian Bankers Association. He previously presided as Chairperson & Managing Director of Punjab National Bank & Indian Overseas Bank.

Chairperson: Audit Committee.

Member: Operational & Decision Making Committee, Borrowings, Investments & Loans Committee, Corporate Social Responsibility Committee, American Depository Receipts/ Global Depository Receipts Committee, Public Issue and Listing Committee.



**Mr. Kundan M. Agarwal**  
Independent & Non-Executive  
Director

Mr. Kundan M. Agarwal is an Independent and Non Executive Director on the Board of SMC Global. He is a fellow member of Institute of Chartered Accountants of India (ICAI). His professional expertise spans more than four decades and include stints in taxation, corporate matters & securities market.

Chairperson: Stakeholders Relationship Committee.

Member: Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee, Public Issue and Listing Committee.



**Mr. Roop C. Jindal**  
Independent & Non-Executive  
Director

He is an Independent and Non Executive Director on the Board of SMC Global. He is a member of Institute of Chartered Accountants of India (ICAI). He is proficient in the field of Auditing & Taxation for past 42 years. He is also a partner at Bubber Jindal & Co., Chartered Accountants.

Member: Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee.



**Mr. Hari D. Khunteta**  
Independent & Non-Executive  
Director

Mr. Hari D. Khunteta is an Independent and Non Executive Director on the Board of SMC Global. He was appointed as Director of Finance of REC Ltd. from May 2004 to July 2012 and as its CMD from April 2011 to November 2011. He has also served on the Board of NHPC as an Executive Director of Finance and Accounts. Mr. Khunteta holds Bachelor's Degree in Commerce from the University of Rajasthan and is a qualified Chartered Accountant possessing around 41 years of active participation in the domain of financial management, investor servicing, corporate governance & resource mobilization from domestic as well international market.

Chairperson: American Depository Receipts/ Global Depository Receipts Committee, Public Issue and Listing Committee.

Member: Audit Committee, Stakeholders Relationship Committee.



**Mr. Chandra Wadhwa**  
Independent & Non-Executive  
Director

Mr. Wadhwa is an Independent and Non Executive Director on the Board of SMC Global. He is the fellow member of Institute of Cost Accountants of India (ICAI) & Institute of Company Secretaries of India (ICSI). He also received Bachelors of Law as well Masters of Commerce Degree from Delhi University. He has astounding experience of 35 years in Financial, cost & management accounting as well as in cost & management auditing sector. He is past president of "The Institute of Cost Accountant of India". Presently, he is a Central Council Member of the Institute of Chartered Accountants of India, nominated by Government of India.

Chairperson: Nomination & Remuneration Committee, Public Issue and Listing Committee.



**Dr. Madhu Vij**  
Independent & Non-Executive  
Director

She is an Independent and Non Executive Director on the Board of SMC Global. She holds a doctorate degree and a Master degree in Commerce. She is serving as a Professor of Management Studies, University of Delhi for over three decades. She is also an author & has published several research papers in international and national journals of repute in the field of banking and finance. Her research interests include asset liability management, country risk analysis, derivatives, foreign exchange risk management, treasury management, corporate valuation, credit ratings and financial crisis, currency correlation and corporate governance. She has been the part of several national and international conferences held globally. She also served as a member of task force, Department of Public Enterprises, 2006, Ministry of Heavy Industries and Public Enterprises, Government of India. She was also member in the Ad-Hoc Task Force, Results Framework Document (2011-2013). She has received the Alumni Excellence Award from Shri Ram College of Commerce, University of Delhi.



**Mr. Finney J. Cherian**  
Non-Executive Director

Mr. Finney is a Non-Executive Director on the Board of the Company. He also serves as the CEO of SMC Global USA Inc. and on the Board of Director of Moneywise Financial Services Private Limited (Subsidiary Companies). His academic credentials include 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. His career spans substantial experience of 22 years in the business restructuring and valuation expert and has more than 15 years of experience as a top executive in international finance.

Member: American Depository Receipts/ Global Depository Receipts Committee, Public Issue and Listing Committee.

## DIRECTORS OF SMC GROUP



**Mr. Rajendra P. Mahipal**  
Independent & Non-Executive  
Director-SMC Finvest Ltd.,  
SMC Insurance Brokers Pvt. Ltd.  
SMC Real Estate Advisors Pvt. Ltd.

Mr. R. P. Mahipal is an Independent and Non Executive Director on the Boards of SMC Finvest Limited, SMC Insurance Brokers Private Limited and SMC Real Estate & Advisors Private Limited. Mr. Mahipal earned his Master's from Rajasthan University and is also a member of Institute of Chartered Accountants of India (ICAI). He is the promoter and director of Pink city Electronics Pvt. Ltd. Over the past four decades he has been bestowing remarkable professional services in import, export, finance, administration and Capital Market.



**Mr. Himanshu Gupta**  
Director & CFO-  
Moneywise Financial Services Pvt. Ltd.  
Director-SMC Comtrade Ltd.  
& Indunia Realtech Ltd.

Mr. Himanshu Gupta is a young, focused & phenomenal entrepreneur of SMC Group. He is currently Director & CFO in Moneywise Financial Services Private Limited (NBFC) & Designated Director on the Board of SMC Comtrade Limited. Mr. Gupta also serves as a Director of SMC Global USA Inc. He is a fellow member of Institute of Chartered Accountants of India (ICAI) and Bachelor of Commerce from Delhi University. He played a pragmatic role in setting up & scaling up Group's NBFC business, bullion and fixed income securities business. He also spearheads overall functions of the SMC group including finance, accounts & taxation and core strategic decision making function.

Member: Risk Management Committee, American Depository Receipts/ Global Depository Receipts Committee, Public Issue and Listing Committee.



**Ms. Reema Garg**  
Director, SMC Investments & Advisors  
Ltd.), Moneywise Finvest Limited  
& Indunia Realtech Private Limited  
Chief Human Resource Officer  
(CHRO)- SMC Global Securities Ltd.

Ms. Reema Garg serves as Chief Human Resource Officer of the Company and Director on the boards of SMC Investments & Advisors Limited, Indunia Realtech Limited & Moneywise Finvest Limited. Ms. Garg holds B.Sc. (Computer Science) from Delhi University and Masters in Compute Applications (MCA). She is pursuing PHD in HR with thesis on the topic "Role of Performance management on Employee Engagement in India". Ms. Garg is an ambitious, assertive and influential and motivated member of the SMC Group. She innovates, develops and effectively implements new ideas for the growth and progress of the human resources, customer care and quality management of the company. She also oversees the strategic planning & brand building for the company.



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

Mr. Pravin is a Whole-Time Director of SMC Insurance Brokers Private Limited. With more than a decade of work experience in insurance and financial industry, he is actively involved in the development of insurance broking venture, devising strategies for insurance broking and undertaking business development responsibilities and guides the implementation of quintessential concepts and diversification of Insurance Broking.



**Ms. Akanksha Gupta**  
Whole Time Director-  
SMC Insurance Brokers Pvt. Ltd.

Ms. Gupta is a Whole Time Director in SMC Insurance Brokers Private Limited. She is a member of the Institute of Chartered Accountants India (ICAI) and Institute of Chartered Financial Analyst (CFA). She is visionary, resourceful and strong willed entrepreneur of the SMC Group. She consistently pioneers new ideas and explores new avenues for furtherance of the organization.



**Ms. Shruti Aggarwal**  
Non-Executive Director-  
SMC Global Securities Limited

Ms. Aggarwal is a Non-Executive Director of the Company. She is the member of Institute of Chartered Accountants of India and has cleared all levels of Chartered Financial Analyst (CFA) Programme (USA). She is also pursuing MBA Finance from London Business School. She joined Price Waterhouse Coopers as an associate and has rich experience in transfer pricing advisory compliances, internal audit, risk management and management consultancy.



**Mr. Ayush Aggarwal**  
Whole Time Director-  
SMC Real Estate Pvt. Ltd.

Mr. Ayush Aggarwal is a commerce graduate from the University of Delhi and is pursuing a 18-month Post Graduate Program in Family Managed Business (PGP-FMB) from SP Jain Institute of Management & Research, Mumbai. He has cleared IPCC (both Groups) from Institute of Chartered Accountants of India. He joined SMC as Head - digital initiatives. Presently, he serves as the whole-time Director of SMC Real Estate Advisors Private Limited (a wholly owned subsidiary Company of SMC Global Securities Limited) and is taking care of all social media engagements and digital marketing strategy as well as involved in the improvement of SMC mobile apps and research tools for the end users for the Group.



**Mr. Pranay Aggarwal**  
Whole Time Director-  
SMC Comtrade Limited

Mr. Pranay Aggarwal is a commerce graduate from the University of Delhi. He completed Integrated Professional Competence Course (CA-IPCC) from the Institute of Chartered Accountants of India and CA Articleship Training Programme from Price Waterhouse Coopers. He also cleared the first level of CFA (USA). Presently, he serves as the Whole-Time Director of SMC Comtrade Limited and Director SMC Real Estate Advisors Private Limited (a wholly owned subsidiary company of SMC Global Securities Limited) and is involved in strategic planning of the SMC Group.

## MANAGEMENT TEAM OF SMC GROUP



Mr. Vinod K. Jamar  
(Group CFO)

Mr. Jamar serves as Group Chief Financial Officer and is responsible for managing financial reporting, audit and compliance of tax laws, planning and capital structure. He is a fellow member of the Institute of Chartered Accountant of India and possesses over 33 years of immense professional exposure in taxation, finance, accounts, strategic planning, auditing, and fund management. He has strong interpersonal skills and analytical abilities.

Member: Risk Management Committee.



Mr. Suman Kumar  
[E.V.P. (Corporate Affairs)  
& Company Secretary]

Mr. Suman Kumar serves as the Executive Vice President (Corporate Affairs) and Company Secretary of SMC Group. He earned his Bachelor's degree in Law from Delhi University & he is a fellow member of Institute of Company Secretaries of India. His prolific career spans over 16 years of outstanding experience in the domain of corporate & secretarial compliance, arbitration, investor grievances resolving mechanism, stock exchange/DP compliances. He also possesses vast expertise in SEBI, corporate, civil and criminal matters.



Mr. Mohit Shyngle  
(Senior Vice-President)

Mr. Mohit is currently acting as Senior Vice-President (Country Head) of the company & supervises the sub-broker network and business development in SMC Group. He holds a bachelor degree in Commerce from Delhi University. He is well versed in the domain of trading, risk management & marketing of financial services and has experience of more than 28 years.



Mr. Mahesh K. Gupta  
(Senior Vice-President)

He is a Senior Vice President and looks after marketing of financial products through Company's distribution network. Mr. Gupta is a commerce graduate from Maharishi Dayanand University and M.B.A. in Finance & Marketing from Sikkim Manipal University. He has over 28 years of experience in distribution of financial products.



Mr. Ashok K. Aggarwal  
(Senior Vice-President)

He is Senior Vice-President and acts as a Compliance Officer of the Company on the matters of tax, SEBI and Exchanges compliance, depository participant operations. He is also fellow member of the Institute of Chartered Accountants of India and has rich experience of more than 37 years in the field of audit, taxation and corporate matters.



Mr. Shyam S. Bansal  
(CFO-SMC Investments  
& Advisors Ltd.)

Mr. Bansal is the Chief Financial Officer and Director of SMC Investments & Advisors Limited and serves as Principal Officer of the company responsible for investment management and the company's finance and profitability in the business. He holds a degree of law and is a fellow member of the Institute of Chartered Accountants of India. He brings with him over 27 years of experience in investment management and financial advisory, accounting, auditing and taxation.



Mr. Vishwanath Bansal  
(CFO-SMC Comtrade Ltd.)

Mr. Vishwanath Bansal is currently designated as Chief Financial Officer of SMC Comtrade Limited. He holds a bachelor's degree in Commerce and is a Member of Institute of Chartered Accountants of India. He has proven himself as a person of dedication & devotion with an experience of about 10 years in finance, accounting and taxation.



## MANAGEMENT TEAM OF SMC GROUP



**Ms. Nidhi Bansal**  
(Regional Director)

Ms. Nidhi Bansal is currently working as a Regional Director at SMC Mumbai office and is handling the business development, operations and human resource section of the Western Zone. She also oversees the income validation, internal audit and cost reduction operations of the Western region of SMC Group. She is a post graduate in commerce and a fellow member of Institute of Chartered Accountants of India. Her strong logistic and tactical skill has made her an expert in the field of portfolio management, risk management, vendor management & retail banking.



**Mr. Om P. Aggarwal**  
Director & Head -ECM & Debt  
(SMC Capitals Ltd.)

Mr. Agrawal has over three decades of rich experience of more than three decades in corporate finance. He has spearheaded various transactions both in Debt and Equity Capital Markets predominantly in the area of debt syndication, restructuring, M&A, corporate advisory, fund raising - PE, IPO etc. His association with SMC spans around 9 years and is currently heading ECM and debt as part of investment banking business. He is a science graduate and fellow member of Institute of Chartered Accountants of India and also Institute of Company Secretaries of India (ICSI).



**Ms. Sonal Shah**  
Director & Head - PE and M&A  
(SMC Capitals Ltd.)

Ms. Shah is Head of Merger & Acquisition (M&A)/Private Equity advisory/structured financing solutions at SMC Capitals Limited. She received her Bachelor's Degree in Economics (Honors) from Delhi University & holds a PGDM from IIM Kolkata. Ms. Sonal has rich experience and knowledge in M&A, equity capital markets, syndication and private equity and has been an active member of industry panels for the consumer, agribusiness and financial services sectors, at leading Indian industry associations.



**Delhi Head Office Team - From Left to Right - sitting order:** Mr. Mahesh K. Gupta, Mr. Ashok Aggarwal, Mr. Mahesh C. Gupta, Mr. Subhash C. Aggarwal, Mr. Vinod K. Jamar, Mr. Suman Kumar, **Standing Order Left to Right:** Mr. Pawan Panwar, Mr. Vikas Ranjan, Mr. Hitesh Gupta, Mr. Naresh Gogia, Mr. Vineet Goyal, Mr. Mukesh Budhiraja, Mr. Kuldeep Singh, Mr. Rajesh Sharma, Mr. Budhilal, Mr. Ankush Goyal, Mr. Vinod Chauhan, Mr. Nitin Murarka, Mr. Arun Mehta, Rahul Kaushik Raj, Mr. Jai Gopal, Mr. Anil Khanna, Mr. Sangratan, Mr. Sanjay Gupta, Mr. Vinay Tripathi.



**SMC Insurance Team- from Left to Right :** Mr. Gagan Tondon (Senior Vice-President-General Insurance) Mr. Dheeraj Bhalla (Associate Director - Life Insurance), Ms. Divya Narang (Senior VP -Operations), Mr. Vikramjeet Singh (Vice-President- General Insurance) Mr. Pravin K. Agarwal (Whole Time Director), Ms. Sakshi Mehta (CFO), Mr. Vimal Goyal (Associate Director), Ms. Akanksha Gupta (Whole Time Director), Mr. Pushkar Amar (Senior Vice-President, E-Commerce & Technology).



**Mumbai Office Team : From Left to Right (Standing)** Mr. Mamraj Yogi (Vice President – Risk Management & Operations), Mr. Uday Powale (Zonal Head – Business Development – Retail), Mr. Bhavin Chavda (Vice President – SMC Real Estate Advisors Pvt.Ltd), Ms. Kuntal Bhat (AVP – Business Development – Sub Broker), Mr. Vipul Sharma (AVP-Institutional Sales), Ms. Sonal Shah (Director – Investment Banking), Mr. Vivek Kathiriya (VP – Arbitrage (Team-Equity), Mr. Vijay Mishra (AVP – Treasury & Debt Solutions Desk), **Left to Right (Sitting)** Mr. Om P. Agrawal (Director – Investment Banking), Ms. Nidhi Bansal (Regional Director), Mr. Anurag Bansal (Whole time Director).



**Kolkata Team** - Group photo of team with Mr. Narendra Balasia - Head Kolkata Region.



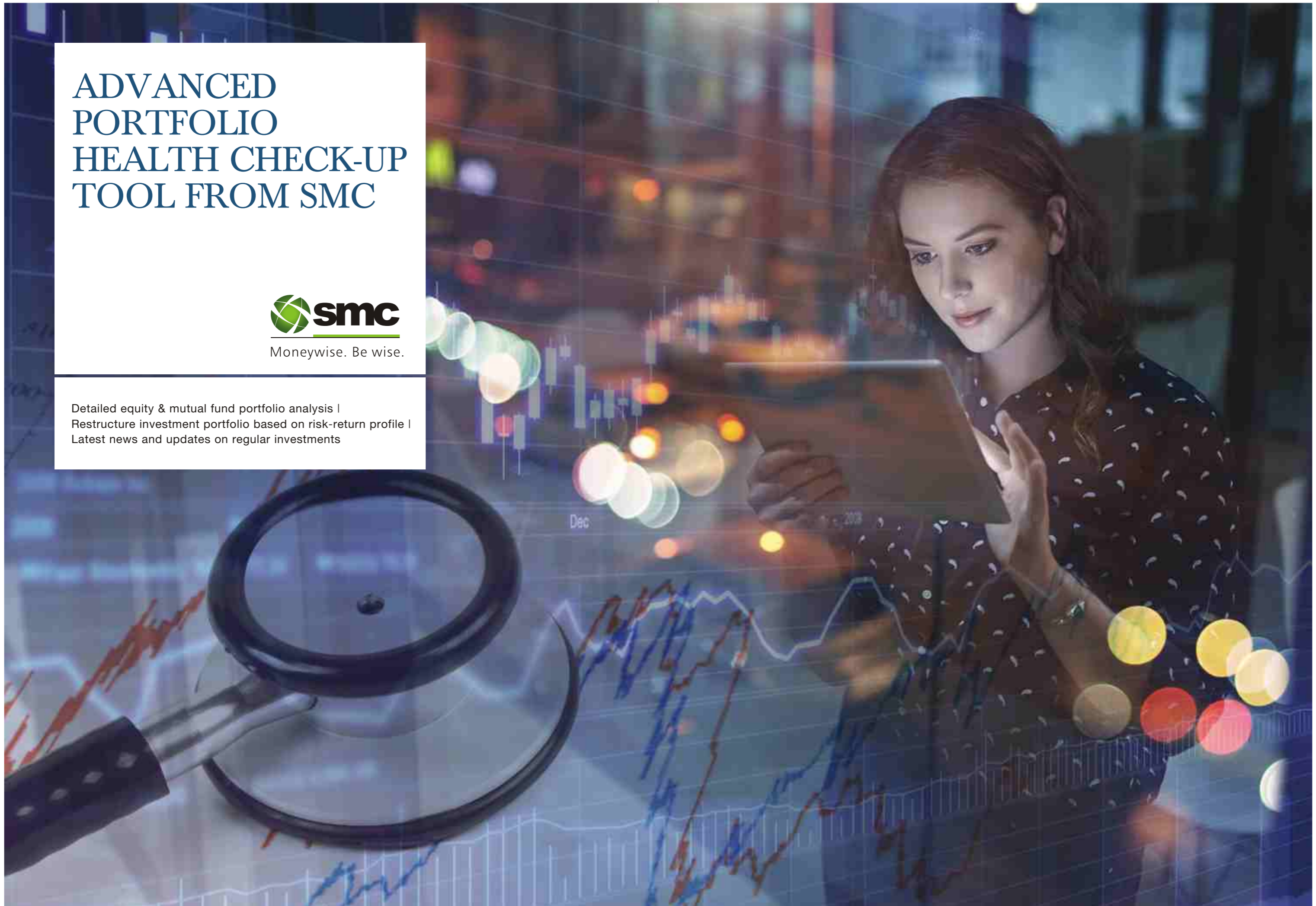
**SMC Investments & Advisors Team - From Left to Right:** Mr. Vipin Chaudhary, (Head Sales-SMC Real Estate Advisors Pvt. Ltd.), Mr. Damodar K. Aggarwal (CMD), Mr. Shyam S. Bansal (CFO) and Mr. Ashwani Mehta (Head Sales - SMC Investments & Advisors Ltd).

# ADVANCED PORTFOLIO HEALTH CHECK-UP TOOL FROM SMC



Moneywise. Be wise.

Detailed equity & mutual fund portfolio analysis |  
Restructure investment portfolio based on risk-return profile |  
Latest news and updates on regular investments





Moneywise. Be wise.



Board Meeting of SMC Global Securities Limited dated 29th May, 2017 at Mumbai.

# directors' report

## Dear Shareholders,

Your Board of Directors' are pleased to present the 23rd Annual Report and the Company's Audited Financial Statements for the Financial Year ended on 31st March, 2017

### 1. COMPANY OVERVIEW AND FINANCIAL PERFORMANCE

The Company's Standalone and Consolidated financial performance, for the year ended 31st March, 2017 is summarized below:

PARTICULARS	Standalone (₹ In Lakhs)		Consolidated (₹ in Lakhs)	
	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2017	Year ended 31.03.2016
Revenue from operations	35,549.09	25,320.40	52,132.25	41,958.27
Other Income	362.29	478.48	1,255.50	696.48
<b>Total Revenue</b>	<b>35,911.38</b>	<b>25,798.88</b>	<b>53,387.75</b>	<b>42,654.75</b>
Stock exchange & other operating expenses	17,616.94	12,610.23	20,079.79	15,342.38
Employee benefit expense	5,326.45	4,561.11	12,983.96	11,553.38
Finance cost	2,088.10	1,401.83	2,844.76	1,755.62
Depreciation and amortization expense	350.74	367.23	735.97	681.90
Other expense	6,077.82	5,488.20	9,898.20	8,379.88
<b>Total Expense</b>	<b>31,460.05</b>	<b>24,428.60</b>	<b>46,542.68</b>	<b>37,713.16</b>
<b>Profit Before Tax (PBT)</b>	<b>4,451.33</b>	<b>1,370.28</b>	<b>6,845.07</b>	<b>4,941.59</b>
<b>Tax Expenses</b>				
Current tax	1,323.65	863.48	2,467.82	1,854.51
Deferred tax	207.78	(352.21)	(86.02)	(47.47)
Prior Year tax	(13.65)	(0.58)	15.55	(21.10)
MAT credit entitlement	-	-	(57.18)	(308.58)
<b>Net Profit after tax &amp; adjustments (PAT)</b>	<b>2,933.55</b>	<b>859.59</b>	<b>4,504.90</b>	<b>3,464.23</b>
Earning per equity share of ₹ 2 each				
Basic & diluted	2.59	0.76	4.05	3.05

The amount shown in bracket () in the above table are negative or decrease in value.

## 2. INFORMATION ON STATUS OF AFFAIRS OF THE COMPANY

The total standalone revenue of the Company for the Financial Year ended 31st March, 2017 is ₹ 35,911.38 Lakhs, a positive growth of 39.20% as compared to previous year which was ₹ 25,798.88 Lakhs. This year profit after tax has increased by 241.27% as there is increase in income from Trading and Distribution Segment and Financing Activities Segment. Profit after tax for the year was ₹ 2,933.55 Lakhs, as compared to previous year ₹ 859.59 Lakhs.

## 3. CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of the business of the Company during the Financial Year 2016-17.

## 4. CHANGE IN SHARE CAPITAL DURING THE FINANCIAL YEAR 2016-17

There is no change in the total Authorized and Paid-Up Share Capital of the Company during the Financial Year 2016-17.

## 5. DIVIDEND

The Board of Directors has recommended a final dividend of 24% on the Face Value of the Equity Share (i.e. Re. 0.48 per Equity Share of Face Value of ₹ 2/- each) to be appropriated from the profits of the Financial Year 2016-17, subject to the approval of the shareholders at the ensuing Annual General Meeting. The Dividend will be paid in compliance with applicable Act and Regulations.

Further, pursuant to the approval of the Board of Directors in its meeting held on 29th November, 2016 your Company had distributed an interim dividend of 18% on the Face Value of the equity share (i.e. Re. 0.36 per Equity Share of Face Value of ₹ 2/- each) to shareholders, whose name appeared in the Register of Members of

the Company on 9th December, 2016, being the record date fixed by the Board of Directors for this purpose.

## 6. TRANSFER TO RESERVES

During the year under review, your Company has transferred a sum of ₹ 3 Crores (Rupees Three Crores Only) to General Reserve.

## 7. DIRECTORS AND KMP(S)

**Mr. Ajay Garg, (DIN 00003166)** Whole Time Director of the Company, who retires by rotation in accordance with the provisions of Section 152 of the Companies Act, 2013 at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

**Mr. Anurag Bansal, (DIN 00003294)** Whole Time Director of the Company, who retires by rotation in accordance with the provisions of Section 152 of the Companies Act, 2013 at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

**Mr. G. S. Sundararajan, (DIN 00361030)** has resigned from the Company and his resignation has been accepted by the Board of Directors of the Company with effect from 22nd February, 2017.

**Ms. Shruti Aggarwal, (DIN 06886453)** has been appointed as the Additional Director (Non-Executive) of the Company by the Board of Directors in its meeting held on 29th May, 2017 and the same has been forwarded to the Stock Exchange for their approval. Her appointment shall be effective from the date of last approval granted by the concerned Stock Exchange.

## 8. NUMBER OF MEETINGS OF THE BOARD

During the year, Six (6) meetings of the Board of Directors were held. For further details, please refer Report on Corporate Governance, which forms part of this Annual Report.

## 9. INDEPENDENT DIRECTORS DECLARATION

Presently the Company has Seven (7) Independent and Non- Executive Directors namely Mr. Satish C. Gupta, Mr. Kundan M. Agarwal, Mr. Hari D. Khunteta, Mr. Roop C. Jindal, Mr. Narain D. Gupta, Mr. Chandra Wadhwa and Dr. Madhu Vij who have given declaration that they meet the eligibility criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

## 10. COMPANY'S POLICY ON DIRECTORS' APPOINTMENT

In terms of provisions of Section 134(3)(e) of the Companies Act, 2013, the Company has adopted the Nomination and Remuneration Policy. The Company believes that building a diverse and inclusive culture is integral to its success. A diverse Board, among others, will enhance the quality of decisions by utilising different skills, qualifications, professional experience and knowledge of the Board members necessary for achieving sustainable and balanced development. Accordingly, the Board has adopted a policy on 'Nomination and Remuneration' which sets out the criteria for determining qualifications, positive attributes and independence of a Director. The detailed policy is available on the Company's website at "www.smcindiaonline.com/nomination & remuneration policy-SMC."

## 11. DISCLOSURE ON THE NOMINATION AND REMUNERATION POLICY OF THE COMPANY PURSUANT TO SECTION 134(3)(e) AND SECTION 178 (3) OF THE COMPANIES ACT, 2013

The Board of the Directors had framed the policy which lays down a framework in relation to Remuneration of Directors, Key Managerial Personnel and Senior Management of the

Company. This policy also lays down criteria for selection and appointment of Board Members. The Remuneration Policy is disclosed on the Company's website <http://www.smcindiaonline.com/Investor-Corner.aspx>. The complete policy is provided in the Report on Corporate Governance, which forms part of this Annual Report.

## 12. FAMILIARIZATION PROGRAMME

During the Financial Year 2016-17, the Company has organized a familiarization program for the Independent Directors for 2 hours pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of Section 149 (8) and Schedule IV of Companies Act, 2013 on "THE INSOLVENCY AND BANKRUPTCY CODE, 2016" and "REVIEW THE ROLE AND RESPONSIBILITIES OF INDEPENDENT DIRECTORS IN THE CURRENT BUSINESS SCENARIO" of SMC Global Securities Limited as well as its Subsidiaries, on 31st March, 2017 at "INDIAN HABITAT CENTRE, NEW DELHI – 110003" and all the Independent Directors attended the program till the end.

The objective of the said program was to familiarize and update them with "The Insolvency and Bankruptcy Code, 2016" and "Review the Role and Responsibilities of Independent Directors in the current Business scenario."

### 13. EVALUATION BY BOARD OF ITS OWN PERFORMANCE, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

In terms of provisions of Section 134(3)(p) of the Companies Act, 2013 and Rule 8(4) of the Companies (Accounts) Rules, 2014, annual evaluation has been made by the Board of its own performance and that of its committees and individual Directors and of the Chairman on the basis of circulation of questionnaires to the Board Members in the following manner:

Evaluation of	Respondents
Chairman	All Board members except the Chairman being evaluated
Board	All Board members
Board Committee	All Board members
Directors including Independent and Non-Executive Directors	All Board members except the Director being evaluated

**Outcome of the Evaluation:** As per the Board Evaluation conducted in the Company, the Board of the Company is of adequate size and structure having relevant skills, experience, knowledge and diversity, all the members of the Board and committee understand their respective roles and responsibilities. The Board helps articulate and review as necessary, the Company's vision, values and strategic objectives. The Board reviews

Company's business plans based on the markets it operates in and the global industry trends and developments, to help achieve its strategic goals. The Board ensures that the Company has robust systems and processes that are compliant with applicable laws, statutes and regulations. The Board provides feedback to the Management on a regular basis.

### 14. DISCLOSURES PURSUANT TO SECTION 197 (12) AND RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The Company has given remuneration according to the remuneration policy formulated by the Company.

- The ratio of remuneration of each Director to the median employees remuneration of the Company for the Financial Year 2016-17 are as follows:

NAME	RATIO
Mr. Subhash C. Aggarwal	58.87:1
Mr. Mahesh C. Gupta	58.87:1
Mr. Anurag Bansal	41.01:1
Mr. Ajay Garg	37.43:1
Mr. Satish C. Gupta*	1.90:1
Mr. Kundan M. Agarwal*	2.20:1
Mr. Hari D. Khunteta*	1.96:1
Mr. Chandra Wadhwa*	1.48:1
Mr. Roop C. Jindal*	2.02:1
Mr. Narain D. Gupta*	1.84:1
Dr. Madhu Vij*	1.36:1
Mr. G.S. Sundararajan*	1.21:1**

\*The ratio has been calculated based on sitting fees paid to the Independent Directors.

\*\*He was the Non- Executive Director of the Company and resigned with effect from 22nd February, 2017.

2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, during the Financial Year 2016-17 are as follows:

NAME	DESIGNATION	PERCENTAGE CHANGE IN REMUNERATION
Mr. Subhash C. Aggarwal	Chairman and Managing Director	34.48
Mr. Mahesh C. Gupta	Vice Chairman and Managing Director	34.48
Mr. Anurag Bansal	Whole-Time Director	69.81
Mr. Ajay Garg	Whole-Time Director	55.00
Mr. Satish C. Gupta*	Independent Director	14.55
Mr. Kundan M. Agarwal*	Independent Director	8.96
Mr. Hari D. Khunteta*	Independent Director	30.00
Mr. Chandra Wadhwa*	Independent Director	13.95
Mr. Roop C. Jindal*	Independent Director	17.54
Mr. Narain D. Gupta*	Independent Director	56.41
Dr. Madhu Vij*	Independent Director	45.16
Mr. Suman Kumar	Company Secretary	14.04
Mr. Vinod K. Jamar	Group Chief Financial Officer	21.05

\*The change in percentage has been calculated based on sitting fees paid to the Independent Directors.

3. The percentage increase in the median remuneration of employees in the Financial Year 2016-17 is 8.67%.
4. There are 1247 permanent employees on the rolls of the Company as on 31st March, 2017.
5. Average percentile increase made in the salaries of employees other than the managerial personnel in the Financial Year i.e. 2016-17 is 25.13% whereas the increase in managerial remuneration for the same Financial Year is 37.84%.
6. Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and Senior Management is as per the Remuneration Policy of the Company.

## 15. COMPOSITION OF AUDIT COMMITTEE

The composition of Audit Committee as on 31st March, 2017 is as under:

Composition of Audit Committee as on 31st March, 2017					
<b>Name of the Director(s)</b>	<b>Mr. Satish C. Gupta</b> (DIN 00025780)	<b>Mr. Kundan M. Agarwal</b> (DIN 00043115)	<b>Mr. Roop C. Jindal</b> (DIN 01450916)	<b>Mr. Narain D. Gupta</b> (DIN 01522375)	<b>Mr. Hari D. Khunteta</b> (DIN 00061925)
<b>Designation</b>	Chairman	Member	Member	Member	Member
<b>Category</b>	Independent Director	Independent Director	Independent Director	Independent Director	Independent Director

Details of the composition of the Audit Committee, its meeting, power, role etc. have been provided under Corporate Governance Report, which forms part of this Annual Report.

## 16. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES.

In accordance with the provisions of Section 2(76) and Section 188 of the Companies Act, 2013 read with Rules made thereunder a detailed note on procedure adopted by the Company in dealing with contracts and arrangements with Related Parties is provided in the Report on Corporate Governance, which forms part of this Annual Report.

In accordance with Accounting Standard 18, the Related Party Transactions are disclosed in the Financial Statements. Further, as per Companies Act, 2013 and Rules made thereunder, the term "Material Transactions" has not been defined and therefore, for the purpose of material transactions as requiring disclosure in the Form AOC-2, the Company has taken the definition from Accounting Standard -18.

The Policy on the Related Party Transactions is available on the Company's website at [http://www.smcindiaonline.com/related\\_party\\_transactions\\_policy.pdf](http://www.smcindiaonline.com/related_party_transactions_policy.pdf).

Details of material transactions which are on arm length price are given in Form AOC-2 attached as **Annexure IV** to this Report.

## 17. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Internal Financial Controls with reference to the Financial Statements are commensurate with the size and nature of business of the Company. The Company had appointed **M/s. Shaival & Sunil, Chartered Accountants** as Internal Auditors of the Company for the Financial Year 2016-17 pursuant to the provisions of Section 138 of the Companies Act, 2013, read with Rule 13 of Companies (Accounts) Rules, 2014.

**Internal Financial Control Matrix Policy:** In terms of provisions of Section 134(5)(e) of the Companies Act, 2013, the Company has adopted the Internal Financial Control Matrix Policy on 14th February, 2017. The Internal Financial Control Matrix Policy lays down the Internal Financial Control to be followed by the Company. This policy has ensured the orderly

and efficient conduct of the business, including adherence to Company's policies, the safeguarding of the assets of the Company, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial informations.

#### 18. RISK MANAGEMENT POLICY

Risk Management is embedded in the Company's operating framework. The Company believes that managing risks goes hand-in-hand with maximizing returns. To this effect, there is a robust process in place to identify key risks across the Group and priorities relevant action plans to mitigate these risks. Risk Management framework is reviewed periodically by the Board and the Risk Management Committee, which includes discussing the management submissions on risks, prioritizing key risks and approving action plans to mitigate such risks. During the year, a Risk Management Policy has been revised and approved by Risk Management Committee and the Board. The objective of this Policy is to have a well-defined approach to risk. The Policy lays broad guidelines for the appropriate authority so as to be able to do timely identification, assessment, and prioritization of risks affecting the Company in the short and foreseeable future. The Policy suggests framing an appropriate response action for the key risks identified, so as to make sure that risks are adequately compensated or mitigated. The Internal Audit function is responsible to assist the Risk Management Committee on an independent basis with a full status of the risk assessments and management. Operationally, risk is being managed at the top level by Management Boards.

Detailed discussion on Risk Management has been given as a part of Management Discussion

& Analysis under the section 'Risks and Concerns', which forms part of this Annual Report.

#### 19. FORM OF STATEMENT CONTAINING SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES UNDER SECTION 129(3)(1) OF THE COMPANIES ACT, 2013

The Statement containing the salient feature of the Financial Statement of a Company's Subsidiary or Associate Company and Joint Venture have been annexed with this Boards' Report in Form AOC-1 as **Annexure-II**.

#### 20. NAME OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

During the Financial Year your Company has incorporated a Wholly Owned Subsidiary in the name of SMC Global IFSC Private Limited in a GIFT city Gujarat as well as made One Joint Venture Company in the name of SMC and IM Capitals Investment Manager through its Subsidiary SMC Investments and Advisors Limited.

Further your wholly owned subsidiary Company SMC Global USA Inc. has converted into Subsidiary Company. Now your Company has 9 Subsidiaries, 3 step down Subsidiaries and 1 Joint Venture Company.

#### 21. DISCLOSURE IN MATERIAL SUBSIDIARY POLICY (INCLUDING ARCHIVAL POLICY)

The Board of Directors of your Company has adopted a "Material Subsidiary Policy" on 3rd November, 2015 as required by the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. The policy is available on the Company's website at <http://www.smc>

[indiaonline.com\\_Investorcorner](http://indiaonline.com_Investorcorner). A brief note on the policy is also provided in the Report on Corporate Governance, which forms part of this Annual Report.

#### 22. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered by the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

#### 23. DETAILS OF DEPOSITS COVERED UNDER CHAPTER V OF COMPANIES ACT, 2013

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

#### 24. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

#### 25. DETAILS AND INFORMATION AS REQUIRED UNDER SECTION 134(3)(1) OF THE COMPANIES ACT, 2013

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.

#### 26. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

Being a service providing organisation, most of the information of the Company, as required under Section 134(3) of the Companies Act, 2013, read with the Rule 8 of Companies (Accounts of Companies) Rules, 2014, is not applicable. However, the information, as

applicable, has been given in **Annexure-VI** to this report.

#### 27. EXTRACT OF ANNUAL RETURN

The extract of annual return in Form MGT-9 as on 31st March, 2017 is attached as **Annexure-I** to this Report.

#### 28. CORPORATE GOVERNANCE REPORT

Your Company has been practicing the principles of good Corporate Governance over the years and it is a continuous and ongoing process. Pursuant to Regulation 15 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the report on Corporate Governance together with the Auditors' Certificate on compliance in this regard is attached and forms part of this Annual Report.

#### 29. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed and forms part of this Annual Report.

#### 30. CORPORATE SOCIAL RESPONSIBILITY POLICY

At SMC Global Securities Limited, Corporate Social Responsibility (CSR) encompasses much more than social outreach programmes. It lies at the heart of the Company's business operations. Over the years, the Company has aligned its business processes and goals to make a more deep-rooted impact on the society's sustainable development.

In accordance with the requirements of Section 135 of the Companies Act, 2013, the Company has constituted a CSR Committee. The composition and terms of reference of the CSR Committee is provided in the Report on Corporate Governance, which forms part of this Report.



The Company has also formulated a Corporate Social Responsibility Policy, which is available on the Company's website at <http://www.smcindiaonline.com/Investor-Corner.aspx>.

During FY 2016-17, the Company has spent ₹ 22,96,000 towards the CSR activities. Being the initial year, the Company was in the process of evaluating the focus areas/locations of intervention for CSR activities to cater to the pressing needs of society and deliver optimal impact. As a socially responsible Company, your Company is committed to increase its CSR impact and spend over the coming years, with its aim of playing a larger role in India's sustainable development by embedding wider economic, social and environmental objectives. A detailed update on the CSR initiatives of the Company is provided in the Corporate Social Responsibility and Sustainability Report as **Annexure-III**, which forms part of the Annual Report.

### 31. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company is committed to provide a protective environment at workplace for all its women employees. To ensure that every woman employee is treated with dignity and respect and as mandate under "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" the Company has in place a formal policy for prevention of sexual harassment of its women employees.

In terms of provisions of Section 22 and Section 28 of The Sexual Harassment of Woman at the Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has duly constituted prevention of sexual harassment committee in the Company with the following Members:

S.No.	Name	Designation
1.	Ms. Reema Garg	Chairperson
2.	Ms. Vandana Bharti	Member
3.	Ms. Rashmi Atri	Member
4.	Mr. Vinod K. Jamar	Member
5.	Mr. Ashok Aggarwal	Member

The Company has in place an Anti-Sexual Harassment Policy in line with the requirement of "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013".

Further, the Company has constituted Internal Complaints Committee to redress Complaints received regarding sexual harassment during the period. Under the review period no complain has been received by the Committee.

### 32. AUDITOR AND AUDITORS' REPORT

M/s R. Gopal & Associates, Chartered Accountants, (Firm Registration No. 000846C) were appointed as the Statutory Auditor of the Company in the 21st Annual General Meeting till the conclusion of 25th Annual General Meeting. Your consent is required for ratification of their appointment to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting on remuneration to be fixed and approved by the Board of Directors of the Company.

The Board has duly examined the Statutory Auditors' Report to the accounts for the Financial Year ended 31st March, 2017 which is self-explanatory. There is no qualification, reservations, adverse remarks or disclaimer in the Auditors Report.

During the period under review, the auditors' have not reported any frauds in terms of Section 143(12) of the Companies Act, 2013.

There are no qualifications or adverse remarks in the Auditors' Report, which require any clarification or explanation.

### 33. SECRETARIAL AUDIT REPORT

The Company had appointed M/s. A.K. Roy & Associates, Company Secretaries, to conduct its Secretarial Audit for the Financial Year ended 31st March, 2017. The Secretarial Auditors have submitted their report confirming the compliance with all the applicable provisions of various corporate laws. There is no qualification, reservations, adverse remarks or disclaimer in the Secretarial Audit Report

In terms of provisions of Section 204 of the Companies Act, 2013, the Secretarial Audit Report is attached as **Annexure-V** of this report.

### 34. VIGIL MECHANISM

A brief note on the highlights of the Vigil Mechanism Policy is provided in the Report on Corporate Governance, which forms part of this Annual Report. Further Vigil Mechanism applicable to Directors and Senior Management of the Company is available on the Company's website at [http://www.smcindiaonline.com\\_Investorcorner\\_policies\\_Vigilmechanism\\_policy.pdf](http://www.smcindiaonline.com_Investorcorner_policies_Vigilmechanism_policy.pdf).

### 35. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions contained in Section 134(5) of the Companies Act, 2013, your Directors, based on the representation received from the Operating Management and after due enquiry, confirm that:

- In the preparation of the annual accounts for the Financial Year ended on 31st March, 2017 the applicable Accounting Standards have been followed and there are no material departures from the same.
- 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 on 31st March, 2017 and of the profit of the Company for that period.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The annual accounts have been prepared on a 'going concern' basis.

(v) The Internal Financial Controls have been laid by the Company and such Financial Controls are adequate and were operating effectively.

(vi) Proper systems had been devised in compliance with the provision of all the applicable laws and such systems were adequate and operating effectively.

#### 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 C. AGGARWAL**  
(Chairman & Managing Director)  
DIN: 00003267

**Address: HOUSE NO. 67, ROAD NO. 41,  
WEST PUNJABI BAGH, DELHI - 110026**

Place: Mumbai  
Date: 29th May, 2017

#### ANNEXURE-I

##### Form No. MGT-9

##### EXTRACT OF ANNUAL RETURN

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

##### I. REGISTRATION & OTHER DETAILS:

1.	CIN	L74899DL1994PLC063609
2.	Registration date	19/12/1994
3.	Name of the Company	SMC Global Securities Limited
4.	Category/Sub-category of the Company	Company Limited by Shares/Non- Government Company
5.	Address of the registered office	11/6-B, Shanti Chamber, Pusa Road, New Delhi-110005
6.	Contact details	011-30111000   40753333
7.	Whether listed company	Yes
8.	Name, address & contact details of the registrar & transfer agent, if any	Link Intime India Pvt. Ltd. 44, Community Centre, 2nd floor, Naraina Industrial Area, Phase I, Near PVR, Naraina New Delhi - 110028 & PhNo.-011-41410592/93/94

##### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

(All the business activities contributing 10% or more of the total turnover of the Company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Securities Brokerage Services	66120	31.64
2.	Proprietary Trading	-	35.93

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No.	Name of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	SMC Comtrade Limited	U67120DL1997 PLC188881	Subsidiary	100*	2(87)
2.	SMC Capitals Limited	U74899DL1994 PLC063201	Subsidiary	100	2(87)
3.	Moneywise Financial Services Private Limited	U51909WB1996 PTC078352	Subsidiary	100	2(87)
4.	Indunia Realtech Limited	U70102DL2009 PLC190606	Subsidiary	100	2(87)
5.	SMC Investments And Advisors Limited	U19201DL1997 PLC089315	Subsidiary	100	2(87)
6.	SMC Finvest Limited*	U65999MH2009 FLC196922	Subsidiary	100	2(87)
7.	Moneywise Finvest Limited	U67100MH2009 FLC196923	Subsidiary	100	2(87)
8.	SMC Insurance Brokers Private Limited	U45201DL1995 PTC172311	Subsidiary	97.58 (Held by SMC Comtrade Limited)	2(87)
9.	SMC Real Estate Advisors Private Limited	U74120UP2013 PTC054923	Subsidiary	100 (Held by SMC Finvest Limited)	2(87)
10.	SMC Comex International DMCC (Dubai Based Company)	Dubai Based Company	Subsidiary	100 (Held by SMC Comtrade Limited)	2(87)
11.	SMC Global USA Inc	USA Based Company	Subsidiary	50	2(87)
12.	SMC Global IFSC Private Limited	U65990GJ2016 PTC094622	Subsidiary	100	2(87)
13.	SMC & IM Capitals Investment Manager LLP	AAG-8181	Joint Venture	50	-

\* SMC Global Securities Limited and SMC Finvest Limited are holding 85% and 15% Equity Shares respectively.

## IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

## A) CATEGORY-WISE SHARE HOLDING:

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
<b>Indian</b>									
Individual/ HUF	40,718,670	-	40,718,670	35.99	40,718,670	-	40,718,670	35.99	NIL
Central Govt.	-	-	-	-	-	-	-	-	-
State Govt.	-	-	-	-	-	-	-	-	-
Bodies Corp.	25,604,670	-	25,604,670	22.63	25,604,670	-	25,604,670	22.63	NIL
Banks / FI	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total A (1)</b>	<b>66,323,340</b>	<b>-</b>	<b>66,323,340</b>	<b>58.62</b>	<b>66,323,340</b>	<b>-</b>	<b>66,323,340</b>	<b>58.62</b>	<b>NIL</b>
<b>Foreign</b>									
NRI/Individuals	-	-	-	-	-	-	-	-	-
Other Individuals	-	-	-	-	-	-	-	-	-
Bodies Corp.	-	-	-	-	-	-	-	-	-
Banks / FI	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total A (2)</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>NIL</b>
<b>Total A=A(1)+A(2)</b>	<b>66,323,340</b>	<b>-</b>	<b>66,323,340</b>	<b>58.62</b>	<b>66,323,340</b>	<b>-</b>	<b>66,323,340</b>	<b>58.62</b>	<b>NIL</b>
<b>B. Public Shareholding</b>									
<b>Institutions</b>									
Mutual Funds	-	-	-	-	-	-	-	-	-
Banks / FI	-	-	-	-	-	-	-	-	-
Central Govt.	-	-	-	-	-	-	-	-	-
State Govt.	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	-	-	-	-	-	-	-	-	-
FIs	-	-	-	-	-	-	-	-	-
Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total B (1)</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>NIL</b>

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>Non Institutions</b>									
<b>Bodies Corporate</b>									
i) Indian	1,66,14,680	36,000	1,66,50,680	14.72	1,65,47,510	36,000	1,65,83,510	14.66	(0.06)
ii) Overseas	1,25,86,065	1,16,10,560	2,41,96,625	21.39	1,22,36,065	1,16,10,560	2,38,46,625	21.08	(0.31)
Individual shareholders holding nominal share capital upto ₹ 1 lakh	18,50,165	9,94,660	28,44,825	2.51	18,38,535	9,27,660	27,66,195	2.45	(0.07)
Individual shareholders holding nominal share capital in excess of ₹1 lakh	20,56,810	1,40,000	21,96,810	1.94	21,65,810	1,40,000	23,05,810	2.04	0.10
<b>Others (specify):</b>									
<b>i. Non Resident Indians</b>									
(Non repat)	20,000	-	20,000	0.02	20,000	-	20,000	0.02	NIL
(Repat)	1,000	-	1,000	0.00	3,51,000	-	3,51,000	0.31	0.31
ii. Clearing Members	25,000	-	25,000	0.02	-	-	-	0.00	(0.02)
iii. HUF	8,76,170	-	8,76,170	0.77	9,37,970	-	9,37,970	0.83	0.06
<b>Sub-totalB(2)</b>	<b>3,40,29,890</b>	<b>1,27,81,220</b>	<b>4,68,11,110</b>	<b>41.38</b>	<b>3,40,96,890</b>	<b>1,27,14,220</b>	<b>4,68,11,110</b>	<b>41.38</b>	<b>NIL</b>
<b>TotalB=B(1)+B(2)</b>	<b>3,40,29,890</b>	<b>1,27,81,220</b>	<b>4,68,11,110</b>	<b>41.38</b>	<b>3,40,96,890</b>	<b>1,27,14,220</b>	<b>4,68,11,110</b>	<b>41.38</b>	<b>NIL</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Total (A)+(B)+(C)</b>	<b>10,03,53,230</b>	<b>1,27,81,220</b>	<b>11,31,34,450</b>	<b>100</b>	<b>10,04,20,230</b>	<b>1,27,14,220</b>	<b>11,31,34,450</b>	<b>100</b>	<b>NIL</b>

( ) denotes negative figures.

**B) SHAREHOLDING OF PROMOTERS (INCLUDING PROMOTERS' GROUP):**

S. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding
		No. of shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of shares	% of total Shares of the company	% Shares pledged/ encumbered to total shares	
1	Mahesh C.Gupta	1,02,48,500	9.06	Nil	1,02,48,500	9.06	Nil	Nil
2	Subhash C.Agarwal	1,00,95,500	8.92	Nil	1,00,95,500	8.92	Nil	Nil
3	Hemlata Aggarwal	77,20,550	6.82	Nil	77,20,550	6.82	Nil	Nil
4	Sushma Gupta	75,66,550	6.69	Nil	75,66,550	6.69	Nil	Nil
5	Ginni Devi	22,00,000	1.94	Nil	22,00,000	1.94	Nil	Nil
6	Madan G. Agarwal	9,84,000	0.87	Nil	9,84,000	0.87	Nil	Nil
7	Ajay Garg	8,41,600	0.74	Nil	8,41,600	0.74	Nil	Nil
8	Damodar K. Aggarwal	7,81,970	0.69	Nil	7,81,970	0.69	Nil	Nil
9	Anurag Bansal	2,50,000	0.22	Nil	2,50,000	0.22	Nil	Nil
10	Archana Aggarwal	30,000	0.03	Nil	30,000	0.03	Nil	Nil
11	Asm Pipes Private Limited	1,86,67,140	16.50	Nil	1,86,67,140	16.50	Nil	Nil
12	Pulin Investments Private Limited	50,95,860	4.50	Nil	50,95,860	4.50	Nil	Nil
13	Jai Ambey Share Broking Limited	16,16,670	1.43	Nil	16,16,670	1.43	Nil	Nil
14	SMC Share Brokers Limited	2,25,000	0.19	Nil	2,25,000	0.19	Nil	Nil
	<b>Total</b>	<b>6,63,23,340</b>	<b>58.62</b>	<b>Nil</b>	<b>6,63,23,340</b>	<b>58.62</b>	<b>Nil</b>	<b>Nil</b>

**C) CHANGE IN PROMOTERS' SHAREHOLDING :**  
(PLEASE SPECIFY, IF THERE IS NO CHANGE)

S.No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	66,323,340	58.62	66,323,340	58.62
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/bonus/sweat equity etc.):	No Change	No Change	No Change	No Change
	At the end of the year	66,323,340	58.62	66,323,340	58.62

**D) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS:**  
(OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS)

S. No.	Shareholders' Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the Company
	<b>For Each of the Top 10 Shareholders</b>				
<b>1.</b>	<b>Millennium Investment and Acquisition Co. Inc.</b>				
	At the beginning of the year	13,604,690	12.02	13,604,690	12.02
	Sold during the year	(14,00,000)	(1.23)	(14,00,000)	(1.23)
	At the end of the year	12,204,690	10.79	12,204,690	10.79
<b>2.</b>	<b>Sanlam International Investment Partners Limited</b>				
	At the beginning of the year	94,60,590	8.36	94,60,590	8.36
	Bought during the year	0	0	0	0
	At the end of the year	94,60,590	8.36	94,60,590	8.36
<b>3.</b>	<b>Signature Global (India) Private Limited</b>				
	At the beginning of the year	52,40,885	4.63	52,40,885	4.63
	Bought during the year	36,25,000	3.21	36,25,000	3.21
	At the end of the year	88,65,885	7.84	88,65,885	7.84
<b>4.</b>	<b>Bennett, Coleman and Company Limited</b>				
	At the beginning of the year	43,35,390	3.83	43,35,390	3.83
	Bought during the year	0	0	0	0
	At the end of the year	43,35,390	3.83	43,35,390	3.83
<b>5.</b>	<b>Cresta Fund Limited</b>				
	At the beginning of the year	11,31,345	1	11,31,345	1
	Bought during the year	10,50,000	0.93	10,50,000	0.93
	At the end of the year	21,81,345	1.93	21,81,345	1.93
<b>6.</b>	<b>Agbros Polymers LLP</b>				
	At the beginning of the year	0	0	0	0
	Bought during the year	15,83,340	1.4	15,83,340	1.4
	At the end of the year	15,83,340	1.4	15,83,340	1.4

S. No.	Shareholders' Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the Company
	<b>For Each of the Top 10 Shareholders</b>				
<b>7.</b>	<b>Svan Securities Private Limited</b>				
	At the beginning of the year	1,616,670	1.43	1,616,670	1.43
	Sold during the year	(4,81,000)	(0.43)	(4,81,000)	(0.43)
	At the end of the year	11,35,670	1	11,35,670	1
<b>8.</b>	<b>Sunil Datt</b>				
	At the beginning of the year	0	0	0	0
	Bought during the year	3,50,000	0.31	3,50,000	0.31
	At the end of the year	3,50,000	0.31	3,50,000	0.31
<b>9.</b>	<b>S.K. Gupta (HUF)</b>				
	At the beginning of the year	1,40,000	0.12	1,40,000	0.12
	Bought during the year	0	0	0	0
	At the end of the year	1,40,000	0.12	1,40,000	0.12
<b>10.</b>	<b>Vision Jewellers Private Limited</b>				
	At the beginning of the year	1,35,039	0.12	1,35,039	0.12
	Bought during the year	0	0	0	0
	At the end of the year	1,35,039	0.12	1,35,039	0.12

**Note:** The details of shareholding are maintained by respective Depositories and it is not feasible to provide daily change in the shareholding of top ten shareholders. Therefore, consolidated changes during the year 2016-17 has been provided.

#### E) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

S. No.	Shareholding at the beginning of the year	Cumulative Shareholding during the year		
		No. of Shares	% of Total shares of the Company	% of Total Shares of the Company
<b>1.</b>	<b>Subhash C. Aggarwal</b>			
	At the beginning of the year	1,00,95,500	8.92	1,00,95,500
	Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/transfer /bonus/ sweat equity, etc):	-	-	-
	At the end of the year	1,00,95,500	8.92	1,00,95,500
<b>2.</b>	<b>Mahesh C. Gupta</b>			
	At the beginning of the year	1,02,48,500	9.06	1,02,48,500
	Date wise Increase/Decrease in share holding during the year specifying the reasons for increase /decrease (e.g. allotment/transfer /bonus/sweat equity, etc):	-	-	-
	At the end of the year	1,02,48,500	9.06	1,02,48,500
<b>3.</b>	<b>Ajay Garg</b>			
	At the beginning of the year	8,41,600	0.74	8,41,600
	Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/transfer/bonus/sweat equity, etc):	-	-	-
	At the end of the year	8,41,600	0.74	8,41,600
<b>4.</b>	<b>Anurag Bansal</b>			
	At the beginning of the year	2,50,000	0.22	2,50,000
	Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/transfer /bonus/sweat equity, etc):	-	-	-
	At the end of the year	2,50,000	0.22	2,50,000

**Note:** 1. No other Director held any shares of the Company during the Financial Year 2016-17.  
2. KMPs don't hold any share in the Company, other then mentioned above.

**V. INDEBTEDNESS:**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the Financial Year</b>				
(i) Principal Amount	842,186,092	NIL	NIL	842,186,092
(ii) Interest due but not paid	NIL	-	-	-
(iii) Interest accrued but not due	NIL			
<b>Total (i+ii+iii)</b>	<b>842,186,092</b>	<b>NIL</b>	<b>NIL</b>	<b>842,186,092</b>
<b>Change in Indebtedness during the Financial Year</b>				
*Addition	15,267,294,855	-	-	15,267,294,855
* Reduction	(14,030,854,131)			(14,030,854,131)
<b>Net Change</b>	<b>1,236,440,724</b>	<b>NIL</b>	<b>NIL</b>	<b>1,236,440,724</b>
<b>Indebtedness at the end of the Financial Year</b>				
(i) Principal Amount	2,078,626,816	-	-	2,078,626,816
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>2,078,626,816</b>	<b>NIL</b>	<b>NIL</b>	<b>2,078,626,816</b>

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNELS:****A. REMUNERATION TO MANAGING DIRECTORS, WHOLE TIME DIRECTORS AND/OUR MANAGERS:**

(Amount in ₹)

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total
		Mr. Subhash C. Aggarwal (MD)	Mr. Mahesh C. Gupta (MD)	Mr. Anurag Bansal (WTD)	Mr. Ajay Garg (WTD)	
1.	Gross salary	9,750,000	9,750,000	6,792,500	6,200,000	32,492,500
	(a) Salary as per provisions - contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act,1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit - others, specify..	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
<b>Total (A)</b>		<b>9,750,000</b>	<b>9,750,000</b>	<b>6,792,500</b>	<b>6,200,000</b>	<b>32,492,500</b>
<b>Ceiling as per the Act</b>		<b>Remuneration as per Schedule V of the Companies Act, 2013</b>				

**B. REMUNERATION TO OTHER DIRECTORS:**

(Amount in ₹)

S. No.	Particulars of Remuneration			Total	
1.	Name of Independent Directors	Fee for attending board Committee Meetings	Commission	Others, please specify	
	Madhu Vij	225,000	-	-	225,000
	Satish C. Gupta	315,000	-	-	315,000
	Kundan M. Agarwal	365,000	-	-	365,000
	Hari D. Khunteta	325,000	-	-	325,000
	Chandra Wadhwa	245,000	-	-	245,000
	Roop C. Jindal	335,000	-	-	335,000
	Narain D. Gupta	305,000	-	-	305,000
	G.S. Sundararajan*	200,000	-	-	200,000
	<b>Total (1)</b>	<b>2,315,000</b>	<b>-</b>	<b>-</b>	<b>2,315,000</b>
2.	Name of other Non-Executive Directors	Fee for attending board Committee Meetings	Commission	Others, please specify	
	Finney J. Cherian	-	-	-	-
	<b>Total (2)</b>	<b>2,315,000</b>	<b>-</b>	<b>-</b>	<b>2,315,000</b>
	<b>Total (B)=(1+2)</b>	<b>2,315,000</b>	<b>-</b>	<b>-</b>	<b>2,315,000</b>
	<b>Total Managerial Remuneration (A+B)</b>	<b>34,807,500</b>	<b>-</b>	<b>-</b>	<b>34,807,500</b>
	Overall Ceiling as per the Act	Sitting fees as per Companies Act, 2013			

\*Mr. G.S. Sundararajan resigned from the Board with effect from 22nd February, 2017 .

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:** (Amount in ₹)

S. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO NA	Company Secretary (Suman Kumar)	CFO (Vinod K. Jamar)	
1.	Gross salary	-	3,644,422	5,042,658	8,687,080
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
<b>Total</b>		<b>-</b>	<b>3,644,422</b>	<b>5,042,658</b>	<b>8,687,080</b>

**VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

(Amount in ₹)

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NIL		
Punishment					
Compounding					



**Form AOC -1**

(Pursuant to first provision to sub-section (3) of Section 129 read with the Rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the Financial Statement of Subsidiaries/Associate Companies/Joint Ventures

**Annexure- II****Part "A" Subsidiaries**

(Amount in ₹)

S. No.	Name of the subsidiaries Company	Share Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit/(Loss) Before Tax	Provision For Tax	Profit/(Loss) After Tax	Proposed Dividend	Percentage Shareholding
1	SMC Capitals Ltd.	100,000,000	40,335,368	148,855,838	8,520,470	-	44,240,958	(6,496,872)	(719,530)	(5,777,342)	-	100
2	Moneywise Financials Services Pvt Ltd.	3,21,569,200	1,371,974,515	3,830,803,888	2,137,260,173	29,765,150	433,857,382	206,117,319	82,257,372	123,859,947	-	100
3	SMC Comtrade Ltd.	100,000,000	1,194,044,450	2,750,241,925	1,456,197,475	1,059,985,558	482,531,185	21,507,283	(6,593,298)	28,100,581	-	100*
4	SMC Insurance Brokers Pvt Ltd.	414,000,000	25,087,375	481,548,117	42,460,742	264,058,266	470,634,007	62,844,252	17,757,846	45,086,406	-	97.58
5	SMC Comex International DMCC*											100
	In USD	2,405,288	(102,955)	14,845,542	12,543,209	-	1,966,353	(88,393)	-	(88,393)	-	
	In INR	155,955,481	(6,675,487)	962,564,206	813,284,212	-	127,495,612	(5,731,280)	-	(5,731,280)	-	
6	SMC Investments and Advisors Ltd.	250,000,000	31,146,849	293,836,760	12,689,911	15,000,000	144,588,519	27,274,113	-	27,274,113	-	100
7	Indunia Realtech Ltd.	25,000,000	(4,274,299)	39,714,871	18,989,170	-	-	(12,406,415)	(2,940,281)	(9,466,134)	-	100
8	SMC Finvest Ltd.	410,000,000	32,591,854	444,448,549	1,856,695	287,500,000	14,413,429	10,109,381	3,319,527	6,789,854	-	100
9	Moneywise Finvest Ltd.	25,000,000	(68,969)	61,578,196	36,647,165	-	(23,810,307)	(24,791,695)	(6,431,181)	(18,360,514)	-	100
10	SMC Real Estate Advisors Pvt Ltd.	100,000,000	4,111,847	302,807,388	198,695,541	-	226,675,896	(86,670)	304,507	(391,177)	-	100
11	SMC Global USA Inc**											50
	In USD	1,153,400	(473,268)	931,546	251,414	-	196,676	(346,368)	-	(346,368)	-	
	In INR	74,784,841	(30,686,058)	60,400,137	16,301,354	-	12,752,209	(22,458,040)	-	(22,458,040)	-	
12	SMC Global IFSC-Pvt Ltd.	119,998,000	(7,355,159)	114,701,208	2,058,367	-	(448,199)	(2,504,680)	(644,955)	(1,859,725)	-	100

\* SMC Global Securities Limited and SMC Finvest Limited hold 85% and 15% respectively.

Notes: 1. \*\*Converted to Indian Rupees at the exchange rate 1USD = INR 64.83862.

2. The aforesaid data in respect of Subsidiaries are as on 31st March, 2017.

3. Provision of tax includes deferred tax, Mat Credit Entitlement & prior period tax.

**Part "B" Joint Venture**

(Amount in ₹)

S. No.	Name of the entity	Latest audited Balance Sheet Date	Shares/Capital of Associate/Joint Ventures held by the Company on the year end	Amount of Investments	Reason why the associate/Joint Venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Turnover	Profit/(Loss) For the Year		Percentage Shareholding
								Considered in Consolidation	Not Considered in Consolidation	
1	SMC and IM Capitals Investment Manager LLP	31st March, 2017	15,000,000	15,000,000	NA	5,895,906	-	(9,104,094)	(9,104,094)	50

## Annexure III

## ANNUAL REPORT ON CSR ACTIVITIES

[Pursuant to Section 135 of the Act & Rules made thereunder]

## 1. Brief Outline of Company's CSR Policy

At SMC, business success is not just about profits and shareholder returns. We believe in pursuing wider socio-economic and cultural objectives and have always endeavoured to not just live up to it, but to try and exceed the expectations of the communities in which we operate. At SMC, the CSR and welfare activities centers around the following areas:

- I. Promoting education including special

education, employment enhancing vocation skills especially among children and livelihood enhancement projects;

- II. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- III. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.

The detailed CSR Policy of the Company is available on Company's website at: <http://www.smcindiaonline.com/Investor-Corner.aspx>

## 2. Composition of the CSR Committee:

S. No.	Name of the Member	Designation
1	Mr. Subhash C. Aggrawal	Chairman
2	Mr. Mahesh C. Gupta	Vice- Chairman
3	Mr. Satish C. Gupta	Member
4	Mr. Kundan M. Agarwal	Member

3. Average net profit before tax of the Company for last three (3) Financial years: ₹ 16,64,50,479

4. Prescribed CSR Expenditure (2% of the amount as above): ₹ 33,29,010

5. Details of CSR spent during the year

- a) Total amount spent during the Financial Year ₹ 22,96,000

- b) Amount unspent ₹ 2,718,779 (view Statutory Reports/Financial Statements)

## C. MANNER IN WHICH THE AMOUNT SPENT DURING THE FINANCIAL YEAR IS DETAILED BELOW:

(Amount in ₹)

S. No.	CSR Project or Activity Identified	Sector in which the Project is Covered	Location	Amount outlay (budget) Project or Programme Wise	Amount spent on the project or programme	Cumulative Expenditure upto reporting Period	Amount spent: Direct or through Implementing agency
1.	Society for Rural Urban & Trib	Social	New Delhi	N.A.	141,000	141,000	Direct
2.	Ashadeep	Preservation of Environment	Rajasthan	N.A.	105,000	246,000	Direct
3.	Help Us Help Them	Promotion of Education amount Under privileged Student	Kolkata	N.A.	500,000	746,000	Direct
4.	Institute of Applied Systems & Rural	Clean Ganga Mission Development	Noida	N.A.	100,000	846,000	Direct
5.	Bharat Lok Shiksha Parishad	For Running Ekal Vidhyalaya For Informal education of Tribal Children	Delhi	N.A.	1,000,000	1,846,000	Direct
6.	Arogya Foundation of India	Preventive Health Care Initiatives In Rural And Tribal Areas	Delhi	N.A.	200,000	2,046,000	Direct
7.	Rajasthan Club	Promotion of Education ( Beti Bachao Beti Padhao Project )	New Delhi	N.A.	250,000	2,296,000	Direct

#### 6. Reason for not spending the prescribed 2% amount

During FY 2016-17, the Company has spent ₹ 22,96,000 towards the CSR activities. The Company was in the process of evaluating the focus areas / locations of intervention for CSR activities to cater to the pressing needs of society and deliver optimal impact. As a socially responsible Company, your Company is committed to increase its CSR impact and spend over the coming years, with its aim of playing a larger role in India's sustainable development by embedding wider economic, social and environmental objectives.

#### 7. Responsibility Statement of the CSR Committee

The Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

For and on Behalf of the Board

sd/-

**SUBHASH C. AGGARWAL**  
(Chairman & Managing Director)  
DIN: 00003267

**Address: HOUSE NO. 67, ROAD NO. 41,  
WEST PUNJABI BAGH, DELHI - 110026**

Place: Mumbai  
Date: 29th May, 2017

## Annexure IV

### FORM AOC-2

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

#### 1. Details of contracts or arrangements or transactions not at arms' length basis:

(a)	Name(s) of the related party and nature of relationship	There are no such contracts or arrangements or transactions which are not at arms' length basis.
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts/arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any;	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	Date(s) of approval by the Board	
(g)	Amount paid as advances, if any;	
(h)	Date on which the Special Resolution was passed in General Meeting as required under first proviso to Section 188	

#### 2. Details of material contracts or arrangement or transactions at arms' length basis:

(a)	Name(s) of the related party and nature of relationship	Please refer Standalone Financial Statements for details of all related party transactions which in the opinion of the Board, are in the ordinary course of business of the Company and are at arms' length basis.
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts/arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any;	
(e)	Date(s) of approval by the Board, if any;	
(f)	Amount paid as advances, if any;	

For and on Behalf of the Board

sd/-

**SUBHASH C. AGGARWAL**  
(Chairman & Managing Director)  
DIN: 00003267

**Address: HOUSE NO. 67, ROAD NO. 41,  
WEST PUNJABI BAGH, DELHI - 110026**

Place: Mumbai  
Date: 29th May, 2017

## Annexure V

**SECRETARIAL AUDIT REPORT**

For the Financial Year ended 31st March, 2017 [Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**To,**  
**The Member,**  
**SMC GLOBAL SECURITIES LIMITED**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s SMC Global Securities Limited (hereinafter called "The Company"). Secretarial Audit was conducted in a manner that provided us reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the extent, in the manner and subject to the reporting made hereinafter. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2017 according to the provisions of;

1. The Companies Act, 2013 (the Act) and the Rules made there under;
2. The Securities Contracts (Regulation) Act, 1956(SCRA) and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-law framed hereunder;

4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India, 1992 ('SEBI Act');
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registration to an Issue and Share Transfers Agents) Regulations, 1993;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

**6. Other Laws applicable to the Company;**

- a) The Payment of Wages Act, 1936, and Rules made thereunder,
- b) The Minimum Wages Act, 1948, and Rules made thereunder,
- c) Employee State Insurance Act, 1948, and Rules made thereunder,
- d) The Employee Provident Fund and Miscellaneous Provisions Act, 1952, and Rules made thereunder,
- e) The Payment of Bonus Act, 1965 and Rules made thereunder,
- f) The Payment of Gratuity Act, 1972 and Rules made thereunder,
- g) The Contract Labour (Regulation and Abolition) Act, 1970,
- h) The Maternity Benefits Act, 1961,
- l) Prevention of Money Laundering Act, 2002.

**We have also examined compliance with the applicable clauses of the following;**

- I. The Secretarial Standards issue by the Institute of Company Secretaries of India.
- II. The Listing Agreements entered into by the Company with Ahmedabad Stock Exchange, Calcutta Stock Exchange and Ludhiana Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. We further report that, The Board of Directors

of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven(7) days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting. All decision at Board Meetings and Committee Meetings are carried unanimously as recorded in the minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be. We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**A.K. ROY & Associates**  
(Practicing Company Secretary)

sd/-

**Arvind K. Roy**  
(Proprietor)  
**FCS: 8308**  
**CP: 9147**

**Place: New Delhi**  
**Date : 26th May, 2017**

## Annexure VI

**INFORMATION RELATING TO ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS AND OUTGO FORMING PART OF DIRECTORS' REPORT IN TERMS OF SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014**

**(a) Conservation of energy**

(i)	the steps taken or impact on conservation of energy	NA
(ii)	the steps taken by the Company for utilizing alternate sources of energy	NA
(iii)	the capital investment on energy conservation equipments	NA

**(b) Technology absorption**

(i)	the efforts made towards technology absorption	NA
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	NA
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year):	NA
(a)	the details of technology imported	NA
(b)	the year of import	NA
(c)	whether the technology has been fully absorbed	NA
(d)	if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	NA
(iv)	the expenditure incurred on Research and Development	NA

**(c) Foreign exchange earnings and outgo**

The Foreign Exchange earned in terms of actual inflows during the year: Nil

The Foreign Exchange outgo during the year in terms of actual outflows: ₹ 5,67,53,506/-

For and on Behalf of the Board

sd/-

**SUBHASH C. AGGARWAL**

(Chairman & Managing Director)

DIN: 00003267

**Address: HOUSE NO. 67, ROAD NO. 41,  
WEST PUNJABI BAGH, DELHI - 110026**

Place: Mumbai

Date: 29th May, 2017



# GOAL BASED RETURNS WITH FOCUSED WEALTH MANAGEMENT SERVICES



Building Wealth  
Enriching Lives.

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

# CORPORATE GOVERNANCE REPORT

## (PURSUANT TO REGULATION 15 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)

Corporate Governance refers to the way a corporation is governed. It is the technique by which Companies are directed and managed. It means carrying the business as per the stakeholders' (financiers, customers, management, employees, government and the community) desires. It is actually conducted by the Board of Directors and the concerned committees for the company's stakeholders' benefit. It is all about balancing individual as well as economic and social goals.

The relationship between the owners and the management in an organization must be healthy and there should be no conflict between the two. The management must see that individuals' actual performance is according to the standard performance. These dimensions of corporate governance should not be overlooked.

Corporate Governance deals with determining ways to take effective strategic decisions. It gives ultimate authority and complete responsibility to the Board of Directors. In today's market-oriented economy, the need for corporate governance arises. Also, efficiency as well as globalization are significant factors urging corporate governance. Corporate Governance is essential to develop added value to the stakeholders.

Corporate Governance ensures transparency which ensures strong and balanced economic development. It ensures that all shareholders fully exercise their rights and that the organization fully recognizes their rights. Corporate Governance has a broad scope. It includes both social and institutional aspects. Corporate Governance encourages a trustworthy, moral, as well as ethical environment.

### COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

- In SMC, Corporate Governance philosophy stems from our belief that Corporate Governance is an integral element in improving efficiency and growth as well as enhancing investor confidence.
- The Company believes in sustainable corporate growth that emanates from the top leadership down through the organization to the various stakeholders which is reflected in its sound financial system, enhanced market reputation and improved efficiency.
- We believe that our Company shall go beyond adherence to regulatory framework. Our corporate structure, business, operations and disclosure practices have been strictly aligned to our Corporate Governance philosophy. Transparency, accountability, fairness and intensive communication with stakeholders are integral to our functioning. We believe in system driven performance and performance oriented systems. We accord highest priority to these systems and protect the interests of all our shareholders, particularly the minority shareholders.
- We have tried to blend growth and efficiency with governance and ethics. Our Board of Directors, guided by the mission statement, formulate strategies and policies having focus on optimizing value for various stakeholders like consumers, shareholders and the society at large.

## BOARD OF DIRECTORS

### COMPOSITION OF THE BOARD OF DIRECTORS

We believe that your Board has an optimum combination of Executives, Non- Executive and Independent Directors on the Board as per the requirement of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The requirement of a Woman Director on the Board of the Company is also complied by the Company. The details of all the Directors is posted on our website via [http://www.smcindiaonline.com\\_Investorcorner\\_Director&officeers\\_BoardofDirectors.aspx](http://www.smcindiaonline.com_Investorcorner_Director&officeers_BoardofDirectors.aspx)

[smcindiaonline.com\\_Investorcorner\\_Director&officeers\\_BoardofDirectors.aspx](http://www.smcindiaonline.com_Investorcorner_Director&officeers_BoardofDirectors.aspx)

During the FY 2016-17 your Board met Six (6) times dated **18th May, 2016; 21st July, 2016; 12th August, 2016; 14th November, 2016; 29th November, 2016 and 14th February, 2017**. Details of composition of the Board, category, attendance of Directors at the Board Meetings and last Annual General Meeting (AGM), number of other directorships and committee positions as on 31st March, 2017 are given below:

Name of the Director	Category & Designation	Attendance		No. of Directorships in other Companies ##	Committee Memberships ###	
		Board Meeting	AGM for the year 2015-16 #		Chairman	Member
Mr. Subhash C. Aggarwal (DIN 00003267)	Promoter, Executive, Chairman & Managing Director	6	Y	1	NIL	1
Mr. Mahesh C. Gupta (DIN 00003082)	Promoter, Executive, Vice-Chairman & Managing Director	5	Y	1	NIL	1
*Mr. Pradeep K. Aggarwal (DIN 00203822)	Executive, Whole-time Director	1	N	2	NIL	1
Mr. Ajay Garg (DIN 00003166)	Executive, Whole-time Director	5	Y	3	NIL	1
Mr. Anurag Bansal (DIN 00003294)	Executive, Whole-time Director	2	Y	4	NIL	NIL
Mr. Kundan M. Agarwal (DIN 01522375)	Independent & Non-Executive Director	6	Y	5	1	5
Mr. Narain D. Gupta (DIN 01522375)	Independent & Non-Executive Director	5	N	1	NIL	2
Mr. Roop C. Jindal (DIN 01450916)	Independent & Non-Executive Director	5	N	NIL	NIL	2
Mr. Satish C. Gupta (DIN 00025780)	Independent & Non-Executive Director	5	Y	6	3	10

Name of the Director	Designation	Attendance		No. of Directorships in other Companies ##	Committee Memberships ###	
		Board Meeting	AGM for the year 2015-16 #		Chairman	Member
Mr. Hari D. Khunteta (DIN 00061925)	Independent & Non-Executive Director	6	N	6	NIL	7
Mr. Chandra Wadhwa (DIN 00764576)	Independent & Non-Executive Director	5	Y	2	NIL	2
Dr. Madhu Vij (00025006)	Independent & Non-Executive Director	5	Y	4	NIL	2
**Mr. G.S. Sundararajan (DIN: 00361030)	Non-Executive Director	4	N	1	NIL	NIL
Mr. Finney J. Cherian (DIN 02011132)	Non-Executive Director	3	N	1	NIL	NIL
***Mr. J. H. P. Van Der Merwe (DIN 03048724)	Non- Executive Director	1	-	NIL	NIL	NIL

\*Mr. Pradeep K. Aggarwal who was liable to retire by rotation in the Annual General Meeting dated 16th July, 2016 showed his unwillingness to be reappointed and therefore not re-appointed as the Director of the Company.

\*\*Mr. G. S. Sundararajan has resigned from the Company and his resignation has been accepted by the Board of Directors of the Company with effect from 22nd February, 2017.

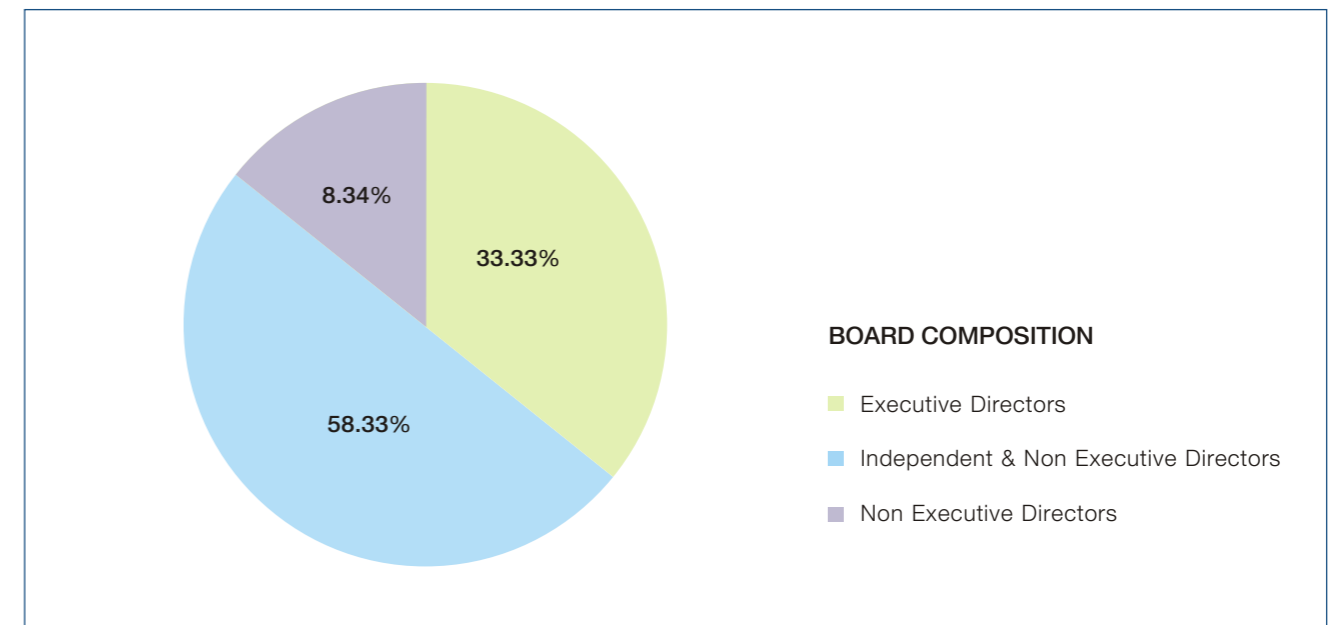
\*\*\*Mr. J. H. P. Van Der Merwe has resigned from the Company and his resignation has been accepted by the Board of Directors of the Company with effect from 10th June, 2016.

@The meeting held on 14th November, 2016 was adjourned due to want of quorum on 29th November, 2016.

# 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 Stakeholders' Relationship Committee.



#### REVIEW OF COMPLIANCE REPORTS

In conformity with Regulation 17(3) of SEBI (Listing Obligations and Disclosure Requirements) 2015, the Board of Directors has periodically reviewed the compliance reports pertaining to all laws applicable to the Company from time to time.

#### CODE OF CONDUCT

The Board of Directors has laid down a Code of Conduct for all Board members and Senior Management of the Company. All the Directors and Senior Management have affirmed compliance with the Code of Conduct as approved and adopted by the Board of Directors and a declaration to this effect signed by the Managing Director has been annexed to

the Corporate Governance Report. The Code of Conduct has been posted on the website of the Company [www.smcindiaonline.com](http://www.smcindiaonline.com)

#### DETAILS OF REMUNERATION TO DIRECTORS

In pursuance to the Companies Act, 2013 and rules made thereunder and as per the Regulation 17(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and in terms of the remuneration policy, the Board of Directors has paid remuneration to the Executive Directors and sitting fees to the Independent Directors. The payment of remuneration is as per Schedule V of the Companies Act, 2013 and sitting fees are within the limits of the Companies Act, 2013.



**The Details of Remuneration package, sitting fees paid, etc., to the Directors of the Company during the Financial Year 2016-17, for information of members, are furnished here under:**

Name of the Director	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. Subhash C. Aggarwal (DIN 00003267)	None	Nil	Nil	9,750,000	Nil	Nil
Mr. Mahesh C. Gupta (DIN 00003082)	None	Nil	Nil	9,750,000	Nil	Nil
*Mr. Pradeep K. Aggarwal (DIN 00203822)	None	Nil	Nil	Nil	Nil	Nil
Mr. Ajay Garg (DIN 00003166)	None	Nil	Nil	6,200,000	Nil	Nil
Mr. Anurag Bansal (DIN 00003294)	None	Nil	Nil	6,792,500	Nil	Nil
Mr. Narain D. Gupta (DIN 01522375)	None	305,000	Nil	Nil	Nil	Nil
Mr. Roop C. Jindal (DIN 01450916)	None	335,000	Nil	Nil	Nil	Nil
Mr. Kundan M. Agarwal (DIN 00043115)	None	365,000	Nil	Nil	Nil	Nil
Mr. Satish C. Gupta (DIN 00025780)	None	315,000	Nil	Nil	Nil	Nil
Mr. Hari D. Khunteta (DIN 00061925)	None	325,000	Nil	Nil	Nil	Nil
Dr. Madhu Vij (DIN 00025006)	None	225,000	Nil	Nil	Nil	Nil
Mr. Chandra Wadhwa (DIN 00764576)	None	245,000	Nil	Nil	Nil	Nil
Mr. Finney J. Cherian (DIN 02011132)	None	Nil	Nil	Nil	Nil	Nil
*Mr. J.H.P. Van Der Merwe (DIN 03048724)	None	Nil	Nil	Nil	Nil	Nil
*Mr. G.S. Sundararajan (DIN 00361030)	None	200,000	Nil	Nil	Nil	Nil

\*Mr. Pradeep K. Aggarwal who was liable to retire by rotation in the Annual General Meeting dated 16th July, 2016 showed his unwillingness to be reappointed and therefore not re-appointed as the Director of the Company.

\*Mr. J.H.P. Van Der Merwe has resigned from the Directorship of the Company w.e.f. 10th June, 2016.

\*Mr. G.S. Sundararajan has resigned from the Directorship of the Company w.e.f. 22nd February 2017.

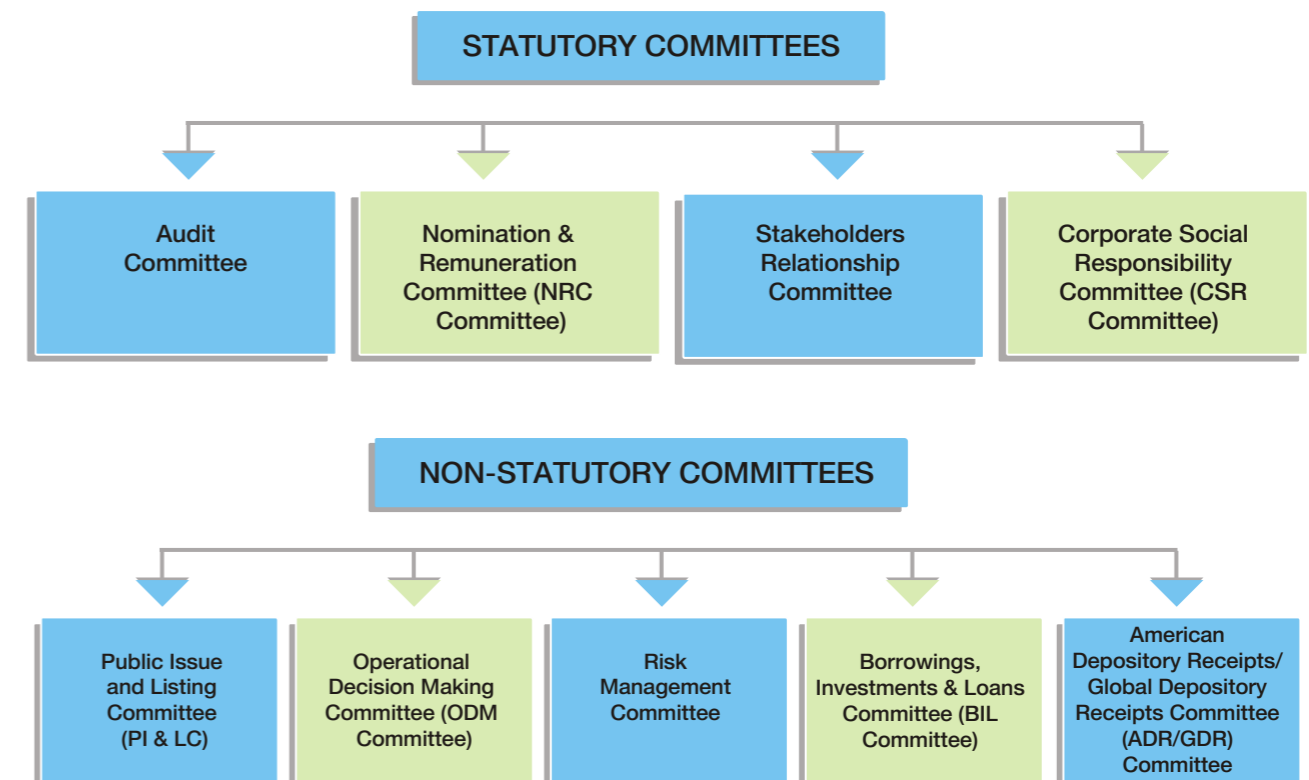
**Notes**

- Remuneration includes salary, benefits, bonuses, stock options, pension, allowances, monetary value and Company's contribution to provident fund, leave encashment etc.
- Sitting fees paid to the Independent Directors excludes conveyance.
- None of the Directors is the relative of any other Director of the Company as defined under the provisions of Section 2 (77) of the Companies Act, 2013 and its relevant rules thereof.

**COMMITTEES OF THE BOARD:**

Our Board has constituted various Statutory and Non- Statutory committees for smooth and efficient operation of day to day business of our Company. These committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas /activities which concern the Company and need a closure review. Each Committee of the Board is guided by its terms of reference, which is in compliance with the applicable laws and which defines the scope, powers and composition of the committee. All recommendation(s) and minutes of the each committee are placed before the Board for their information and review.

**As on 31st March, 2017 Company has the following Nine (9) committees of the Board divided into Statutory and Non- Statutory Committees:**



**COMPOSITION OF THE AUDIT COMMITTEE:**

In compliance with Section 177 of the Companies Act, 2013 read with the Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and if any other law for the time being in force, currently it consists of five (5) Independent & Non-Executive Directors, all of them possessing knowledge of Corporate Finance, Accounts & Corporate laws.

**THE COMPOSITION AND THE DETAILS OF EACH MEETING OF AUDIT COMMITTEE ARE SPECIFIED HEREWITH:**

Name of the Directors	Mr. Satish C. Gupta	Mr. Kundan M. Agarwal	Mr. Roop C. Jindal	Mr. Narain D. Gupta	Mr. Hari D. Khunteta
	(DIN 00025780)	(DIN 00043115)	(DIN 01450916)	(DIN 01522375)	(DIN 00061925)
Designation	Chairman	Member	Member	Member	Member
Category	Non-Executive Independent Director	Non-Executive Independent Director	Non-Executive Independent Director	Non-Executive Independent Director	Non-Executive Independent Director
Date of Meeting					
18th May, 2016	Y	Y	Y	Y	Y
21st July, 2016	Y	Y	Y	Y	Y
12th August, 2016	Y	Y	Y	Y	Y
*14th November, 2016	N	N	N	N	Y
29th November, 2016	Y	Y	Y	Y	Y
14th February, 2017	Y	Y	Y	Y	Y
No. of Meetings during the Financial Year	6	6	6	6	6
Attended	5	5	5	5	6
Absent	1	1	1	1	NIL
% of Attendance	83.33	83.33	83.33	83.33	100

\* The meeting held on 14th November, 2016 was adjourned due to want of quorum on 29th November, 2016.

The Audit Committee of the Company acts as a link between the Management, the Statutory Auditor, Internal Auditors and the Board of Directors. The Committee provides re-assurance to the Board on the existence of an effective control environment that ensures:

- Efficiency and effectiveness of operations.
- Safeguarding of assets and adequacy of provisions for all liabilities.

- Reliability of financial and other management information and adequacy of disclosure.
- Compliance with all relevant statutes.

**TERMS OF REFERENCE:**

- 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 Boards' Report as per the provisions of Companies Act, 2013.
  - 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 non-payment 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.

**NOMINATION AND REMUNERATION COMMITTEE****• COMPOSITION OF THE NOMINATION AND REMUNERATION COMMITTEE:**

Pursuant to Section 178 of Companies Act, 2013 read with the Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board of

Directors of the Company has constituted the Nomination and Remuneration Committee. At present, it consists of Four (4) Independent & Non-Executive Directors of the Company.

Remuneration Policy of the Company is being displayed at the website of the Company via link "www.smcindiaonline.com/Investorcorner\_policies.pdf." also attached as **Annexure I**

**THE COMPOSITION OF THE NOMINATION AND REMUNERATION COMMITTEE AND THE ATTENDANCE DETAILS OF THE MEMBERS OF THE COMMITTEE DURING THE FY 2016-17 ARE GIVEN BELOW:**

Name of the Directors	Mr. Chandra Wadhwa (DIN 00764576)	Mr. Roop C. Jindal (DIN 01450916)	Mr. Narain D. Gupta (DIN 01522375)	Mr. Kundan M. Agarwal (DIN 00043115)
Designation	Chairman	Member	Member	Member
Category	Independent & Non Executive Director	Independent & Non Executive Director	Independent & Non Executive Director	Independent & Non Executive Director
Date of Meeting				
18th May, 2016	Y	Y	Y	Y
*14th November, 2016	Y	N	N	N
29th November, 2016	Y	Y	Y	Y
No. of Meetings during the Financial Year	3	3	3	3
Attended	3	2	2	2
Absent	NIL	1	1	1
% of Attendance	100	66.67	66.67	66.67

\* The meeting held on 14th November, 2016 was adjourned due to want of quorum on 29th November, 2016.

**INDEPENDENT DIRECTORS****SEPARATE MEETINGS OF THE INDEPENDENT DIRECTORS**

Pursuant to Schedule IV read with Section 149 of the Companies Act, 2013 the Independent Directors of the Company met separately on **Friday, the 31st Day of March, 2017 at Habitat World, at India Habitat Centre, Lodhi Road, New Delhi-110003**. All the Independent Directors of the Company were present at the meeting.

**FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:**

During the Financial Year 2016-17, the Company has organized a familiarization program for the Independent Directors for two hours pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of

Section 149 (8) and Schedule IV of Companies Act, 2013 on **"THE INSOLVENCY AND BANKRUPTCY CODE, 2016 and "REVIEW THE ROLE AND RESPONSIBILITIES OF INDEPENDENT DIRECTORS IN THE CURRENT BUSINESS SCENARIO"** of SMC Global Securities Limited as well as its subsidiaries, on 31st March, 2017 at "INDIA HABITAT CENTRE, NEW DELHI – 110003" and all the Independent Directors attended the program till the end.

The familiarization programme for Independent Directors have also been posted on Company's website and also made available on the following link:

[http://www.smcindiaonline.com\\_Investorcorner\\_Director's&Officers\\_FamiliarizationprogrammeforIndependentDirectors.pdf](http://www.smcindiaonline.com_Investorcorner_Director's&Officers_FamiliarizationprogrammeforIndependentDirectors.pdf)

**CRITERIA FOR THE EVALUATION OF INDEPENDENT DIRECTORS****PERFORMANCE EVALUATION PROCESS**

The performance evaluation shall be done on an annual basis, Each Director shall be provided an evaluation sheet except the Independent Director being evaluated, based on including but not limited to criteria as follows:

S.No.	Particulars
1.	Whether he/she actively participated in board meetings including committee & general meetings.
2.	Whether he/she bring an objective view in the evaluation of the Board & Management.
3.	Whether he/she acted objectively and constructively while exercising his/her duties in the Board/Committee meetings.
4.	Whether he/she assisted the Company in implementing the best corporate governance practices.
5.	Whether he/she helped the Board by giving an independent judgment on Board deliberations especially on strategy, performance, risk management & standards of conduct.
6.	Whether he/she scrutinized the performance of the management, monitored the report of Company's performance.
7.	Whether he/she is well informed about the Company and the external environment in which it operates.
8.	Whether he/she participated in the familiarization program of directors of the Company.
9.	Whether he/she has given sufficient attention and ensured the approval of related party transactions and assured that the same are in the best interest of the Company.
10.	Whether he/she ascertained that the policies of the Company and its implementation are adequate and proper and have complied with Code of Conduct.

**STAKEHOLDERS RELATIONSHIP COMMITTEE:****COMPOSITION OF THE STAKEHOLDERS RELATIONSHIP COMMITTEE:**

Pursuant to Section 178 of the Companies Act, 2013 read with Regulation 20 of SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015 the Board of Directors of the Company has constituted the Stakeholders and Relationship Committee.

Currently, it consists of three (3) Independent & Non-Executive Director of the Company and Mr. Kundan M. Agarwal is Chairman of the Committee.

The composition of the Stakeholders' Relationship Committee and the attendance details of the members of the Committee during the FY 2016-17 are given below:

**STAKEHOLDERS RELATIONSHIP COMMITTEE COMPOSITION AND ATTENDANCE**

Name of the Directors	Mr. Kundan M. Agarwal (DIN 00043115)	Mr. Roop C. Jindal (DIN 01450916)	Mr. Hari D. Khunteta (DIN 00061925)
Designation	Chairman	Member	Member
Category	Independent & Non Executive Director	Independent & Non Executive Director	Independent & Non Executive Director
Date of Meeting			
18th May, 2016	Y	Y	Y
12th August, 2016	Y	Y	Y
*14th November, 2016	N	N	Y
29th November, 2016	Y	Y	Y
14th February, 2017	Y	Y	Y
No. of Stakeholders Relationship Committee Meetings during the Financial Year	5	5	5
Attended	4	4	5
Absent	1	1	NIL
% of Attendance	80	80	100

\* The meeting held on 14th November, 2016 was adjourned due to want of quorum on 29th November, 2016

**ROLE OF THE STAKEHOLDERS RELATIONSHIP COMMITTEE:**

- **Grievances of the security holders of the listed entity including,**
- **Complaints related to:**
  - Transfer of shares
  - Non-receipt of annual report and
  - Non-receipt of declared dividends

For the purpose to expedite the process of transfer and transmission of securities and other matters like consolidation of share certificates, issue of duplicate share certificates, de-materialization/re-materialization of share, the Board of the Company shall delegate the power to the Registrar and Share Transfer Agent of the Company.

**NAME, DESIGNATION AND ADDRESS OF COMPLIANCE OFFICER:**

Following are the details with regards to the Compliance Officer:

**Mr. Suman Kumar**

E.V.P. (Corporate Affairs) & Company Secretary & Compliance Officer

**SMC Global Securities Ltd.**

11/6-B, Shanti Chamber, Pusa Road

New Delhi-110005

Tel.: 91 11 30111333, 30120966

Fax: 91 11 30126061

E-mail: sumankumar@smcindiaonline.com

**SHAREHOLDERS' GRIEVANCES:**

A regular system of monitoring and redressal of the pending complaints/queries is being followed by the Company.

**A detail of shareholders' complaints received during the Financial Year 2016-17 is as under:**

(a) Number of Shareholders' complaints received during the year	:	11
(b) Number of Shareholders' complaints resolved during the year	:	11
(c) Number of complaints not solved to the satisfaction of shareholders	:	NIL
(d) Number of complaints pending	:	NIL

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

#### TERMS OF REFERENCE OF THE CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

#### COMPOSITION OF THE CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Pursuant to Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 the Board of Directors of the

Company has constituted the Corporate Social Responsibility (CSR) Committee. Presently, it consists of four (4) Directors out of them two (2) are Executive Directors and two (2) are Independent & Non-Executive Directors of the Company.

The composition of CSR Committee and attendance of each member of the Committee during the Financial Year 2016-17 is as follows:

#### Corporate Social Responsibility Committee Composition and Attendance

Name of the Directors	Mr. Subhash C. Aggarwal	Mr. Mahesh C. Gupta	Mr. Satish C. Gupta	Mr. Kundan M. Agarwal
	(DIN 00003267)	(DIN 00003082)	(DIN 00025780)	(DIN 00043115)
Designation	Chairman	Member	Member	Member
Category	Chairman & Managing Director	Vice Chairman & Managing Director	Independent & Non Executive Director	Independent & Non Executive Director
Date of Meeting				
18th May, 2016	Y	Y	Y	Y
12th August, 2016	Y	Y	Y	Y
14th February, 2017	Y	Y	Y	Y
No. of Corporate Social Responsibility Committee Meetings during the Financial Year	3	3	3	3
Attended	3	3	3	3
Absent	Nil	Nil	Nil	Nil
% of Attendance	100	100	100	100

### PUBLIC ISSUE AND LISTING COMMITTEE (PI & LC):

#### COMPOSITION OF PUBLIC ISSUE AND LISTING COMMITTEE (PI & LC):

The Public Issue and Listing Committee (PI & LC) has been formed and constituted by the Board, for the purpose of further Public Offer of the Company.

#### The Composition of the Public Issue and Listing Committee (PI & LC) is as follows:

Public Issue And Listing Committee Composition		
S. No.	Name of the Members	Designation
1.	Mr. Hari D. Khunteta	Chairman
2.	Mr. Subhash C. Aggarwal	Member
3.	Mr. Mahesh C. Gupta	Member
4.	Mr. Kundan M. Agarwal	Member
5.	Mr. Satish C. Gupta	Member
6.	Mr. Chandra Wadhwa	Member
7.	Mr. Anurag Bansal	Member
8.	Mr. Finney J. Cherian	Member
9.	Mr. Himanshu Gupta	Member

### OPERATIONAL DECISION MAKING COMMITTEE (ODM COMMITTEE):

The ODM Committee is constituted for the purpose of various operational and routine matters arising in the day to day affairs of the Company. The minutes of every ODM Committee meeting are 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 (2) 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.

**THE COMPOSITION OF THE ODM COMMITTEE IS AS UNDER:**

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

**BORROWINGS, INVESTMENTS & LOANS COMMITTEE (BIL COMMITTEE):**

The 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 are ratified and taken on record by the Board of Directors of the Company in its immediate 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 (2) Board meetings relating to:

- To avail bank guarantee, overdraft facility, borrowings and other credit facilities from the bankers;
- To borrow money;
- To acquire, by way of subscription, purchase or otherwise the securities of any other body corporate or to otherwise invest the funds of the Company;
- To make any loan(s);
- To provide corporate guarantee/other guarantee, security in favour of bankers for the facilities availed by its Group Companies/Subsidiary Companies/Business Associates.

**THE COMPOSITION OF THE BIL COMMITTEE IS AS UNDER:**

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

**AMERICAN DEPOSITORY RECEIPTS / GLOBAL DEPOSITORY RECEIPTS COMMITTEE (ADR/GDR COMMITTEE)**

The ADR/GDR Committee has been formed and constituted by the Board for the purpose of issuance of global receipts. The composition and attendance of each member of ADR/GDR Committee during the Financial Year 2016-17 is as follows:

Name of the Directors	Mr. H. D. Khunteta	Mr. M. C. Gupta	Mr. S. C. Gupta	Mr. Anurag Bansal	Mr. S. C. Aggarwal	Mr. N. D. Gupta	Mr. F. C. Cherian	Mr. H. Gupta
	(DIN000 61925)	(DIN 0000 3082)	(DIN 000 25780)	(DIN 0000 3294)	(DIN 00000 3267)	(DIN 0152 2375)	(DIN 0201 1132)	(DIN 031 87614)
<b>Designation</b>	Chairman	Member	Member	Member	Member	Member	Member	Member
<b>Category</b>	Independent & Non Executive Director	Vice-Chairman & Managing Director	Independent & Non Executive Director	Whole Time Director	Chairman & Managing Director	Independent & Non Executive Director	Non Executive Director	Authorized Signatory
21st July, 2016	Y	Y	Y	Y	Y	Y	Y	Y
No. of ADR/GDR Committee Meetings during the Financial Year	1	1	1	1	1	1	1	1
Attended	1	1	1	1	1	1	1	1
Absent	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
% of Attendance	100	100	100	100	100	100	100	100

**RISK MANAGEMENT COMMITTEE:****COMPOSITION OF THE RISK MANAGEMENT COMMITTEE:**

Risk Management Committee of the Company is formed and constituted by the Board of Directors of the Company for the purpose of identifying the risk and setting up process to mitigate the risk with the formulation of Risk Management Policy.

The Composition of Risk Management Committee is as follows:

Name of the Directors	Mr. Subhash C. Aggarwal (DIN 0000 3267)	Mr. Mahesh C. Gupta (DIN 0000 3082)	Mr. Vinod K. Jamar	Mr. Anurag Bansal (DIN 0000 3294)	Mr. Himanshu Gupta (DIN 031 87614)	Mr. Ajay Garg (DIN 0000 3166)
Designation	Chairman	Member	Member	Member	Member	Member
Category	Chairman & Managing Director	Vice-Chairman & Managing Director	Group Chief Financial Officer	Whole Time Director	Authorized Signatory	Whole Time Director
Date of Meeting						
18th May, 2016	Y	Y	Y	Y	Y	Y
No. of Risk Management Committee Meetings during the Financial Year	1	1	1	1	1	1
Attended	1	1	1	1	1	1
Absent	Nil	Nil	Nil	Nil	Nil	Nil
% of Attendance	100	100	100	100	100	100

**VIGIL MECHANISM POLICY:**

The Company has laid down a Vigil Mechanism Policy (formerly known as Whistle Blower Policy) and the same has been posted on the official Website of the Company via [http://www.smcindiaonline.com\\_Investorcorner\\_policies\\_Vigilmechanismpolicy.pdf](http://www.smcindiaonline.com_Investorcorner_policies_Vigilmechanismpolicy.pdf). 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 Audit Committee or through addressing an e-mail at [whistleblower@smcindiaonline.com](mailto: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 Audit Committee of the Company.

**RELATED PARTY****Related Party Transactions:**

During the year under review, the Company has disclosed the transactions of a materially significant nature with any related party, as defined under the provisions of the Companies Act, 2013 and as per Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that may have potential conflict with the interest of the Company at large. The Company has obtained requisite declarations from all directors and key managerial personnel in this regard and the same were placed before the Board of Directors.

The Related Party Transactions Policy has also been

posted on company's website and also made available on the following link:

[http://www.smcindiaonline.com\\_Investorcorner\\_Relatedpartytransactionpolicy.pdf](http://www.smcindiaonline.com_Investorcorner_Relatedpartytransactionpolicy.pdf)

**COMPOSITION OF BOARD OF DIRECTORS OF UNLISTED SUBSIDIARY COMPANY**

In conformity with Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, during the Financial Year 2016-17, our Company has Three (3) Key Material Non-Listed Indian Subsidiaries Company namely SMC Comtrade Limited, SMC Insurance Brokers Private Limited and Moneywise Financial Services Private Limited. The Company has complied with the requirement of appointment of at least one of its Independent

Director on the Board of Directors of a Material Non-Listed Indian Subsidiary Company.

The Audit Committee of the Company has also reviewed the Financial Statements of all the subsidiary companies on quarterly basis.

The minutes of the Board meetings of the all the Subsidiary Companies were placed at the Board meetings of the Company for its review.

The policy for determining 'material' subsidiaries has also been posted on Company's website and also made available on the following link:

[http://www.smcindiaonline.com\\_Investorcorner\\_Materialsubsidiarypolicy.pdf](http://www.smcindiaonline.com_Investorcorner_Materialsubsidiarypolicy.pdf).

**GENERAL BODY MEETINGS:****DETAILS OF LAST THREE ANNUAL GENERAL MEETING AND SPECIAL RESOLUTION(S) PASSED:**

YEAR	LOCATION	DATE	DAY	TIME
2013-14	"URDU GHAR" 212, ROUSE AVENUE, DEEN DAYAL UPADHYAYA MARG NEW DELHI-110002.	26TH SEPTEMBER, 2014	FRIDAY	10:30 A.M.
2014-15	"URDU GHAR" 212, ROUSE AVENUE, DEEN DAYAL UPADHYAYA MARG, NEW DELHI-110002	1ST JUNE, 2015	MONDAY	10:30 A.M.
2015-16	"URDU GHAR" 212, ROUSE AVENUE, DEEN DAYAL UPADHYAYA MARG, NEW DELHI-110002	16TH JULY, 2016	SATURDAY	11:00 A.M.

**FY 2013-14****14 (Fourteen) Special Resolutions passed during the FY 2013-14**

1. Approval for the Further Public Issue by the Company.
2. Re-appointment of Mr. Subhash C. Aggarwal (DIN-00003267) as Managing Director of the Company.
3. Authorization to hold office or place of profit by Mrs. Reema Garg, wife (Relative) of Mr. Ajay Garg, Director of the Company, as Chief Financial Officer (CFO) of Moneywise Financial Services Private Limited, Wholly Owned Subsidiary of the Company.
4. Authorization to hold office or place of profit by Ms. Shruti Aggarwal, daughter (Relative) of Mr. Subhash C. Aggarwal, Chairman and Managing Director of the Company, as Chief Financial Officer (CFO) of SMC Capitals Ltd., Wholly Owned Subsidiary of the Company.
5. Authorization to hold office or place of profit by Mrs. Hemlata Aggarwal, wife (relative) of Mr. Subhash C. Aggarwal, Chairman and Managing Director of the Company, as Vice President - Business development of SMC Comtrade Ltd., Subsidiary of the Company.
6. Authorization to hold office or place of profit by Mrs. Sushma Gupta, wife (relative) of Mr. Mahesh C. Gupta, Vice-Chairman and Managing Director of the Company, as Vice President - strategic planning of SMC Comtrade Ltd., Subsidiary of the Company.
7. Authorization to hold office or place of profit by Mr. Himanshu Gupta, son (relative) of Mr. Mahesh C. Gupta, Vice-Chairman and Managing Director of the Company, as Chief Financial Officer (CFO) of SMC Comtrade Ltd., Subsidiary of the Company.
8. Authorization to hold office or place of profit by

Mrs. Akanksha Gupta, sons' wife (relative) of Mr. Mahesh C. Gupta, Vice-Chairman and Managing Director of the Company, as Director (Finance) of SMC Insurance Brokers Pvt. Ltd., Subsidiary of the Company.

9. Authorization to hold office or place of profit by Mr. Lalit K. Aggarwal, brother (relative) of Mr. Pradeep K. Aggarwal, Whole Time Director of the Company, as Whole Time Director (WTD) of SMC Real Estate Advisors Pvt. Ltd. (formerly known as SMC Securities Pvt. Ltd.), Subsidiary of SMC Finvest Limited and ultimate Subsidiary of the Company.
10. Authorization for drawal of remuneration of Mr. Damodar K. Aggarwal, brother (relative) of Mr. Subhash C. Aggarwal, Chairman and Managing Director of the Company, in the capacity of Managing Director of SMC Investments and Advisors Limited instead of SMC Comtrade Limited.
11. Authorization to hold office or place of profit by Mrs. Nidhi Bansal, wife (relative) of Mr. Anurag Bansal, Whole Time Director of the Company, as vice president - business development of the Company.
12. Authorization for Related party transactions.
13. To increase the borrowing powers in excess of paid-up capital and free reserves.
14. To increase the limit of Inter-Corporate Loans and Investments.

**FY 2014-15****1 (One) Special resolution passed during FY 2014-15**

1. Authorization for Related party transaction.

**FY 2015-16**

No Special resolution passed during the year.

**POSTAL BALLOT**

None of the Special Resolutions were passed during the Financial Year 2016-17 through Postal Ballot.

**MEANS OF COMMUNICATION****Quarterly Results:**

The Quarterly Results of the Company as per the statutory requirements under Regulation 47 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 with the Stock Exchanges are published in the English Newspaper "Economic Times" and also in Newspaper of vernacular language "Navbharat Times" (Hindi) and are sent to the Stock Exchanges.

**Website:**

Company's website [www.smcindiaonline.com](http://www.smcindiaonline.com) provides comprehensive information on Company's portfolio of Businesses. The website has entire section dedicated to Company's profile, its core values, corporate governance, business lines and industry sections. An exclusive section on 'Investors Corner' enables them to access information at their convenience. The Reports as well as Quarterly, Half yearly, Annual Financial Statements, Releases, Notice of Board Meetings and General Meetings, Code of Conduct and Policies are available in downloadable format as a measure of added convenience to the investors.

**News Releases, Presentations, etc.:**

Official news releases, detailed presentations made to media, analysts, institutional investors, etc. are displayed on the Company's website [www.smcindiaonline.com](http://www.smcindiaonline.com). Official media releases are also sent to the Stock Exchanges.

**Annual Report:**

Annual Report containing, inter-alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report, Management Discussion and Analysis Statement, Corporate Governance Report and other important information is circulated to members and others entitled thereto. The Annual Report of the Company is available on the Company's website i.e. [www.smcindiaonline.com](http://www.smcindiaonline.com).

**Intimation to the Stock Exchanges:**

The Company intimates the Stock Exchanges all price sensitive information or such other matters which in its opinion are material and of relevance to the Shareholders.

**Designated Exclusive Email-id:**

The Company has the following designated email-id [smc.care@smcindiaonline.com](mailto:smc.care@smcindiaonline.com) exclusively for Investors Servicing.



## GENERAL SHAREHOLDER INFORMATION

a.	Annual General Meeting Day & Date Time Venue	Saturday, 29th July, 2017 11:00 A.M. "Urdu Ghar" 212, Rouse Avenue, Deen Dayal Upadhyaya Marg, New Delhi-110002
b.	Financial Year	1st April, 2016 to 31st March, 2017
c.	Date of Book Closure	11th July, 2017 to 14th July, 2017
d.	Dividend Payment Date	The Board has declared an Interim Dividend during the Financial Year 2016-17 @ 18% (₹ 0.36 per Share of ₹ 2 each) and made the payment on 14th December, 2016 and has recommended the Final dividend of 24% i.e. ₹ 0.48 per Share for the Face Value of ₹2/- per Share for the FY 2016-17.
e.	Listing of Equity Shares on Stock Exchanges in India at	<b>1. The Calcutta Stock Exchange Ltd.(CSE)</b> 7, Lyons Range, Kolkata, West Bengal- 700001 <b>2. Ahmadabad Stock Exchange Ltd.(ASE)</b> Kamdhenu Complex, Opposite Sahajanand College, Panjarapole, Ahmedabad, Gujarat- 380015
f.	Stock Codes	1. CSE 2918610029186 2. ASE 55500
g.	ISIN for Equity Shares	INE103C01036
h.	Listing Fees	Paid to Calcutta Stock Exchange for the FY 2017-18. ASE has opted for voluntary de-recognition and not accepting further listing fees.
i.	Registered Office	11/6-B, 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

j.	Market Price Data	No trading has been observed on CSE/ASE in our scrip, where the equity shares of our Company are listed.
k.	Performance in comparison to broad-based indices	No trading has been observed on CSE/ASE in our scrip, where the equity shares of our Company are listed.
l.	Registrar and Share Transfer Agent (RTA)	<b>Link Intime India Private Limited</b> 44, Community Centre, 2nd floor, Naraina Industrial Area, Phase I, Near PVR Naraina, Delhi-110028. Tel: 91-11-41410592,93,94, Fax:91-11-41410591 E-mail: delhi@linkintime.co.in Web: www.linkintime.co.in
m.	Share transfer system	As per the agreement between the Company and Registrar and Share Transfer Agents (RTA) of the Company, process of every transfer and transmission of shares and other matters like consolidation of share certificates, issue of duplicate share certificates, dematerialization / re-materialization of shares has been handled and carried out by the RTA and further approved and authenticated by the Company Secretary of the Company. Thereafter, the said matters were ratified and taken on record by the Stakeholders Relationship Committee of the Company on quarterly basis.
n.	Depositories	<b>National Securities Depository Limited</b> Trade World, 'A' Wing, 4th & 5th Floor, kamala Mills Compound, Lower Parel, Mumbai-400013. <b>Central Depository Services (India) Limited</b> Phiroze Jeejeebhoy Towers, 16th Floor, Dalal Street, Mumbai - 400001
o.	Dematerialization of shares and liquidity	88.76 % shares of the company have been in dematerialized form as on 31st March, 2017.
p.	Shareholding Pattern	Promoters 58.62% and Non Promoters 41.38 % as on 31st March, 2017.

**OTHER DISCLOSURES**

- Proceeds from public issues, rights issue, preferential issues, etc.

During the year under review, the Company has not received any proceeds from Public Issue, Rights Issue, and Preferential Issues etc.

- **Compliance by the Company:**

The Company has complied with the requirements of the Stock Exchange, SEBI and other statutory authorities on all matters relating to capital markets during the last three (3) years. No penalties and strictures have been imposed on the Company by the Stock Exchanges, SEBI or other statutory authorities with respect to the listed equity shares of the Company.

- **Criteria of making payment to Non-Executive Directors:**

The Company has not paid any compensation and stock option to any of its Non-Executive Directors, including Independent Directors of the Company. Except, the sitting fees paid to its Independent Directors, as per the provisions of the Companies Act, 2013 and also posted on website of the Company <http://www.smcindiaonline.com/Investor-Corner.aspx>.

Further no shares and convertible instruments held by the Non-Executive Directors of the Company.

- **Mandatory and Non-mandatory Requirements:**

The Company has complied with the mandatory requirements of the SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015. The Board has adopted the non-mandatory requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015 by the Company, whenever applicable.

- **Code of Conduct for Prohibition of Insider Trading:**

The Company, in pursuance of Regulation 8 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 has formulated a "Code of Fair Disclosure" on 5th August 2015 for the prevention of Insider Trading. The code lays down the guidelines, which advises on the procedures to be followed and disclosures to be made while dealing in shares of the Company and indicates the consequences of non-compliance. The same has been posted on the website of the Company via [http://www.smcindiaonline.com\\_investorcorner\\_policies\\_codeoffairdisclosure\\_smcglobalsecuritiesltd.pdf](http://www.smcindiaonline.com_investorcorner_policies_codeoffairdisclosure_smcglobalsecuritiesltd.pdf).

Simultaneously, this code is also applicable for all the employees and other connected persons of the Company as well.

- **INTERIM DIVIDEND**

During the period under review the Company has declared the Interim Dividend of 18% (i.e. ₹ 0.36 per equity share) amounting to ₹ 40,728,402/- out of the profits of the company for the Financial Year 2016-17 to all the equity shareholders of the Company whose names appeared on the Register of Members of the Company on 9th December, 2016.

**POLICIES**

- **Policy for Preservation of Documents of the Company**

The Company has framed the policy for the Preservation of Documents of the Company which is required to be formulated under Regulation 9 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

The Concerned policy in this regard is also published in company's website via [http://www.smcindiaonline.com\\_investorcorner\\_preservationofdocumentsandarchivalpolicy.pdf](http://www.smcindiaonline.com_investorcorner_preservationofdocumentsandarchivalpolicy.pdf).

- **Policy for Determining of Materiality of an Event (Including Archival Policy)**

During the Financial Year the Company has framed the policy for Determining of Materiality of an Event of the Company which is required to be formulated under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 also posted on Company website <http://www.smcindiaonline.com/investorcorner.aspx>.

- **DIVIDEND POLICY**

During the period under review the Company has formulated Dividend Policy-as per the Companies Act, 2013 read with Companies (Declaration and Payment of Dividend) Rules, 2014.

- **MONEY LAUNDERING**

The Company is also keeping a track of the regulations of Money Laundering. The Concerned policy in this regard is also published in Company's website via [http://www.smcindiaonline.com\\_investorawareness\\_PML\\_Apolicy.pdf](http://www.smcindiaonline.com_investorawareness_PML_Apolicy.pdf).

- **SEXUAL HARASSMENT**

Pursuant to Section 22 and Section 28 of The Sexual Harassment of Woman at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 the Board of Directors of the Company has approved and adopted the "Policy on Prevention of Sexual Harassment at Workplace". The policy is made with the objective to provide equal employment opportunity and is committed to provide a work environment that ensures every woman employee is treated with dignity and respect and afforded equitable treatment. The Company has adopted the policy under the direction of the Hon'ble Supreme Court of India and Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for dealing with the sexual harassment cases. To bring the policy into effect the

Company has made a committee in this regard which will be responsible for implementing the policy and making modifications in the policy from time to time. It is also responsibility of the committee to redress the complaints within the time as prescribed in the policy. Present composition of the committee is as follows:

1. Ms. Reema Garg (Chairperson)
2. Ms. Vandana Bharti (Member)
3. Ms. Rashmi Atri (Member)
4. Mr. Vinod K. Jamar (Member)
5. Mr. Ashok Aggarwal (Member)

During the FY 2016-17 no Complaints of sexual harassment has been received by the Company.

- **E-VOTING FACILITY:**

In compliance with aforesaid provisions, our Company offered E-Voting facility as an alternate option, for voting by the Shareholders, in addition to the option of physical voting, to enable them to cast their votes electronically instead of dispatching Postal Ballot Form. Each Shareholder/Member had to opt for exercising only one mode for voting i.e. either by Physical Ballot Paper or by E-Voting.

- **POSTAL BALLOT:**

No resolution had been passed through Postal Ballot during the Financial Year 2016-17.

- **DISCLOSURES:**

The Company has complied with the provision of Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and submitted at the required details to Stock Exchange on time with all the required details and disclosures.

**DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2017:****By Size**

Shareholding of Shares (Range)	Number of Shareholders	Shareholders (In %)	Total shares for the Range	Issued capital (In %)
1-500	284	21.30	30630	0.027
501 - 1,000	532	39.91	528135	0.47
1,001 - 2,000	215	16.13	425340	0.38
2,001 - 3,000	39	2.93	112319	0.09
3,001 - 4,000	26	1.95	102360	0.09
4,001 - 5,000	45	3.38	222405	0.19
5,001 - 10,000	63	4.73	502150	0.44
10,001 & above	129	9.68	111211111	98.30
<b>TOTAL</b>	<b>1333</b>	<b>100.00</b>	<b>113134450</b>	<b>100</b>

**By Category**

Category	No. of Shares	Equity (in %)
Promoters & Promoters Group	6,63,23,340	58.62
NRI and Foreign Body Corporate	2,38,46,625	21.07
Corporate Bodies (other than Promoters)	165,83,510	14.66
Indian Public and Others	63,80,975	5.65

**DEMATERIALIZATION OF SHARES AND LIQUIDITY**

As on 31st March, 2017 a total of 10,04,20,230 equity shares of the Company representing 88.76% of total Equity Share Capital was held in dematerialized form.

The bifurcation of shares held in Physical and Demat form as on 31st March, 2017 is as under:

Status of Dematerialization	No. of Equity Shares	% of total shares
Shares held in NSDL	1,58,11,986	13.98
Shares held in CDSL	8,46,08,244	74.78
Shares held in Physical Form	1,27,14,220	11.24

**AMERICAN DEPOSITORY RECEIPTS**

With a thrust for global expansion and recognition, the company has planned to issue ADRs in US and proposed to get it listed either on NYSE or NASDAQ. The listing of ADRs is under process and the company is taking each and every possible step to make it a reality.

**COMPLIANCE WITH THE MANDATORY REQUIREMENTS OF THE LISTING REGULATIONS**

The Company has complied with all the mandatory requirements of the Code of Corporate Governance as specified in Regulation 17 to 27 and clauses (b) to (l) of sub regulation (2) of Regulation 46 of the Listing Regulation, 2015. It has obtained a certificate affirming the compliance from R. Gopal & Associates, Chartered Accountants, the Company's Statutory Auditors' and same is attached to the Report.

**ANNEXURE 1****Nomination & Remuneration Policy****NOMINATION, REMUNERATION & EVALUATION POLICY OF SMC GLOBAL SECURITIES LIMITED****A. INTRODUCTION**

SMC Global Securities Limited believes in the manner of its affairs in a fair and transparent view by adopting the ethical behavior standards, integrity, and professionalism and in compliance of laws towards the society, government & its stakeholders. In terms of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations & Disclosure Requirements), Regulations 2015, this policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company has been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors in their meeting held on 23.01.2015. This policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees.

This Policy shall be effective from 23.01.2015.

**B. OBJECTIVE**

The policy is framed with the objective(s):

1. That 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.
2. That the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
3. That the remuneration to Directors, Key Managerial Personnel (KMP), and other employees of the Company 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.
4. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-executive) and persons who may be

appointed in Senior Management, Key Managerial positions and to determine their remuneration.

5. To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry.
6. To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel and to provide for reward(s) linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
7. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
8. To lay down criteria for appointment, removal of directors, Key Managerial Personnel and Senior Management Personnel and evaluation of their performance.

**C. DEFINITIONS**

In this Policy unless the context otherwise requires:

1. 'Act' means Companies Act, 2013 and rules there under.
2. 'Board of Directors' or 'Board', in relation to the Company, means the collective body of the directors of the Company.
3. 'Committee' means Nomination, Remuneration & Evaluation Committee of the Company as constituted or reconstituted by the Board.
4. Company means SMC Global Securities Limited.
5. 'Directors' means Directors of the Company.
6. 'Independent Director' means a director referred to in Section 149(6) of the Companies Act, 2013.
7. 'Key Managerial Personnel' (KMP) means:
  - a. Chief Executive Officer and / or Managing Director
  - b. Whole-Time Director
  - c. Chief Financial Officer
  - d. Company Secretary
  - e. Such other officer as may be prescribed
8. 'Ministry' means the Ministry of Corporate Affairs.

9. 'Regulations' refers to and comprise of Companies Act, 2013, The Companies (Meeting of Board and its Powers) Rules, 2014, The Companies (Appointment and Qualification of Directors) Rules, 2014, The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Listing Agreement and such other rules and provisions as applicable to the matters dealt in by this Policy 'Senior Management Personnel' for this purpose shall mean employees of the company who are members of its core management team excluding Board of Directors. It would comprise all members of management one level below the executive director(s), including the functional / vertical heads. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

#### D. ACCOUNTABILITIES

1. The Board is ultimately responsible for the appointment of Directors and Key Managerial Personnel.
2. The Board has delegated responsibility for assessing and selection of persons for the role of Directors & Key Managerial Personnel of the Company to the Nomination and Remuneration Committee which makes recommendations & nominations to the Board.

#### E. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is responsible for:

1. To review the structure, size and composition (including the skills, knowledge and experience) of the Board and to make recommendations to the Board to balance the Company's corporate strategy with the objective to diversify the Board;
2. To identify the persons suitably qualified to be appointed as the KMPs of the Company;
3. To recommend to the Board on the selection of individuals nominated for Directorship;

4. To recommend to the Board on the remuneration payable to the Directors & KMPs so appointed;
5. To assess/evaluate the independence of Independent Directors;
6. On such other key issues/matters as may be referred by the Board or as may be necessary in view of the Listing Regulations and provision of the Companies Act, 2013 and Rules thereunder;
7. To ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
8. To devise a policy on Board diversity;
9. To develop a succession plan for the Board and to regularly review the plan.

#### MEMBERS OF THE COMMITTEE

The Nomination and Remuneration Committee comprises of the following:

- a) The Committee shall consist of a minimum three (3) Non-Executive Directors, majority of them being Independent.
- b) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

#### COMPOSITION OF THE COMMITTEE

- Mr. Chandra Wadhwa, Non-Executive Independent Director
- Mr. Roop C. Jindal, Non-Executive Independent Director
- Mr. Narain D. Gupta, Non-Executive Independent Director
- Mr. Kundan M. Agarwal, Non-Executive Independent Director

#### CHAIRMAN

- a) Chairman of the Committee shall be an Independent Director.

- b) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one (1) amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

#### F. APPOINTMENT OF DIRECTORS/KMPS/ SENIOR MANAGEMENT

Enhancing the competencies of the Board and attracting as well as retaining talented employees for role of KMP/a level below KMP are the basis for the Nomination and Remuneration Committee to select a person for appointment to the Board. When recommending a person for appointment, the Nomination and Remuneration Committee has regarded to:-

- To assess the appointee against a range of criteria which includes but not be limited to qualifications, skills, regional and industry experience, background and other qualities required to operate successfully in the position, with due regard for the benefits from diversifying the Board in accordance with the relevant provisions of Companies Act, 2013 & Rules & Regulations made thereto, as amended from time to time;
- The extent to which the appointee is likely to contribute to the overall effectiveness of the Board, work constructively with the existing Directors and enhance the efficiencies of the Company;
- The skills and experience that the appointee brings to the role of KMP and how an appointee will enhance the skill sets and experience of the Board as a whole;
- The nature of existing positions held by the appointee including directorships or other relationships and the impact they may have on the appointees' ability to exercise Independent

judgment.

#### PERSONAL SPECIFICATIONS:

- Degree holder in relevant disciplines;
- Experience of management in a diverse organization;
- Commitment to high standards of ethics, personal integrity and probity;
- Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace.

#### G. CRITERIA & FACTORS FOR APPOINTMENT OF INDEPENDENT DIRECTORS

The Committee shall consider the integrity, experience, qualifications, industrial experience and review the independence of the individual in accordance with Regulation 19 of SEBI (Listing Obligations & Disclosure Requirements), Regulations 2015 and Companies Act, 2013 and Rules & Regulations made thereto, as amended from time to time.

**LETTERS OF APPOINTMENT:** The Company shall issue appointment letter as per Companies Act, 2013 along with amendments made thereunder from time to time, containing the terms of appointment. Remuneration of Directors, Key Managerial Personnel: The Directors, Key Management Personnel salary shall be based & determined on the individual persons' responsibilities and performance and in accordance with the limits as prescribed statutorily, if any.

#### FAMILIARIZATION OF DIRECTORS

The Company shall organize the familiarization programme at least once in a year for its independent Directors to familiarize with the Company, their roles, rights, responsibilities in the Company, nature of industry, business model etc.

#### EVALUATION

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at such time as decided by it from time to time.

#### REMOVAL

The Committee may recommend, to the Board with

reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions of the Companies Act, 2013, and all other applicable Acts, Rules and Regulations, if any.

#### H. MATTERS RELATING TO THE REMUNERATION, PERQUISITES FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL:

1. The remuneration / compensation / profit-linked commission, Bonus etc. to the Whole-Time Director, Directors and Independent Directors will be determined by the Committee and recommended to the Board for approval. The remuneration/compensation/profit-linked commission etc. shall be in accordance with the percentage/slabs/conditions laid down in the Articles of Association of the Company, Act and shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
2. The remuneration of KMP will be recommended to the committee with the evaluation report thereof who will further recommend the same to the Board and the same will be effective as per the approval of the Board.
3. The remuneration of the of the Senior Management Personnel (Personnel of the Company who are members of the core management team excluding Board of Directors and KMPs') and other employees will be processed through the H.R. as per the appraisal procedure adopted by them with the feedback of reporting managers/HODs' and along with the observation of the concerned directors and a presentation has to be made before the Managing Directors who will recommend the overall evaluation and change in the remuneration thereof keeping in mind the market conditions, business prerogatives and other factors and recommend the same to the Committee and the same will be effective as per the approval of the Committee.
4. In the case of urgency or if the management deems fit the overall evaluation can be made and implemented immediately and same will be presented before the committee for their observation and post approval thereof.
5. The annual appraisal will be made in two or more cycles considering the certain number of employees as the management deem fit in the light of last appraisal and prevailing practices of the Company.
6. However, if the increment/Evaluation schedule of employees or WTD or KMP or Senior Management can be changed by the Managing Directors of the company taking into account factors it deems relevant, including but not limited to market, business performance and practices in comparable Companies, having due regard to financial and commercial health of the Company as well as prevailing laws and government/other guidelines, give suitable directives to HR for the same.
7. Where any insurance is taken by the Company on behalf of its Whole-Time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
8. The Departments Heads will evaluate their subordinates and forward the recommendations to HR for increment/incentive. H.R with the help of the reporting managers and the concerned directors can make the appraisal at any time for any employee(s) and the Committee should be appraised about overall evaluation in the coming committee meeting for their approval and observation thereof.
9. The committee should have atleast one (1) meeting in a year.
10. The salary to the employees will be given/credited by not more than 10th day of succeeding month. However the changes can be made if the circumstances required but the same can be done with the approval of the Managing directors.
11. Company will give the annual bonus including the statutory bonus thereof in every Financial Year but the same has to be released within four

(4) months from the end of the Financial Year. However, Bonus other than the statutory bonus may be deferred keeping in mind the business interest of the Company with the approval of the Managing Directors.

12. The Whole Time Directors/Managing Director are duly empowered with the delegation herewith to take the effective decisions on the issue of remuneration within the legal framework as and when circumstances demand and effective running of the business with material updation if any to this Committee in its next meeting

#### I. STATUTORY REQUIREMENTS:

- Section 197(5) provides for fee for attending meetings of the Board of Directors and Committee meetings to Directors or for any other purpose as may be decided by the Board.
- Section 197(1) of the Companies Act, 2013 provides for the total managerial remuneration payable by the Company to its Directors, including Managing Director and Whole Time Director, and its Manager in respect of any Financial Year shall not exceed eleven percent (11%) of the net profits of the Company computed in the manner laid down in Section 198 in the manner as prescribed under the Act.
- The Company with the approval of the Shareholders and Central Government may authorize the payment of remuneration exceeding eleven percent (11%) of the net profits of the company, subject to the provisions of Schedule V.

- The Company may with the approval of the shareholders authorise the payment of remuneration upto five percent (5%) of the net profits of the Company to its anyone Managing Director/Whole Time Director/Manager and ten percent (10%) in case of more than one such official.
- The Company may pay remuneration to its Directors, other than Managing Director and Whole Time Director upto one percent (1%) of the net profits of the Company, if there is a Managing Director or Whole Time Director or Manager and three percent (3%) of the net profits in any other case.
- The net profits for the purpose of the above remuneration shall be computed in the manner referred to in Section 198 of the Companies Act, 2013.

The Independent Directors shall not be entitled to any stock option and may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose as may be decided by the Board and profit related commission as may be approved by the members. The sitting fees to the Independent Directors shall not be less than the sitting fees payable to other Directors.

The remuneration payable to the Key Managerial Personnel shall be as may be decided by the Board having regard to their experience, leadership abilities, initiative taking abilities and knowledge base.

## J. CRITERIA FOR THE EVALUATION OF INDEPENDENT DIRECTORS INCLUDING EXECUTIVE DIRECTORS & BOARD

### BRIEF OUTLINE OF THE LEGAL/STATUTORY REQUIREMENTS:

COMPANIES ACT, 2013/ LISTING REGULATIONS	PROVISIONS
Section 178 read with Companies (Meeting of Board and Its Powers) Rules, 2014	The Nomination and Remuneration Committee shall carry out evaluation of every Directors' performance.
Section 134 read with Companies (Accounts) Rules, 2014 Section 149 read with Schedule IV of Companies Act, 2013	In the Board Report, a statement has to be given stating that the manner in which formal annual evaluation has been made by the Board of its own performance, committees and individual Directors. The performance evaluation of Independent Directors shall be done by the entire Board of Directors of the Company, excluding the director being evaluated.
	On the basis of report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the Independent Director.
Regulation 19 of SEBI (Listing Obligations & Disclosure Requirements), Regulations 2015	<ul style="list-style-type: none"> <li>Monitoring and reviewing Board Evaluation framework.</li> <li>The Nomination Committee shall lay down the evaluation criteria for performance evaluation of Independent Directors.</li> <li>The Company shall disclose the criteria for performance evaluation, as laid down by the Nomination Committee, in its Annual Report.</li> <li>The performance evaluation of Independent Directors shall be done by the entire Board of Directors (excluding the director being evaluated).</li> <li>On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the Independent Director.</li> </ul>

### 1. Performance evaluation of Independent Directors:

The performance evaluation shall be done on an annual basis, each Director shall be provided an evaluation sheet except the Independent Director being evaluated based on including but not limited to criteria as follows:

S.No.	Particulars
1	Whether he/she actively participated in board meetings including committee & general meetings.
2	Whether he/she brings an objective view in the evaluation of the Board & Management.
3	Whether he/she acted objectively and constructively while exercising his/her duties in the Board/Committee meetings.
4	Whether he/she assisted the Company in implementing the best corporate governance practices.
5	Whether he/she helped the Board by giving an independent judgment on Board deliberations especially on strategy, performance, risk management & standards of conduct.
6	Whether he/she scrutinize the performance of the management monitored the report of Company's performance.
7	Whether he/she well informed about the Company and the external environment in which it operates.
8	Whether he/she participated in the familiarization program of directors of the Company.
9	Whether he/she given sufficient attention and ensured on the approval of related party transactions and assured that the same are in the best interest of the Company.
10	Whether he/she ascertained that the policies of the Company and its implementation are adequate and proper and has complied with Code of Conduct.

## 2. Performance Evaluation of the Board:

The performance evaluation shall be done on an annual basis, each Director shall be provided an evaluation sheet based on including but not limited to criteria as follows:

S.No.	Particulars
1	Whether the Shareholders of the Company were sufficiently informed on the key concerns of the Company including on Board Meetings/General Meetings, Policies of the Company and enhancing information/opportunity to attend General Meetings through newspapers notice or website of the Company.
2	Whether the Company has an transparent & adequate mechanism to resolve/address the grievances of the Shareholders.
3	Whether the Board encouraged its KMPs, Senior Management & facilitate the independent directors in view of better corporate governance & their duties.
4	Whether they are satisfied with the financial performance in terms of revenue, PBT, PAT etc. of the Company in comparison to the previous financial year & recommended the appropriate dividend on shares.
5	Whether the Board has approved the appropriate annual budget and the budgeted figure was in line of actual performance of the Company.
6	Whether the Board recommended the appropriate dividend after consideration of diversification & expansion of its business in the best interest of the Stakeholders.
7	Whether the Board discussed and taken decision on penetration & diversification in view of expansion of its business.
8	Whether the Board acted and taken decisions on well informed basis and duly discussed the agenda items and the meetings are held timely to fulfill their duties.
9	Whether the Board had followed the ethical standards.
10	Whether the Board has used the resources of the Company for maximization of wealth.

## 3. Performance Evaluation of Executive & Non-Executive Directors (Not Independent Director):

S.No.	Particulars
1	Whether he/she actively participated in board meetings including committee & general meetings.
2	Whether he/she is bringing an objective view in the evaluation of the Board & Management.
3	Whether he/she acted objectively and constructively while exercising his/her duties in the Board/Committee meetings.
4	Whether he/she assisted the Company in implementing the best corporate governance practices.
5	Whether he/she helped the Board by giving an independent judgment on Board deliberations especially on strategy, performance, risk management & standards of conduct.
6	Whether he/she scrutinize the performance of the management monitored the report of Company's performance.
7	Whether he/she well informed about the Company and the external environment in which it operates.
8	Whether he/she participated in the familiarization program of directors of the Company.
9	Whether he/she given sufficient attention and ensured on the approval of related party transactions and assured that the same are in the best interest of the Company.
10	Whether he/she ascertained that the policies of the Company and its implementation are adequate and proper and has complied with Code of Conduct.

## 4. Performance Evaluation of the Committee:

The performance evaluation shall be done on an annual basis, each Director shall be provided an evaluation sheet based on including but not limited to criteria as follows:

S.No.	Particulars
1	Whether the Committee is exercising all its powers delegated by the Board of Directors with due care and diligently.
2	Whether the level of working of Committee in line with its terms of reference.
3	Whether the frequency of meeting is sufficient to discharge its duties properly.
4	Whether the recommendation made by the Committee is a proper and adequate.

The evaluation criteria shall be reviewed by the Committee and Board from time to time and shall be in accordance with Regulation 19 of SEBI (Listing Obligations & Disclosure Requirements), Regulations 2015 and the Companies Act, 2013 and Rules and Regulations made thereunder as amended from time to time.

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

TO  
THE BOARD OF DIRECTORS

SMC GLOBAL SECURITIES LIMITED

We Subhash C. Aggarwal, Chairman and Managing Director and Vinod K. Jamar, Group Chief Financial Officer of the Company hereby certify that:

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief.
- (1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- (2) These statements together present a true and fair view of the listed entity'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 have evaluated the effectiveness of Internal Control systems of the Company pertaining to Financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such Internal Controls, if any, of which we are aware and the steps we have

taken or propose to take to rectify those deficiencies.

- D. We have indicated to the auditors and the Audit committee:
- (1) Significant changes in internal control over financial reporting during the year;
- (2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the Financial Statements; and
- (3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.
- E. We further declare that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year covered by this report.

For and on Behalf of the Board

sd/-

**SUBHASH C. AGGARWAL**  
(Chairman & Managing Director)  
DIN: 00003267

**Address: HOUSE NO. 67, ROAD NO. 41,  
WEST PUNJABI BAGH, DELHI - 110026**

Place: Mumbai  
Date: 29th May, 2017

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members

**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, 2017**, as stipulated in SEBI (Listing Obligations and Disclosure Requirements) 2015 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, 2017**.

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 R. GOPAL & ASSOCIATES**  
**F.R.N. 000846C**  
**(Chartered Accountants)**

sd/-  
**CA Sunil K. Agarwal**  
**Partner**  
**(M. No. 093209)**

**Date: 29th May, 2017**  
**Place: Mumbai**



# TIMELY REPORTS WITH SMC ADVANCED RESEARCH TOOLS



Moneywise. Be wise.

Daily, Weekly & Annual Reports on Equity | Derivatives Report | Daily, Monthly & Annual Reports on Commodity (Both in English & Hindi) | Daily Currency Reports | Special Reports | IPO Report | Weekly Mutual Fund Report | Weekly Newsletter (Wise Money) | SMS Alert Service | Chat Room



# management discussion & analysis report



Board Meeting of SMC Global Securities Limited, dated 29th May, 2017 at Mumbai Office.

## MACRO-ECONOMIC ENVIRONMENT

### ECONOMY: REVIEW AND OUTLOOK

International Monetary Funds' Managing Director Christine Lagarde, who has repeatedly coined India as a "bright spot", has forecast that the Asias' third largest economy i.e. India will surpass Germany by 2030. Moreover, estimate by the United States Department for Agriculture Economic Research Service (USDA), based on data collated by World Bank and IMF, assumes the Indian economy will grow annually at an average 7.4% to \$6.84 trillion by 2030. As per the Union Budget report "Economy has moved on a high growth path. India's Current Account Deficit declined from about 1% of GDP last year to 0.3% of GDP in the first half of 2016-17. FDI grew 36% in H1 2016-17 over H1 2015-16, despite 5% reduction in global FDI inflows. Foreign Exchange reserves have reached 361 billion US Dollars as on 20th January, 2017." Modi government has completed its three (3) years and the several decisive policy decisions, which were taken by the government in these three years, have brought about vivid transformation in the country's, economy. Reforms such as fuel price deregulation, implementation of GST, Skill India, Make in India, the UDAY scheme, Smart Cities, REITs, Direct Benefits Transfer, Crop Insurance, Re-contouring of the Fiscal Responsibility and Budget Management (FRBM) platform is expected to boost India's potential GDP growth. Further, Implementation of GST, the biggest reform since independence, which is seen as a revolution, will make businesses well-organized across the country, logistics more efficient set of laws a lot simpler and it would also boost GDP growth by around 1-2%.

## INDIAN CAPITAL MARKET

Indian stock market embarked its scintillating growth; with Sensex rising more than 17% and Nifty elevating approx 19% in Financial Year 2017. Driven by a stable growth outlook and on expectations the government will pass more economic reforms; the optimism continued to remain high among the market participants. In FY 2017, Government introduced policies with the major thrust being on elimination of black money, corrective measures for various sectors, transparency and tackling of the issue of bureaucratic deadwood. The Foreign Direct Investment (FDI) policy was further liberalized, resulting in almost 90% of proposals falling under the automatic route. Improving macroeconomic factors and rising Foreign Direct Investment into cheered the market.

Besides these, remarkably improved political stability and improved downpour of monsoon rains continued to bolster the sentiments of the market participants. The BJP's smart victory in the Year 2017 Uttar Pradesh assembly elections has raised the probability that NDA could come back to rule at the centre for the second term. The strong participation of foreign and domestic players in the market indicates that they have given thumbs up to the Governments' several reforms and policy initiatives and future plans to boost economic growth. Also the stable currency at home supported the Indian equity markets.

To boost the Indian economy, the Government of India has announced many initiatives to make financial services accessible and affordable to the public and some of them may include Jan Dhan Yojna to include more people into financial sector, benefits to large NBFCs to strengthen their ability to enforce

collateral towards recovery dues, relaxed FDI norms & proposed abolition of FIPB (Foreign Investment Promotion Board), affordable housing schemes and Digital lockers.

#### SMC OVERVIEW

##### A LEADING FINANCIAL SERVICES GROUP

SMC Global Securities Ltd. (SMC), established in 1994, contributing approx 5% of total turnover of NSE & BSE combined in equity segment has over a period become a well-diversified Financial Services group, offering wide range of services, through its Subsidiaries, namely:

- **Trading & Distribution** comprising of Broking & Commission Business of Equity, Commodity, Currency, Insurance Broking, Real Estate Advisory, Depository and Clearing Services (trading members), Distribution of Financial Products, Trading and Arbitrage Business & Treasury.
- **Financing** comprising of Loan against Shares, Loan against Commodity, IPO and NCD Financing (Retail and HNI), Loan against Property, Earnest money funding in Affordable housing, Construction Loan for real estate developers, Medical Equipment Financing, Corporate Funding, Personal Loan etc.
- **Advisory Business**, comprising of Investment Banking, Wealth Management and Research Services.

The Company's growth has been powered by strategic vision, strong belief and adherence to its core values and guiding principles, to attract and retain talent and a strong focus on technology, Corporate Governance and Risk Management.

#### AWARDS & RECOGNITIONS

- Best Commodity Broker of the Year 2016–Assocham Excellence Awards
- Best Broker with In-house Research in Bullion 2016 - Assocham Excellence Awards
- NBFC of the year–Northern Region 2016-Assocham Excellence Awards
- Order of Merit- Achieving Market Leadership 2016 - Skoch- BSE Awards
- India's best Real estate Broker of the Year 2016–Realty Fact
- Property Consultant of the Year 2016–CMO Asia

#### ORGANISATIONAL OVERVIEW

At SMC it has been our constant endeavour to manage our growth in most efficient and effective manner. This involves creating strong organization, empowering 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 nine (9) subsidiaries, one (1) joint venture and three (3) steps down subsidiary companies, including one at Dubai (U.A.E.) and another at U.S.A. These subsidiaries are regulated by various regulators in India, U.A.E. and U.S.A. respectively, depending upon business handled by them. We have presence in major cities in India through various offices apart from having subsidiary companies at Dubai (U.A.E.) and U.S.A. Through a strong network of 2,500+

authorized persons and sub brokers, SMC footprints cover nearly over 500+ cities across India. SMC group employs 2,850+ employees (as on 31st March, 2017), leveraging a strong partnership and ownership culture.

Our outstanding equity shares are currently listed in India on the Calcutta Stock Exchange (CSE) and the Ahmedabad Stock Exchange (ASE), which are regional Stock Exchanges that do not have nationwide trading terminals like the BSE or the NSE. As a result, our Equity Shares have not been traded on either of these exchanges during the last five (5) years.

#### 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.
- Good quality Research.

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

## FINANCIAL PERFORMANCE HIGHLIGHTS

### SMC FINANCIAL INFORMATION-CONSOLIDATED AND STANDALONE

Table 1: Abridged Profit and Loss Account (₹ in Lakhs)-Consolidated

PARTICULARS	FY 2016-17	% to Total Income	FY 2015-16	% to Total Income	%Increase/ (Decrease)
Total Revenue	53,387.75	100.00	42,654.75	100.00	25.16
Total Expenditure	46,542.68	87.18	37,713.16	88.41	23.41
Net Profit/(Loss) for The Year	6,845.07	12.82	4,941.59	11.59	38.52
Less: Tax expense	2,340.17	4.38	1,477.36	3.46	58.40
Profit After Tax (PAT) Before Adjustment For Minority Interest	4,504.90	8.44	3,464.23	8.12	30.04
Share of Minority Interest in Profit (Loss)	(77.82)	0.15	15.64	0.04	(597.59)
Net Profit/(Loss) After Tax, Other adjustments And Minority Interest	4,582.72	8.58	3,448.59	8.08	32.89
Earnings per Share (Basic) In ₹	4.05		3.05		

SMC's consolidated revenue from operations for FY 2016-17 was ₹ 53,387.75 Lakhs, an increase of 25.16% in comparison to previous year. Consolidated profit after tax before adjustment for minority interest was at ₹ 4,504.90 Lakhs, an increase of 30.04% against ₹ 3,464.23 Lakhs in the previous year. EPS on consolidated basis for the year was at ₹ 4.05 as against ₹ 3.05 in the previous year. The profit during

the year has increased because of higher operational revenue. Total expenditure increased because of increase in Stock Exchange & other Trading Expenses & Finance Cost. Tax expenses for the year increased to ₹ 2,340.17 Lakhs as compared to ₹ 1,477.36 Lakhs in the previous year, primarily due to better operating profit.

Table 2: Abridged Profit and Loss Account (₹ in Lakhs)- Standalone

PARTICULARS	FY 2016-17	% to Total Income	FY 2015-16	% to Total Income	%Increase/ (Decrease)
<b>REVENUE</b>					
Total Revenue	35,911.38	100.00	25,798.88	100.00	39.20
Total Expenditure	31,460.05	87.60	24,428.60	94.69	28.78
Net Profit/(Loss) for The Year	4,451.33	12.40	1,370.28	5.31	224.85
Less: Tax expense	1,517.78	4.23	510.69	1.98	197.20
Profit After Tax (PAT)	2,933.55	8.17	859.59	3.33	241.27
Earnings per Share (Basic) (in ₹)	2.59		0.76		

During the year under review, the revenue from operations for the year is at ₹ 35,911.38 Lakhs, a positive growth of 39.20% as compared to previous year. The total expenditure increased by 28.78% due to increase in Stock Exchange and other operating expenses & Finance Cost. Tax expenses for the year increased to ₹ 1,517.78 Lakhs as compared to ₹ 510.69 Lakhs in the previous year, primarily due to better operating profit.

Profit after tax for the year is at ₹ 2,933.55 Lakhs, which is higher by 241.27% over ₹ 859.59 Lakhs in the previous year.

### SEGMENT WISE PERFORMANCE - CONSOLIDATED

SMC's revenue from operations largely comprises of income from equity, commodity and currency brokerage & trading, clearing services, income from depository business, income from distribution of third-party financial products, income from insurance brokerage & real estate advisory, financing, capital market operations, etc. A comparison of the income from our operations in FY 2016-17 and FY 2015-16 is tabulated below:

Table 3: Segment-wise performance

(₹ in Lakhs)

PARTICULARS	FY 2016-17	FY 2015-16	% Difference
<b>Segment Revenue</b>			
(1) Trading and distribution	46,517.83	35,847.21	29.77
(2) Advisory services	4,286.90	5,268.30	(18.63)
(3) Financing activities	4,345.47	2,826.43	53.74
<b>Total</b>	<b>55,150.20</b>	<b>43,941.94</b>	<b>25.51</b>
Less: Inter Segment Revenue	1,762.45	1,287.19	36.92
<b>Income From Operation, Other Operating Income and Other Income</b>	<b>53,387.75</b>	<b>42,654.75</b>	<b>25.16</b>
<b>Segment Results Profit/(Loss) before tax and interest from each segment</b>			
(1) Trading and distribution	7,371.54	4,122.71	78.80
(2) Advisory services	(280.45)	645.42	(143.45)
(3) Financing activities	2,598.74	1,929.08	34.71
<b>Total</b>	<b>9,689.83</b>	<b>6,697.21</b>	<b>44.68</b>
Less: Interest	2,844.76	1,755.62	62.04
<b>Total Profit/(Loss) Before Tax</b>	<b>6,845.07</b>	<b>4,941.59</b>	<b>38.52</b>

## Key Subsidiaries

(₹ in Lakhs)

Particulars Operations	Revenue from	PBDIT	Profit/Loss after Tax
Moneywise Financial Services Private Limited	4,329.49	3,344.66	1,238.60
SMC Insurance Brokers Private Limited	4,256.23	712.50	450.86
SMC Comtrade Limited	3,369.64	671.83	281.01

## BUSINESS PERFORMANCE HIGHLIGHTS

## BROKING BUSINESS

## RETAIL BROKING

SMC is a Clearing & Trading member of the NSE, BSE and MSEI in equities, futures and options and currency derivatives segment. SMC is also a Depository Participant of NSDL and CDSL which facilitates smooth settlements of clients' delivery-based transactions. In the commodity segment, SMC Comtrade Ltd., Wholly owned Subsidiary of SMC Global Securities Limited, is member of all major commodities exchanges in India. It also has international presence through its Wholly Owned Subsidiary, SMC Comex International DMCC, which is a member of Dubai Gold and Commodity Exchange (DGCX). During the year 2016-17, SMC Global Securities Limited has incorporated a Subsidiary namely, SMC Global IFSC Private Limited, which has commenced operations as a stock broker and clearing member on the derivatives segment of the India International Exchange in Gujarat.

It is our continuous endeavour to provide the best-in-class products, services and experience to our esteemed customers. In continuation to these efforts, we offer online trading capabilities through our website, smctradeonline.com, and mobile trading capabilities through our applications, SMC Mobitrade and SMC Tabtrade.

On this platform the client can create his/her own work space where the client can have single view of streaming quotes, chart, order/trade book, Funds view etc. A favourite menu is an important feature where client can add his frequently used options so that every time he/she does not need to navigate on different menu pages.

## EQUITY BROKING

SMC's market share was approximately 4.57 % (PY 5.59 %) of total turnover of NSE & BSE in FY 2016-17. It has been successful in generating a combined

turnover of approx. ₹ 45.86 Lakhs crores (PY ₹ 41.51 Lakhs crores) higher by 10.48% as compared to previous year.

## CURRENCY BROKING

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

SMC's market share is 12.18 % (PY 13.18 %) of total turnover of MCX, BSE Currency and NSE Currency in FY 16-17. SMC has clocked combined volume of ₹10.68 Lakh Crores (PY ₹ 10.88 Lakh Crores) lower by 1.84 % as compared to previous year.

## COMMODITY BROKING

During FY 2016-17, SMC's market share is 3.53% (PY 4.10%) of total turnover of SMC Comtrade Ltd. on MCX, NCDEX & NMCE clocked a combined volume of ₹ 2.30 Lakhs crores (PY ₹ 2.76 Lakhs crores) lower by 16.67% as compared to previous year.

## INSTITUTIONAL BROKING

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

Our Institutional Desk comprises of a research team to analyze various sectors and the Indian economy to identify equity & trading ideas for Institutional clients. Our sales & trading team comprises of professionals with understanding of the International as well as the Indian Financial Markets which translates our research in to actionable advice for our clients.

## 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 of India (IRDAI) and provides a complete array of services in Life Insurance and General Insurance Category.

We at SMC have sold over 8,20,000 policies during FY 2016-17 (PY 6,78,000 policies) and in the Life Insurance category added over 17,200 policies (PY 7500 policies) capable of generating recurring renewal revenues. For the FY 2016-17 in Honda Assure, (exclusive arrangement between Honda Cars India Ltd. and SMC Insurance), we have sold approx 4,77,000+ policies as against 4,44,000+ policies in last FY 2015-16.

#### CLEARING SERVICES

SMC offers clearing and settlement services to over 280 trading members in the following exchanges:

**Equity Derivative:** NSE F&O, BSE F&O & MSEI F&O.

**Currency Derivative:** NSE (Currency), BSE & MSEI (Currency), INX.

**Commodity Derivative:** MCX, NCDEX, NCDEX SPOT & DGCX.

SMC is one of the leading Clearing services provider on PAN-India basis.

#### 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:

- Consistently among Top 10 mobilizes in IPO segment in the retail category. During FY 2016-17, SMC mobilized ₹ 1,300+ Crores (PY ₹ 1,190 Crores) in various schemes of Mutual Funds,

over ₹ 6,700 Crores (PY ₹ 4,070 Crores) in various other products like 8% GOI Taxable Bonds, Corporate fixed deposits segment, NCD, Capital gain bonds and IPO and FPO segment.

- Developed vast network of channel partners for distribution of third party products.
- We have built a cumulative Asset under Management (AUM) of more than ₹ 2,300 Crores (PY ₹ 1,865 Crores) and having over ₹ 3.08 Lakhs (PY ₹ 2.69 Lakhs) Folios in Mutual Fund segment as on 31st March, 2017.

#### INVESTMENT BANKING

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

During FY 2016-17, we managed Public Issue/private placements of NCDs as sole Lead Manager/Co-Lead Manager. SMC Capitals acted as the Manager to the Delisting Offer of a listed entity and also provided valuation services to number of corporate during the year. On the advisory side we continue to engage with various corporate for providing advisory services on acquisitions, divestments, joint ventures, IPO preparation, fund raising and corporate restructuring. Recently, we were Book running lead manager in the issue of BSE (Bombay Stock Exchange).

#### FINANCING BUSINESS

The groups' Wholly Owned Subsidiary Moneywise Financial Services Private Limited (Moneywise) is registered with RBI as non-deposit taking non-banking finance company (NBFC). Moneywise has the benefit of Groups' PAN-India network of branches and associates. Our financing business segment

offers a variety of loan products primarily to individuals, and corporate clients, many of which are also clients of our trading and distribution and advisory services segments.

Moneywise offer capital markets loan products to clients, including traders and investors for capital market as well as other business purposes. Our loans against securities are secured against equity shares, mutual fund units, debt securities or other securities that are on our approved securities collateral list. Moneywise also offers property loans to both commercial and retail clients which are secured by the underlying property and may also be secured by other collateral of the borrower. In addition, Moneywise also provides short-term financing to subscribers in IPOs, NCDs, OFS issues, affordable housing applications, providing the clients to reap gains or build investments without stressing their short-term liquidity positions. The Company is the market leader in the retail application financing segment having over 11,000 clients attached to it.

The business model of the Company has proved efficient and successful over the period, which is evident from following table showing growth of the Company:

Loan Book		
31st March, 2017	31st March, 2016	Growth %
31,658.32	27,691.37	14.33

The Company has a net worth of approx. ₹ 16,935.44 Lakhs (PY ₹ 13,196.84 Lakhs) as on 31st March, 2017.

#### WEALTH MANAGEMENT

SMC Investments and Advisors Ltd. is Wholly Owned Subsidiary of SMC Global Securities Ltd. and offers Financial Planning and Wealth Management

solutions to HNI clients through a host of in-house and third party products. SMC Investments is SEBI registered Portfolio Manager and AMFI registered distributor for various Mutual Funds. The Company also facilitates the Home, Business and other personal loan distribution business since December, 2014 and currently has tied up with 25 plus major banks and NBFCs to provide the loan advisory to our clients. The Company have AUA/AUM of approx. ₹ 537 Crores (PY over ₹ 510 Crores) as on 31st March, 2017. Total revenue of the wealth business is ₹ 1,400+ Lakhs (PY over ₹ 1,800 Lakhs) as on 31st March, 2017.

#### REAL ESTATE ADVISORY

SMC Real Estate Advisors Pvt. Ltd. is a Subsidiary of SMC Finvest Ltd. one of the group Company of SMC. The Company is Real Estate Services provider offering fully integrated Real Estate solutions to Individuals and Corporate Investors besides other property owners and Developers on PAN-India basis. The Company has already tied up with more than 100 developers of repute PAN-India with national as well as regional presence. Total revenue of the Real estate business is ₹ 2,200+ Lakhs (PY over ₹ 2,100 Lakhs) as on 31st March, 2017.

#### SWOT ANALYSIS

##### OUR COMPETITIVE STRENGTHS

We believe the following are our core competitive strengths:

**We provide a wide range of products and services to meet the diverse financial needs of our target client base.**

As one of the leading Indian diversified financial services Companies, we believe our ability to identify emerging trends in the Indian financial services sector and create business lines and service offerings

around those trends have given us a competitive edge over other, less diversified participants in the industry. We believe our array of products and services enables us not only to cross-sell multiple product offerings, thus building stronger relationships with our clients, but also to attract new clients who seek a comprehensive financial services platform. During the year, we have commenced an exercise of "Client Profiling" wherein proposed financial needs of our customers will be assessed as on today.

Also, we have implemented training programs for our sales staff and independent distributors that focus on client referrals, track leads and coordinate between our business groups for an enhanced client experience. Our goal is to become a "one-stop shop" for the non-banking financial needs of our clients.

**We offer a compelling value proposition that attracts and retains quality sub-brokers.**

We have built an integrated financial services platform that enables sub-brokers to better serve the diverse and unique financial needs of our clients. We provide our sub-brokers with a variety of Technology-enhanced tools through our trading platform, which uses customizable software solutions that sub-brokers may tailor to their individual needs. Our technology platform also integrates real-time market data and research reports as well as built-in compliance controls for risk management. In addition, sub-brokers have access to our in-house research and data analytics platform, training and marketing facilities, which collectively enhance their ability to serve clients. We believe that our ability to provide an integrated financial services platform not only improves our operational execution, but also helps us recruit and retain quality sub-brokers.

**We pursue additional strategic alliances and acquisitions to grow our client base.**

We did various strategic alliances, targeted acquisitions and expansions during the year like,

SMC Global Securities Limited has been entered into a 50:50 limited liability partnership with IM+ Capitals Limited that will serve as the new investment manager to the fund. Further, SMC Global USA Inc. was formed a subsidiary (50% ownership) of SMC Global Securities Ltd, as an investment advisor and financial planning firm. Its primary goal is to help each of our clients to achieve all that is important to them, so they can live their ideal life. In addition, a subsidiary namely SMC Global IFSC Private Limited was formed during the year and has commenced operations as a stock broker and clearing member on the derivatives segment of the India International Exchange in Gujarat. Also, approximately ₹ 14.00+ Crores has been spent primarily for a new branch office in Mumbai as a measure to capture more market through branch expansions.

**We do have in-house experienced Research Team**

We have built a broad research platform focused on fundamental research and technical analysis. We launched our research platform in 2005 and, as of 31st March, 2017, our research team consisted of 23 individuals who provides fundamental, technical and quantitative research on over 290 companies through identifying trends and trading strategies in equity, commodities, currencies, derivatives, IPOs and Mutual Funds. Our analysts focus on mid- to large capitalization companies across the retail consumer, industrials, and healthcare and financial services industries in India. We also provide our clients with daily market update reports, weekly and monthly research magazines, and a monthly newsletter. We receive no incremental income from our research products.

**WEAKNESS**

High cost of capital and Lower Capital base are some of our weaknesses which are impacting lending to HNI & Corporate as of now.

**OPPORTUNITIES**

It is believed that the stepping stone for the next leg of growth has been initiated and more efforts are being done by the authorities to boost more inclusive growth. Government spending especially on the rural side of the economy called "Bharat", lower interest rate, rising confidence among the Indian corporate, rise in retail spending, government initiatives for financial inclusion like Pradhan Mantri Jan Dhan Yojna and above all expectations of good monsoon this year after two (2) consecutive years of drought is likely to open up plethora of opportunities for various stakeholders in every sphere and sector of the economy especially related to Indian demand and consumerism.

We as a established player in the financial domain having PAN-India presence believe that the next leg of growth would give fresh impetus to the retail participation and will drive the Indian consumer demand for investments for various financial products including insurance, distribution, equities, commodities, currencies and NBFCs etc. It is being observed that retail participation accelerates when rate of interest are on the declining trend.

**THREATS**

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

- Indian stock market will continue to take challenges from the global stock market especially from Europe, China and Japan, which are entering into a period of recession;
- India will find it worth considering obtaining foreign capital flows, if Fed chooses to go for frequent interest rate hike;
- India will have another tough year on exports, but imported inflation will also be under control;
- NPAs of Banks was a concern for India in past and may be in future also.

**RISK MANAGEMENT**

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 cushions 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 counter parties, 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 extra margin/collateral from clients 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 being taken immediately. Enough importance is attached to compliance related issues to keep reputation risk at bay.

Apart from the above risks, management perceives others risks also like Technology risk, Compliance risk, Human resource risk and Reputation risk. SMC has put in place a strong management team and risk management committee with active involvement to set the overall strategic moves and regularly reviews the same to ensure it is within the risk appetite.

### CORPORATE SOCIAL RESPONSIBILITY

The Company's Corporate Social Responsibility (CSR) Policy encompasses the Company's philosophy for delineating its responsibility as Corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for the welfare & sustainable development of the community at large in alignment with the vision of the Company, through its CSR initiative strives to create and enhance value in the society and in the community in which it operates, through its services, conducts & initiatives, so as to promote sustained growth and development and welfare for the society and community at large, more specifically for the deprived and underprivileged persons. CSR Activities identified are related to the activities included in the Companies Act, 2013 (the Act) and the Companies (CSR Policy Rules), 2014 and exclude the activities undertaken in the normal course

of business as well as exclude projects or programmes or activities that benefit only the employees of the Company and their families.

SMC is required to spend 2.0% of their average net profits during three (3) immediately preceding financial years on corporate social responsibility activities as required by the Companies Act, 2013. We have a Corporate Social Responsibility Committee comprising of Shri. Subhash C. Aggarwal (Chairman), Shri. Mahesh C. Gupta (Vice Chairman), Shri. Satish C. Gupta (Independent Director) and Shri. Kundan M. Agarwal (Independent Director). Our Corporate Social Responsibility Committee oversees Corporate Social initiatives undertaken by our Company. During the FY 2016-17, the group has spent ₹ 43.46 Lakhs on CSR activities.

### INTERNAL CONTROLS

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 Directors comprises of Shri. Satish C. Gupta (former Chairman and Managing Director of Punjab National Bank), Shri. Kundan M. Agarwal (over 40 years of experience in audit, taxation and corporate matters), Shri. Roop C. Jindal (over 40 years of experience in auditing), Shri. Narain D. Gupta (past president of the Institute of Chartered Accountants of India) and Shri. Hari D. Khunteta (having over 39 years of experience in Financial Management and Corporate Governance) for its effectiveness and timely reporting. The scope of internal audit covers all aspect of business including regular front-end and back-end operations and internal compliances. The Internal Control procedures include segregation of

roles and responsibilities, independent confirmations, physical verifications and preventive checks on compliance risk. Every time, a compliance audit of earlier audit observations is conducted by external audit firms to assess the implementation status and improvements in Internal Control Systems.

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. The Audit Committee reviews the instances of fraud, if any, and takes appropriate action to strengthen the system and prevent such recurrence.

The Company employs specialized audit firms to carry out specific audit of some critical functions, such as half yearly internal audit of broking business mandated by SEBI/Exchanges, DP Process, Know your customer (KYC) verifications, demat transfers, pay-out verifications, systems audit, branches and sub brokers audit, PMS, mutual fund and alternative investment funds operation audit, credit audit, loan documentation audits, pre/post disbursement audit, end use verification audit and verification of related party transactions, among others.

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

### INTERNAL FINANCIAL CONTROLS

As per the requirement of Companies Act, 2013, the Board of Directors is required to lay down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls must be adequate and operating effectively. As per the "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting" issued by the Institute of Chartered Accountants of India (ICAI), the respective Board of Directors of the Holding Company and its Subsidiaries, which are Companies

incorporated in India, are responsible for establishing and maintaining Internal Financial Controls.

The group assigned this task to an Independent professionally competent Chartered Accountants Firm (hereinafter "consulting firm") for improving the existing Risk registers and designed and documented the Internal Financial Controls based on Internal Controls over Financial reporting criteria considering the essential components of the Internal Controls stated in the Guidance Note on Audit of Internal Financial Controls over financial reporting issued by the Institute of Chartered Accountants of India (ICAI).

The consulting firm has already designed and documented the Internal Financial Controls for Holding Company, eight subsidiaries and three step down subsidiaries incorporated in India in the form of Entity Level Controls, Process Narratives, Process Flow Charts and Risk and Control Matrix for all major processes and sub processes running across the subsidiaries and step down subsidiaries.

### HUMAN RESOURCES

At SMC we believe that "Company grows when its people grow". SMC offers every employee a very congenial & vibrant working environment conducive to bringing out the best in every employee. We enable, encourage and empower people to learn and during the year, we continued our focus on building a performing and growing organization by introducing many new HR policies and processes. For better talent acquisition, we used employment portals and social media and even employee referral was given priority. We have adapted latest trends followed across the industry into talent acquisition domain for creating a strong internal data base. Competitive incentive plans were laid down for the sales team for better productivity.

### TECHNOLOGY, TRAINING AND DEVELOPMENT

We have an internal Human Resource Information



System called ADVANCE MITR (My Information & Technology Resource) wherein all HR related needs of the employees are integrated. We continued the systematic performance appraisal system based on the use of Management by Objectives technique. All the behavioural perspectives like, customer-centric approach, learning, trust, initiative, communication etc., were evaluated and appraised during appraisal cycle. HR personnel facilitated face to face discussion between the subordinate and the supervisor and various parameters such as attendance and punctuality, education and experience were introduced to facilitate bias free appraisal system. Alongside, a constructive training need analysis has been instigated as an outcome of the performance review session commenced during appraisals.

#### EMPLOYEE WELFARE

As a part of employee welfare initiatives, SMC have been consistently taking lot of efforts to train the employees on various behavioural, product and technical aspects. Apart from Induction training, various in-house training modules were prepared and delivered by the HR team to the employees to enhance their competencies and skills.

#### FOCUS ON ENHANCING EMPLOYEE ENGAGEMENT

On the employee engagement front/employee connect to management, lot of motivational activities were planned for the employees throughout the year. We have R&R division in HR to undertake the same. Various donation & health camps such as blood donation, newspaper fancy dress competition were undertaken. Fitness exercise during working hours is also being done on regular basis to keep a tab on employees' health. SMC has therefore worked on building an employer brand with strong employee value proposition and has developed a culture that

promotes independent decision making. The number of persons employed by SMC group is around 2,850+ as on 31st March, 2017.

#### OUTLOOK

Based on a MSCI list of emerging market returns for the last one year, India ranks tenth among a total of 39 emerging markets as the confidence among the market participants have build up that the government's reform agenda will strengthen growth and corporate earnings. Currently, SMC has diversified business and financial segments and has presence in all verticals as compare to its competitors and has huge potential to grow in all aspects. Going by the potential for additional consumption in India, driven by growing urbanization, there are several positives in the Indian economy and India will not only continue to grow but will continue to be a very attractive destination for foreign investors, supported by conducive policy framework, democracy with unbiased judiciary and potential for high returns.

#### FORWARD - LOOKING STATEMENT

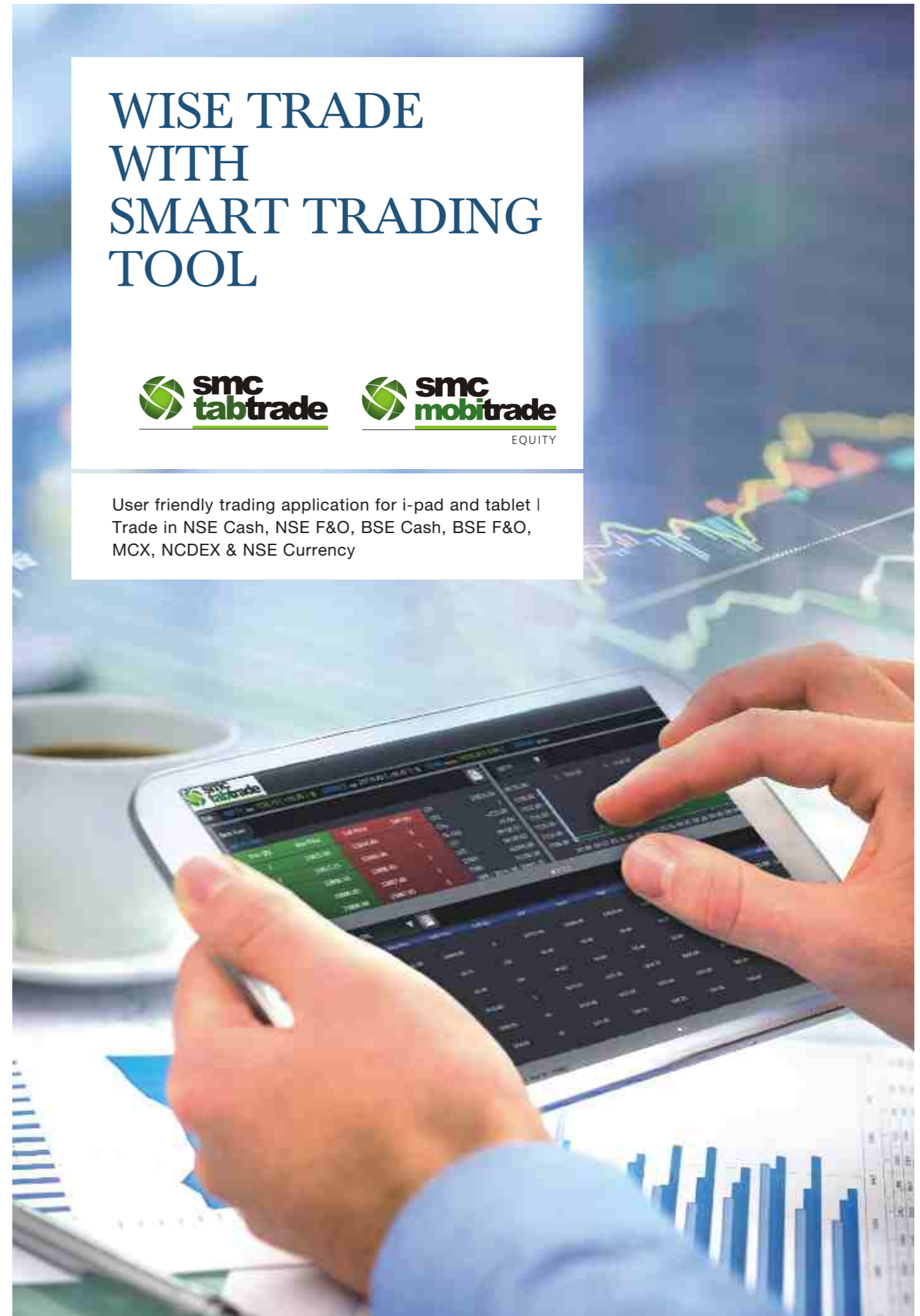
All statements that address expectations or projections about future, but not limited to the company's strategy for growth, product development, market position, expenditures and financial results may be forward - looking statements within the meaning of applicable rules and regulations. Since these are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate or will be realized. The company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events. There are various factors like conditions in global financial markets, regulatory intervention, terrorist attacks and other acts of violence which may lead to situations unpredictable for anyone.

# WISE TRADE WITH SMART TRADING TOOL



EQUITY

User friendly trading application for i-pad and tablet |  
Trade in NSE Cash, NSE F&O, BSE Cash, BSE F&O,  
MCX, NCDEX & NSE Currency



# GATEWAY TO TRADE IN DGCX BY SMC



Trading opportunities in DGCX arbitrage desk | Research Based Advisory | Portfolio Advisory Services | Online trading platform for bullion | Forex, Sensex and Copper | Dedicated NRI & FPI Desk with SMC Global Securities Ltd. (INDIA)



# independent auditors' report on consolidated financial statements

## TO THE MEMBERS OF SMC GLOBAL SECURITIES LIMITED

### Report on the consolidated Financial Statements

We have audited the accompanying consolidated financial statements of SMC Global Securities Limited (hereinafter referred to as "the Holding Company"), and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its jointly controlled entity, comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and jointly controlled entity and for preventing and detecting frauds and other

irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the disclosures in the consolidated financial statements. The procedures selected depend on the auditors'

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 financial control relevant to the Holding Company's preparation 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 whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group

and its jointly controlled entity as at 31st March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Other Matters

- a. We did not audit the financial statements / financial information of nine subsidiaries, three step down subsidiaries and one Jointly controlled entity whose financial statements / financial information reflect total assets of ₹9,49,84,79,214 as at 31st March, 2017, total revenues of ₹1,93,29,30,691 and net cash inflows amounting to ₹57,26,00,369 for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, step down subsidiaries and Jointly controlled entity, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, step down subsidiaries and Jointly controlled entity, are based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations

received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries companies, incorporated in India, none of the directors of the Group companies, are disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

- f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Group and Jointly controlled entity has disclosed the impact of Pending litigations on its financial position in its financial statements- Refer note 2.27 to the financial statements,
  - ii. The Group and Jointly controlled entity did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and

Protection Fund by the Holding Company, and its subsidiaries companies incorporated in India.

- iv. The Company has provided requisite disclosures in the consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note No 2.17 to the financial statements.

**For R Gopal & Associates**  
Chartered Accountants  
Firm Registration No.: 000846C

sd/-

**S.K. Agarwal**  
Partner

Membership No.: 093209  
Date : 29th May, 2017  
Place : Mumbai

### ANNEXURE-A to the Auditor's Report

#### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31<sup>st</sup> March 2017, we have audited the internal financial controls over financial reporting of SMC Global Securities Limited ("the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

#### Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

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

audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control

over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

#### Other Matters

Our aforesaid reports u/s 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to eight subsidiaries and two step down subsidiaries which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

#### For R Gopal & Associates Chartered Accountants

Firm Registration No.: 000846C

sd/-

**S.K. Agarwal**  
Partner

Membership No.: 093209

Date : 29th May, 2017

Place : Mumbai

## CONSOLIDATED BALANCE SHEET

AS AT 31st MARCH, 2017

(Amount in ₹)

PARTICULARS	NOTE NO.	AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2.01	226,268,900	226,268,900
Reserves and surplus	2.02	5,721,572,904	5,435,433,913
		<b>5,947,841,804</b>	<b>5,661,702,813</b>
<b>Minority Interest</b>		<b>31,407,164</b>	<b>9,516,932</b>
<b>Non-current liabilities</b>			
Long-term borrowings	2.03	41,750,515	9,372,148
Long-term provisions	2.04	184,482,113	128,285,411
Other long-term liabilities	2.05	21,787,130	13,823,930
		<b>248,019,758</b>	<b>151,481,489</b>
<b>Current liabilities</b>			
Short-term borrowings	2.06	3,265,676,287	1,806,664,746
Trade payable	2.07	2,479,615,985	2,837,635,223
Other current liabilities	2.08	3,733,049,471	3,058,763,656
Short-term provisions	2.09	103,612,435	86,099,939
		<b>9,581,954,178</b>	<b>7,789,163,564</b>
<b>TOTAL</b>		<b>15,809,222,904</b>	<b>13,611,864,798</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	2.10	343,314,930	194,968,338
Intangible assets		75,830,509	12,909,076
Software WIP		300,000	560,000
Non-current investments	2.11	335,441,817	342,741,542
Deferred tax asset (net)	2.12	151,036,453	142,434,262
Long-term loans and advances	2.13	1,633,523,600	1,000,163,987
Trade receivables	2.14	106,330,742	167,509,299
		<b>2,645,778,051</b>	<b>1,861,286,504</b>
<b>Current assets</b>			
Current investments	2.11	553,976,541	99,262,602
Inventories	2.15	1,242,683,143	2,190,499,983
Trade receivables	2.16	4,271,271,332	3,212,296,246
Cash and bank balances	2.17	4,497,904,264	3,237,561,399
Short-term loans and advances	2.18	2,546,071,955	2,948,693,635
Other current assets	2.19	51,537,618	62,264,429
		<b>13,163,444,853</b>	<b>11,750,578,294</b>
<b>TOTAL</b>		<b>15,809,222,904</b>	<b>13,611,864,798</b>
Significant accounting policies and notes to the financial statements 1 & 2			

In terms of our Audit Report of even date attached

For R. GOPAL & ASSOCIATES  
Chartered accountants  
Firm Registration No.: 000846C

sd/-  
S.K. AGARWAL  
PARTNER  
Membership No. : 093209

For and on behalf of the Board

sd/-  
S. C. AGGARWAL  
(CHAIRMAN & MANAGING  
DIRECTOR)  
Din No.: 00003267

sd/-  
VINOD KUMAR JAMAR  
(GROUP CFO)

sd/-  
MAHESH C. GUPTA  
(VICE-CHAIRMAN & MANAGING  
DIRECTOR)  
Din No.: 00003082

sd/-  
SUMAN KUMAR  
(COMPANY SECRETARY)

PLACE : Mumbai  
DATE : 29th May 2017

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2017

PARTICULARS	NOTE NO.	(Amount in ₹)	
		FOR THE YEAR ENDED 31st MARCH, 2017	FOR THE YEAR ENDED 31st MARCH, 2016
<b>Revenue:</b>			
Revenue from operations	2.20	5,213,225,337	4,195,827,073
Other income	2.21	125,550,245	69,648,206
<b>Total Revenue</b>		<b>5,338,775,582</b>	<b>4,265,475,279</b>
<b>Expenses:</b>			
Exchange & other operating expenses	2.22	2,007,978,781	1,534,237,872
Employee benefit expenses	2.23	1,298,396,397	1,155,337,856
Finance cost	2.24	284,476,400	175,562,079
Depreciation and amortization expenses	2.25	73,596,712	68,190,219
Other expenses	2.26	989,820,022	837,988,199
<b>Total expenses</b>		<b>4,654,268,312</b>	<b>3,771,316,225</b>
<b>Profit before tax</b>		<b>684,507,270</b>	<b>494,159,054</b>
<b>Tax expenses:</b>			
Current tax		246,782,115	185,451,101
Deferred tax		(8,602,189)	(4,747,299)
MAT credit entitlement		(5,718,374)	(30,858,107)
Prior period tax/adjustments		1,555,109	(2,109,385)
<b>Profit after tax for the year (before adjustment for minority interest)</b>		<b>450,490,609</b>	<b>346,422,744</b>
Less: Share of (loss)/profit transferred to Minority Interest		(7,782,444)	1,563,456
<b>Profit after tax for the year (after adjustment for minority interest)</b>		<b>458,273,053</b>	<b>344,859,288</b>
<b>Earning per equity share of ₹ 2 /- each</b>			
- Basic & Diluted	2.32	<b>4.05</b>	<b>3.05</b>
<b>Significant accounting policies and notes to the financial statements</b>	<b>1 &amp; 2</b>		

In terms of our Audit Report of even date attached

**For R. GOPAL & ASSOCIATES**  
Chartered Accountants  
Firm Registration No.: 000846C

sd/-  
**S.K. AGARWAL**  
PARTNER  
Membership No. : 093209

For and on behalf of the Board

sd/-  
**S. C. AGGARWAL**  
(CHAIRMAN & MANAGING  
DIRECTOR)  
**Din No.: 00003267**

sd/-  
**VINOD KUMAR JAMAR**  
(GROUP CFO)

sd/-  
**MAHESH C. GUPTA**  
(VICE-CHAIRMAN & MANAGING  
DIRECTOR)  
**Din No.: 00003082**

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

**PLACE : Mumbai**  
**DATE : 29th May 2017**

## CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31st MARCH, 2017

PARTICULARS	(Amount in ₹)	
	FOR THE YEAR ENDED 31st MARCH, 2017	FOR THE YEAR ENDED 31st MARCH, 2016
<b>A Cash Flow From Operational Activities</b>		
Profit before tax	684,507,270	494,159,054
<b>Adjusted for:</b>		
Provision for doubtful debts / advances	92,352,224	83,616,909
Provision for non performing assets	23,547,438	3,445,697
Provision for standard assets	3,231,267	5,243,854
Provision for diminution in value of investment	19,000,000	17,200,000
Depreciation & amortization expenses	73,596,712	68,190,219
Interest expenses	248,933,035	145,308,303
Income from investment in PMS (net)	(19,408,687)	(495,936)
Loss/(Profit) on sale of investment	(12,581,110)	(13,871,868)
Loss/(Profit) on sale of fixed assets	730,410	(3,582,161)
Interest income	(32,901,721)	(6,481,740)
Dividend income	(3,463,832)	(7,971,749)
	<b>393,035,736</b>	<b>290,601,528</b>
<b>Operating profit before working capital changes</b>	<b>1,077,543,006</b>	<b>784,760,582</b>
Increase / (Decrease) in liabilities and provisions	360,251,845	2,304,473,179
(Increase) / Decrease in trade receivables	(1,090,149,032)	(866,623,940)
(Increase) / Decrease in inventories	947,816,840	(594,874,421)
(Increase) / Decrease in loans & advances and other assets	(292,898,759)	(1,600,340,960)
(Increase) / Decrease in bank term deposit	(853,733,789)	(16,336,319)
	<b>(928,712,895)</b>	<b>(773,702,461)</b>
<b>Cash generated from operations</b>	<b>148,830,111</b>	<b>11,058,121</b>
Direct Taxes Paid (net of refunds)	(230,340,459)	(211,979,299)
<b>Net cash (used in) operating activities</b>	<b>(81,510,348)</b>	<b>(200,921,178)</b>
<b>B Cash Flow from Investing Activities</b>		
(Purchase) of fixed assets	(288,366,192)	(58,420,832)
Sale of fixed assets	3,031,046	6,506,176
(Purchase) of non current / current investments	(2,094,831,568)	(1,147,042,264)
Sale of non current / current investments	1,660,407,151	1,111,211,703
Interest income	30,642,725	6,481,740
Dividend income	3,463,832	7,971,749
<b>Net cash (used in) investing activities</b>	<b>(685,653,006)</b>	<b>(73,291,728)</b>

PARTICULARS	(Amount in ₹)	
	FOR THE YEAR ENDED 31st MARCH, 2017	FOR THE YEAR ENDED 31st MARCH, 2016
<b>C Cash Flow From Financing Activities</b>		
Interest paid	(249,250,904)	(140,890,525)
Proceeds from / (repayment of) borrowings (net)	1,491,389,927	1,107,624,273
Interim/Final dividend paid and tax thereon	(98,039,270)	(81,551,530)
<b>Net cash from financing activities</b>	<b>1,144,099,753</b>	<b>885,182,218</b>
<b>Adjustment on account of change in minority interest</b>	<b>29,672,677</b>	<b>-</b>
<b>Net Increase in cash and cash equivalents (A+B+C)</b>	<b>406,609,076</b>	<b>610,969,312</b>
Cash and cash equivalent at the beginning of the year	869,414,474	258,445,162
<b>Cash and cash equivalent at the end of the year (refer note no. 2.17)</b>	<b>1,276,023,550</b>	<b>869,414,474</b>

**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 u/s 133 of the Companies Act, 2013.
- Figures in brackets indicate cash outflow.
- The significant accounting policies and notes to the financial statement (refer note no. 1 & 2) forms an integral part of the Consolidated Cash Flow Statement.

In terms of our Audit Report of even date attached

**For R. GOPAL & ASSOCIATES**  
Chartered Accountants  
Firm Registration No.: 000846C

For and on behalf of the Board

sd/-  
**S.K. AGARWAL**  
PARTNER  
Membership No. : 093209

sd/-  
**S. C. AGGARWAL**  
(CHAIRMAN & MANAGING  
DIRECTOR)  
Din No.: 00003267

sd/-  
**VINOD KUMAR JAMAR**  
(GROUP CFO)

sd/-  
**MAHESH C. GUPTA**  
(VICE-CHAIRMAN & MANAGING  
DIRECTOR)  
Din No.: 00003082

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

PLACE : Mumbai  
DATE : 29th May 2017



## SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2017

### GROUP OVERVIEW

SMC Global Securities Limited (the "Company" or "SMC Global") is a limited liability Company incorporated in the year 1994. The Company is a trading member of the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") in the capital market. Further, the Company is trading and clearing member of NSE, BSE and Metropolitan Stock Exchange of India Limited ("MSEI") in the futures and options segment and currency derivative segment. The Company also have depository participants registration of Central Depository Services (India) Limited and National Securities Depository Limited, participants of NCDEX Comtrack and AMFI registered mutual fund distributor. The Company is governed by SEBI.

Its wholly owned subsidiary, SMC Comtrade Limited is a trading and clearing member of National Commodity and Derivatives Exchange Limited ("NCDEX"), Multi Commodity Exchange of India ("MCX"), Indian Commodity Exchange Limited ("ICEX") and National Multi Commodity Exchange of India Limited ("NMCE") in the commodity market. SMC Comex International, DMCC ("SMC Comex"), a wholly owned subsidiary of SMC Comtrade Limited holds trading and clearing membership for Dubai Gold Commodity Exchange ("DGCX") and SMC Insurance Brokers Private Limited is subsidiary of SMC Comtrade Limited and holds direct insurance broking license from IRDA (Insurance & Regulatory Development Authority of India) in the life and non-life insurance.

The Company is the holding Company of SMC Investments and Advisors Limited which is engaged in the business of portfolio management and wealth management & advisory services. On 2nd May, 2016, SMC Investments and Advisors Limited entered into a Memorandum of Understanding (MOU) with IM+ Capital Group to incorporate a Limited Liability Partnership namely SMC & IM Capitals Investment Manager LLP ("LLP") wherein both the entities will be equal business partners. The LLP was incorporated on 30th June, 2016 and the required regulatory SEBI approval was obtained on 18th October, 2016. Investment manager ("LLP") will be responsible for management of assets and schemes of trust, identifying and appraising investment opportunities, negotiating terms of investments and making investment

decisions. The Company is also holding Company of SMC Capitals Limited, registered as Category I Merchant Banker with SEBI (Securities and Exchange Board of India) and of Moneywise Financial Services Private Limited, registered as Non-Banking financial Company with Reserve Bank of India ("RBI"). The Company has also formed a wholly owned subsidiary, Indunia Realtech Limited. The Company is holding Company of SMC Finvest Limited and Moneywise Finvest Limited engaged in the business of Financing and Investments. SMC Real Estate Advisors Private Limited, a wholly owned subsidiary of SMC Finvest Limited is engaged into real estate broking and advisory services. The Company on 2nd February, 2016 has also formed a subsidiary in USA named SMC Global USA Inc which is engaged in the business of investment advisory. The Company on 8th December, 2016 has also formed a wholly owned subsidiary named SMC Global IFSC Private Limited to carry out Equity and Commodity Broking in India International Exchange at GIFT city, Gandhinagar, Gujarat.

The Company offers a wide range of services to meet client's needs including brokerage services, clearing member services, distribution of financial products such as mutual funds and initial public offerings financing and also engages in proprietary transactions.

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### I. ACCOUNTING CONVENTION

The Consolidated Financial Statements (CFS) of the SMC Global Securities Limited ('the company') and its subsidiaries, step down subsidiaries and joint venture (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 referred to in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rule, 2014 and the Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Direction, 2007 issued by the Reserve Bank of India as applicable to a subsidiary - Moneywise Financial Services Pvt. Ltd.

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

NAME OF SUBSIDIARY	COUNTRY OF INCORPORATION	AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
<b>Subsidiary of SMC Global Securities Limited</b>			
a) SMC Comtrade Limited	India	100%	100%
b) SMC Investments and Advisors Limited	India	100%	100%
c) Moneywise Financial Services Private Limited	India	100%	100%
d) SMC Capitals Limited	India	100%	100%
e) Indunia Realtech Limited	India	100%	100%
f) SMC Finvest Limited	India	100%	100%
g) Moneywise Finvest Limited	India	100%	100%
h) SMC Global USA Inc.	USA	50%*	100%
i) SMC Global IFSC Private Limited	India	100%#	-
<b>Subsidiaries of SMC Comtrade Limited</b>			
j) SMC Insurance Brokers Private Limited	India	97.58%	97.58%
k) SMC Comex International DMCC	UAE	100%	100%
<b>Subsidiary of SMC Finvest Limited</b>			
l) SMC Real Estate Advisors Private Limited	India	100%	100%
<b>Joint venture of SMC Investments and Advisors Limited</b>			
m) SMC & IM Capitals Investment Manager LLP	India	50%§	-

\* w.e.f 01/07/2016

# w.e.f 06/01/2017

§ w.e.f 30/06/2016

### III. CONSOLIDATION PROCEDURE

- a) 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) The financial statements of the Company and its joint venture are combined on a proportionate 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.
- d) 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.
- e) The separate financial statements of the company, its subsidiaries, step-down subsidiaries and joint venture have been drawn for the period from 1st April, 2016 / date of incorporation to 31st March, 2017 and have been consolidated on the basis of their audited financial statements.
- f) The Companies' 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.

- g) 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-subsidary relationship came in existence.
- h) 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 u/s 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rule, 2014. Exchange differences arising are recognized in the Foreign Currency Fluctuation Reserve classified under Reserves and Surplus.
- i) 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 Indian GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities as at date of the consolidated financial statements and the reported amount of revenue and expenses during the reporting period. Actual results could differ from these estimates. Adjustment as a result of differences between actual results and estimates are recognized prospectively.

### VI. DEPRECIATION/AMORTISATION

#### In case of the Company and its Indian Subsidiaries:

Depreciation on tangible fixed assets is computed on written down value method, except for one Indian Subsidiary namely SMC Capitals Limited, another Indian step down subsidiary SMC Insurance Brokers Pvt. Ltd. and one foreign subsidiary SMC Global USA Inc, where it has been computed on straight line method at such rate as computed considering useful life provided in the Schedule II of the Companies Act, 2013. 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%
	:	Office Building	:	2%
• SMC Global USA Inc, USA	:	Computer Hardware	:	20%

#### Intangible Fixed Assets:

Depreciation on intangible fixed assets continues to be computed on written down value method at the following rates:-

a. Computer Software	40%
b. Trade Mark Logo	40%
c. Goodwill	25%

In case of a subsidiary SMC Investments and Advisors Limited where Goodwill is to be amortized over a period of three years starting from 01-01-2014. Goodwill acquired during the year of ₹ 1.50 crore is being amortized over a period of seven years starting from 15-10-2016.

In case of a subsidiary SMC Global USA Inc where Customer Relationship is to be amortized over a period of eight years starting from 01-07-2016.

### V. 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.

### CAPITAL WORK IN PROGRESS

Software under which assets are not yet ready for their intended use are carried at cost, comprising direct cost and related incidental expenses.

## VII. INVESTMENTS

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

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

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

## VIII. INVENTORIES

Inventories or stock-in-trade are valued at lower of cost and market value except inventory of the Holding 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 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 29th March, 2008 of the Institute of Chartered Accountants of India.
- d) Treasury 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 other operating income/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, Companies follow 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 holding company, exchange difference on loan receivable in foreign currency has been adjusted against specific reserve created for the purpose. Also refer to Accounting Policy III (h).

## 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 holding company and a subsidiary company listed at serial no. a in Accounting policy II where it is partly funded. Companies account 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. k of accounting policy II where the liability for Gratuity is being accounted on estimated basis and for subsidiaries listed at serial no. e, g, h, i & m of accounting policy II where the liability for Gratuity is being accounted on payment basis wherever required by the statute.
- c) The undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered by an employee is recognized during the period/year when the employee renders the services.
- d) Un-availed Leave Liability is a defined obligation and is not funded. Companies account 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. k of accounting policy II where the liability for Un-availed leave is being accounted on estimated basis and for subsidiaries listed at serial no. e, g, h, i & m of accounting policy II where the liability

for an 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.

## XIII. PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Companies create 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

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 of Impairment of Assets.

## 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) Companies have 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.

## 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.

## 2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE NO. 2.01

#### SHARE CAPITAL

(Amount in ₹)

PARTICULARS	AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
<b>a Authorised</b>		
16,50,50,000 (Previous Year 16,50,50,000) Equity Shares of ₹ 2/- each	330,100,000 330,100,000	330,100,000 330,100,000
<b>b Issued, subscribed &amp; paid up</b>		
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
<b>Total</b>	<b>226,268,900</b>	<b>226,268,900</b>
<b>c Reconciliation of number of equity shares outstanding</b>		
<b>Particulars</b>	<b>Number of Shares</b>	<b>Amount in ₹</b>
<b>As at 31.03.2017</b>		
At the beginning of the year	113,134,450	226,268,900
Issued during the year	-	-
<b>At the end of the year</b>	<b>113,134,450</b>	<b>226,268,900</b>
<b>As at 31.03.2016</b>		
At the beginning of the year	113,134,450	226,268,900
Issued during the year	-	-
<b>At the end of the year</b>	<b>113,134,450</b>	<b>226,268,900</b>
<b>d Shares held by shareholders holding more than 5% shares</b>		
<b>Name of shareholder</b>	<b>No. of Shares held</b>	<b>% of Holding</b>
<b>As at 31.03.2017</b>		
ASM Pipes Pvt Ltd	18,667,140	16.50
Millennium India Acquisition Company Inc.	12,204,690	10.79
Mahesh C. Gupta	10,248,500	9.06
Subhash C. Aggarwal	10,095,500	8.92
Sanlam International Investment Partners Ltd.	9,460,590	8.36
Hemlata Aggarwal	7,720,550	6.82
Sushma Gupta	7,566,550	6.69

### NOTE NO. 2.01

#### SHARE CAPITAL

(Amount in ₹)

PARTICULARS	NO. OF SHARES HELD	% OF HOLDING
<b>As at 31.03.2016</b>		
ASM Pipes Private Ltd.	18,667,140	16.50
Millennium India Acquisition Company Inc.	13,604,690	12.03
Mahesh C. Gupta	10,248,500	9.06
Subhash C. Aggarwal	10,095,500	8.92
Sanlam International Investment Partners Ltd.	9,460,590	8.36
Hemlata Aggarwal	7,720,550	6.82
Sushma Gupta	7,566,550	6.69

#### e Terms/rights attached to equity shares

The Company has only one class of Equity Shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2017, the amount of per share dividend recognised as distributions to equity shareholders for interim dividend was ₹ 0.36 (P.Y. ₹ 0.24) and proposed dividend was ₹ 0.48 (P.Y. ₹ 0.36).

In the event of Liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**NOTE NO. 2.02****RESERVES & SURPLUS**

PARTICULARS	(Amount in ₹)	
	AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
<b>a Securities premium reserve</b>		
As at beginning and at the end of the year	3,444,890,890	3,444,890,890
<b>Closing balance</b>	<b>3,444,890,890</b>	<b>3,444,890,890</b>
<b>b Capital reserves (on amalgamation)</b>		
As at beginning and at the end of the year	104,102,620	104,102,620
<b>Closing balance</b>	<b>104,102,620</b>	<b>104,102,620</b>
<b>c Capital reserves (on consolidation)</b>		
As at beginning and at the end of the year	35,114,300	35,114,300
<b>Closing balance</b>	<b>35,114,300</b>	<b>35,114,300</b>
<b>d Capital reserves (on forfeiture)</b>		
As at beginning and at the end of the year	123,998,200	123,998,200
<b>Closing balance</b>	<b>123,998,200</b>	<b>123,998,200</b>
<b>e Foreign currency fluctuation reserve</b>		
Opening balance	30,354,567	24,305,886
Addition during the year	(10,069,139)	6,048,681
Deletion during the year	(47,685,497)	-
<b>Closing balance</b>	<b>(27,400,069)</b>	<b>30,354,567</b>
<b>f Statutory reserves (Reserve Fund u/s 45- IC of RBI Act 1934)</b>		
Opening balance	43,601,975	20,532,458
Addition during the year	24,771,989	23,069,517
<b>Closing balance</b>	<b>68,373,964</b>	<b>43,601,975</b>
<b>g General reserve</b>		
Opening balance	681,297,127	661,297,127
Addition during the year	30,000,000	20,000,000
<b>Closing balance</b>	<b>711,297,127</b>	<b>681,297,127</b>
<b>h Surplus</b>		
Opening balance	972,074,234	751,984,070
Profit for the year	458,273,053	344,859,288
<b>Amount available for appropriation</b>	<b>1,430,347,287</b>	<b>1,096,843,358</b>
<b>Less : Appropriations</b>		
Transfer to general reserves	(30,000,000)	(20,000,000)
Transfer to statutory reserves	(24,771,989)	(23,069,517)
Interim dividend	(40,728,402)	(27,152,268)
Proposed dividend	(54,304,536)	(40,728,402)
Tax on dividend	(19,346,488)	(13,818,937)
<b>Closing balance</b>	<b>1,261,195,872</b>	<b>972,074,234</b>
<b>Total</b>	<b>5,721,572,904</b>	<b>5,435,433,913</b>

**NOTE NO. 2.03****LONG TERM BORROWINGS**

PARTICULARS	(Amount in ₹)	
	AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
<b>Long term borrowings Term loans (secured) *</b>		
From banks	63,469,511	13,959,430
From others	605,721	1,173,586
Less: Current maturities disclosed under the head "other current liabilities" (Note No. 2.08)	(22,324,717)	(5,760,868)
<b>Total</b>	<b>41,750,515</b>	<b>9,372,148</b>
	<b>41,750,515</b>	<b>9,372,148</b>

\* Repayable in equated monthly instalments bearing interest @ 8.95 % to 10.50 %

**NOTE NO. 2.04****LONG TERM PROVISIONS**

PARTICULARS	(Amount in ₹)	
	AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
<b>Provision for employee benefits</b>		
Gratuity #	106,643,820	85,983,757
Leave encashment #	36,634,250	27,876,316
	<b>143,278,070</b>	<b>113,860,073</b>
<b>Provision for non performing assets*</b>	<b>29,829,527</b>	<b>6,282,089</b>
<b>Provision for standard assets</b>	<b>11,374,516</b>	<b>8,143,249</b>
<b>Total</b>	<b>184,482,113</b>	<b>128,285,411</b>
# refer to Note No. 2.09, 2.23 & 2.33		
* refer to Note No. 2.13 & 2.18		

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

Particulars	(Amount in ₹)	
	AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
Security & deposits received	21,787,130	13,823,930
<b>Total</b>	<b>21,787,130</b>	<b>13,823,930</b>

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

(Amount in ₹)

PARTICULARS	AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
<b>Secured*</b>		
Short term loan from NBFC	934,300,000	714,771,953
Short term loan from Banks	1,897,494,055	727,466,761
	<b>2,831,794,055</b>	<b>1,442,238,714</b>
<b>Unsecured</b>		
-from others	433,882,232	364,426,032
	<b>433,882,232</b>	<b>364,426,032</b>
<b>Total</b>	<b>3,265,676,287</b>	<b>1,806,664,746</b>

\* Amount secured either against FDR / bonds / shares / book debts / commodities and / or personal guarantee of directors of the company.

**NOTE NO. 2.07****TRADE PAYABLES**

(Amount in ₹)

PARTICULARS	AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
- Due to micro and small enterprises*	-	-
- Others	2,479,615,985	2,837,635,223
<b>Total</b>	<b>2,479,615,985</b>	<b>2,837,635,223</b>

\* The group 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 group, 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, 2017 and 31st March, 2016.

**NOTE NO. 2.08****OTHER CURRENT LIABILITIES**

(Amount in ₹)

PARTICULARS	AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
<b>Other current liabilities</b>		
Advances / margin received from clients	3,163,303,842	2,055,413,119
Book overdraft from banks	433,115,915	913,036,202
Current maturities of long term borrowings (Note No. 2.03)	22,324,717	5,760,868
Security & deposits received from clients	818,481	1,318,481
Employee benefit payable	48,890,110	24,179,177
Payable to statutory authorities	41,630,933	43,190,308
Interest accrued but not due	4,398,034	4,715,903
PMS payable	1,467,435	328,425
Unpaid dividend	138,444	138,684
Unearned income	16,961,560	10,682,489
<b>Total</b>	<b>3,733,049,471</b>	<b>3,058,763,656</b>

**NOTE NO. 2.09****SHORT TERM PROVISIONS**

(Amount in ₹)

PARTICULARS	AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
<b>Provision for employee benefits</b>		
Gratuity #	3,426,869	1,332,120
Leave encashment #	4,428,669	3,479,682
	<b>7,855,538</b>	<b>4,811,802</b>
<b>Others</b>		
For income tax (Net of Advance tax & TDS of ₹ 20,13,59,379; PY ₹ 13,46,08,655)	22,171,001	27,284,606
Provision for CSR	8,226,234	4,983,767
Proposed dividend	54,304,536	40,728,402
Tax on dividend	11,055,126	8,291,362
	<b>95,756,897</b>	<b>81,288,137</b>
<b>Total</b>	<b>103,612,435</b>	<b>86,099,939</b>

# refer to Note No. 2.04, 2.23 & 2.33

## NOTE NO. 2.10 FIXED ASSETS

PARTICULARS	GROSS BLOCK		DEPRECIATION		NET BLOCK			
	As at 01.04.2016	Additions/ Adjustment	Deductions/ Adjustments	As at 01.04.2016	For the year	Deductions/ Adjustments	As at 31.03.2017	As at 31.03.2016
<b>TANGIBLE ASSETS</b>								
Office Building	61,842,331	140,163,675	-	19,977,410	4,545,493	-	177,483,103	41,864,921
Office Equipment	122,738,744	14,767,905	(7,847,802)	108,811,126	5,801,943	(7,234,435)	22,280,213	13,927,618
Furniture & Fixtures	199,444,936	20,590,388	(6,316,919)	132,268,694	19,475,029	(4,737,509)	66,712,191	67,176,242
Computer Hardware	265,116,670	33,404,100	(14,824,575)	223,771,890	27,256,457	(13,795,831)	46,463,679	41,344,780
Temporary Infrastructure	7,325,469	3,675,134	-	6,167,288	680,663	-	4,152,672	1,158,201
Vehicle	55,188,931	6,467,161	(3,433,971)	30,684,498	8,509,435	(3,144,037)	22,152,225	24,484,433
VSAT	36,822,236	-	-	31,810,093	941,296	-	4,070,847	5,012,143
<b>TOTAL (A)</b>	<b>748,459,317</b>	<b>219,068,363</b>	<b>(32,423,267)</b>	<b>553,490,979</b>	<b>67,210,316</b>	<b>(28,911,812)</b>	<b>343,314,930</b>	<b>194,968,338</b>
<b>Intangible Assets</b>								
Computer Software	86,696,224	1,908,886	(250,000)	78,699,167	2,436,363	-	7,219,580	7,997,057
Trade Mark Logo	20,000	-	-	19,591	165	-	244	409
Goodwill	12,771,453	54,681,223	(2,771,453)	7,859,843	2,734,144	(2,771,453)	56,858,689	4,911,610
Customer relationship	-	12,967,720	-	12,967,720	1,215,724	-	11,751,996	-
<b>TOTAL (B)</b>	<b>99,487,677</b>	<b>69,557,829</b>	<b>(3,021,453)</b>	<b>86,578,601</b>	<b>6,386,396</b>	<b>(2,771,453)</b>	<b>75,830,509</b>	<b>12,909,076</b>
<b>Software WIP (C)</b>	<b>560,000</b>	<b>300,000</b>	<b>(560,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>300,000</b>	<b>560,000</b>
<b>GRAND TOTAL (A+B+C)</b>	<b>848,506,994</b>	<b>288,926,192</b>	<b>(36,004,720)</b>	<b>640,069,580</b>	<b>73,596,712</b>	<b>(31,683,265)</b>	<b>419,445,439</b>	<b>208,437,414</b>
<b>PREVIOUS YEAR</b>	<b>847,990,459</b>	<b>58,420,832</b>	<b>(57,904,297)</b>	<b>626,859,642</b>	<b>68,190,219</b>	<b>(54,980,281)</b>	<b>208,437,414</b>	<b>221,130,817</b>

## NOTE NO. 2.11 INVESTMENTS

PARTICULARS	(Amount in ₹)	
	AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
<b>A. Non-current investments</b>		
Investment property	10,686,191	10,686,191
<b>Non- trade investments (valued at cost)</b>		
Equity instruments (Quoted)	81,459,618	186,916,559
Mutual funds (Quoted)	1,000,000	-
Bonds (Quoted)	241,222,858	123,984,792
Less: Provision for diminution in value of investment	(5,000,000)	-
	<b>318,682,476</b>	<b>310,901,351</b>
<b>Investment in equity instruments (Unquoted)</b>		
In related companies	10,000,000	10,000,000
In other companies	39,773,150	40,854,000
Less: Provision for diminution in value of investment	(43,700,000)	(29,700,000)
	<b>6,073,150</b>	<b>21,154,000</b>
<b>Total</b>	<b>335,441,817</b>	<b>342,741,542</b>
<b>Aggregate Market Value of Quoted Equity</b>	<b>59,751,135</b>	<b>129,532,676</b>
<b>Aggregate Book Value of Quoted Equity</b>	<b>81,459,618</b>	<b>186,916,559</b>
<b>Aggregate Market Value of Quoted Mutual Fund</b>	<b>1,002,200</b>	<b>-</b>
<b>Aggregate Book Value of Quoted Mutual Fund</b>	<b>1,000,000</b>	<b>-</b>
<b>Aggregate Market Value of Quoted Bond</b>	<b>242,444,624</b>	<b>124,807,352</b>
<b>Aggregate Book Value of Quoted Bond</b>	<b>241,222,858</b>	<b>123,984,792</b>
<b>Aggregate Book Value of Unquoted Investment</b>	<b>49,773,150</b>	<b>50,854,000</b>
<b>Aggregate Provision for diminution in value of Quoted Investment</b>	<b>5,000,000</b>	<b>-</b>
<b>Aggregate Provision for diminution in value of Unquoted Investment</b>	<b>43,700,000</b>	<b>29,700,000</b>
<b>B. Current investments (at lower of cost or fair value)</b>		
<b>Investment in Portfolio Management Service</b>		
Equity (Quoted)	146,614,838	94,757,784
Mutual funds (Unquoted)	7,794,618	4,504,818
Bonds (Quoted)	399,567,085	-
	<b>553,976,541</b>	<b>99,262,602</b>
<b>Total</b>	<b>553,976,541</b>	<b>99,262,602</b>
<b>Aggregate Market Value of Quoted Equity</b>	<b>163,481,887</b>	<b>102,618,178</b>
<b>Aggregate Book Value of Quoted Equity</b>	<b>146,614,838</b>	<b>94,757,784</b>
<b>Aggregate Net Asset Value of Unquoted Mutual Fund</b>	<b>7,963,047</b>	<b>4,722,246</b>
<b>Aggregate Book Value of Unquoted Mutual Fund</b>	<b>7,794,618</b>	<b>4,504,818</b>
<b>Aggregate Market Value of Quoted Bond</b>	<b>399,974,463</b>	<b>-</b>
<b>Aggregate Book Value of Quoted Bond</b>	<b>399,567,085</b>	<b>-</b>



**NOTE NO. 2.12****DEFERRED TAX ASSET (NET)**

(Amount in ₹)

PARTICULARS	AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
<b>Deferred tax assets :</b>		
Disallowances under Income Tax Act	97,729,062	99,150,370
Carried forward losses	41,455,655	17,244,962
Related to fixed assets	24,116,378	25,801,143
<b>A</b>	<b>163,301,095</b>	<b>142,196,475</b>
<b>Deferred tax liabilities :</b>		
ICDS impact	12,264,642	(237,787)
<b>B</b>	<b>12,264,642</b>	<b>(237,787)</b>
<b>Deferred tax asset (net) (A-B)</b>	<b>151,036,453</b>	<b>142,434,262</b>

**NOTE NO. 2.13****LONG TERM LOANS AND ADVANCES**

(Amount in ₹)

PARTICULARS	AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
<b>Unsecured, considered good</b>		
Security deposits	109,069,839	88,458,721
Advances recoverable in cash or in kind	86,647,909	115,400,591
Capital advances	62,330,617	32,500,000
<b>Unsecured, considered doubtfully</b>		
Advances recoverable in cash or in kind	10,921,662	1,506,244
Less: Provision for doubtful advances	(10,921,662)	(1,506,244)
<b>Receivable under financing activities</b>		
Secured, considered good	1,046,997,445	464,666,566
Unsecured, considered good	134,278,457	87,635,709
Unsecured, considered doubtful ^	600,000	900,000
	<b>1,181,875,902</b>	<b>553,202,275</b>
Balance with statutory authorities	76,405,010	93,579,584
Advance tax and TDS	35,536,246	35,753,668
(Net of Provision for Income Tax of ₹ 2,32,51,735; P.Y. ₹ 2,24,98,356)		
MAT Credit Entitlement	81,658,077	81,269,148
	<b>193,599,333</b>	<b>210,602,400</b>
<b>Total</b>	<b>1,633,523,600</b>	<b>1,000,163,987</b>

^ refer to Note No. 2.04

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

(Amount in ₹)

PARTICULARS	AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
<b>Outstanding for a period exceeding one year</b>		
Secured, considered good	42,743,100	48,705,015
Unsecured, considered good	63,587,642	118,804,284
Unsecured, considered doubtful	123,305,849	144,182,772
Less: Provision for doubtful debts *	(123,305,849)	(144,182,772)
<b>Total</b>	<b>106,330,742</b>	<b>167,509,299</b>

\* refer to Note No. 2.29

**NOTE NO. 2.15****INVENTORIES #**

(Amount in ₹)

PARTICULARS	AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
Shares	708,315,069	836,641,255
Commodities	27,786,582	124,962,799
Bonds	506,581,492	1,228,895,929
<b>Total</b>	<b>1,242,683,143</b>	<b>2,190,499,983</b>

# refer accounting policy VIII of note 1

**NOTE NO. 2.16****TRADE RECEIVABLES (CURRENT)**

(Amount in ₹)

PARTICULARS	AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
<b>Debts outstanding for more than six months</b>		
Secured, considered good	383,700,668	416,688,508
Unsecured, considered good	109,691,477	51,958,603
	<b>493,392,145</b>	<b>468,647,111</b>
<b>Other Debts</b>		
Secured, considered good	1,947,155,534	883,181,776
Unsecured, considered good	1,830,723,653	1,860,467,359
Unsecured, considered doubtful	177,537	-
Less: Provision for doubtful debts	(177,537)	-
	<b>3,777,879,187</b>	<b>2,743,649,135</b>
<b>Total</b>	<b>4,271,271,332</b>	<b>3,212,296,246</b>

**NOTE NO. 2.17****CASH AND BANK BALANCES**

(Amount in ₹)

PARTICULARS	AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
<b>Cash &amp; cash equivalents (A)</b>		
Cash in hand	2,710,265	4,000,218
<b>Bank balances</b>		
Balance with banks in current accounts	894,659,299	831,381,938
Cheque in hand	377,993,048	33,171,693
Foreign currency in hand	660,938	860,625
	<b>1,276,023,550</b>	<b>869,414,474</b>
<b>Other bank balances (B)</b>		
Bank deposits with maturity of more than 12 months	6,000,000	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
Placed under lien with banks*	2,947,953,904	2,298,025,000
Placed under arbitration	13,783,456	12,026,548
Placed with pension Fund regulatory and development authority	2,000,000	2,000,000
Placed under lien with court*	108,389	80,366
Placed under lien with statutory authority*	740,000	815,271
Pledged with the clearing corporations and stock exchanges as margin*	198,902,956	49,499,740
Deposits in hand	49,692,009	-
	<b>3,221,880,714</b>	<b>2,368,146,925</b>
<b>Total (A+B)</b>	<b>4,497,904,264</b>	<b>3,237,561,399</b>

\* refer to Note no. 2.28

Note: Following is the disclosure in terms of notification no G.S.R. 308(E) issued by the Ministry of Corporate Affairs dated 30th March 2017:

Particulars	Specified Bank Notes	Other denomination Notes	Total
Closing cash in hand as on 08.11.2016	2,728,000	1,711,167	4,439,167
(+) Permitted receipts	-	5,187,118	5,187,118
(-) Permitted payments	-	3,709,373	3,709,373
(-) Amount deposited in Banks	2,728,000	759,741	3,487,741
<b>Closing cash in hand as on 30.12.2016</b>	<b>-</b>	<b>2,429,171</b>	<b>2,429,171</b>

**NOTE NO. 2.18****SHORT-TERM LOANS AND ADVANCES**

(Amount in ₹)

PARTICULARS	AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
<b>Unsecured, considered good</b>		
Loans and advances to related party *	309,180	-
Advances recoverable in cash or in kind	550,247,690	715,591,458
<b>Unsecured, considered doubtful</b>		
Advances recoverable in cash or in kind	1,051,252	-
Less: Provision for doubtful advances	(1,051,252)	-
<b>Loans under financing activities</b>		
Secured, considered good	1,476,005,773	1,773,857,270
Unsecured, considered good	403,851,961	388,256,927
Secured, considered sub standard^	50,002,301	25,000,000
Unsecured, considered sub standard^	-	28,820,886
Secured, considered doubtful^	37,334,485	-
Unsecured, considered doubtful^	16,762,400	-
	<b>1,983,956,920</b>	<b>2,215,935,083</b>
Balance with statutory authorities	11,558,165	17,167,094
<b>Total</b>	<b>2,546,071,955</b>	<b>2,948,693,635</b>

\* refer to Note no. 2.31

^ refer to Note no. 2.04

**NOTE NO. 2.19****OTHER CURRENT ASSETS**

(Amount in ₹)

PARTICULARS	AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
Accrued interest on FDR	23,528,115	31,324,290
Accrued interest on bonds	21,692,895	2,304,716
Accrued interest	6,282,678	22,351,083
Sale proceeds of investment receivable	-	6,235,526
Dividend receivable	33,930	48,814
<b>Total</b>	<b>51,537,618</b>	<b>62,264,429</b>

**NOTE NO. 2.20****REVENUE FROM OPERATIONS**

PARTICULARS	(Amount in ₹)	
	FOR THE YEAR ENDED 31st MARCH, 2017	FOR THE YEAR ENDED 31st MARCH, 2016
Income from brokerage	1,896,464,294	1,645,014,074
Income from proprietary trading	1,608,295,020	1,238,220,927
Treasury income	208,931,697	205,180,376
Interest income from financing activities	386,427,510	241,762,675
Income from distribution of financial products (net)	772,662,325	519,421,642
Income from depository business	30,653,647	47,809,289
Income from management and advisory services	35,428,723	113,275,656
Income from reverse book building	150,000	1,100,000
Dividend income	6,537,090	11,134,162
	<b>4,945,550,306</b>	<b>4,022,918,801</b>
<b>Other operating income</b>		
Profit/ (Loss) on sale of investment	(1,298,986)	184,201
Loan processing fees	14,659,311	1,948,804
Income from investment in PMS (net)	19,408,687	495,936
Income from research support services	22,051,871	-
Dividend on investment	674,887	1,577,939
Delay payment charges	212,179,261	168,701,392
	<b>267,675,031</b>	<b>172,908,272</b>
<b>Total</b>	<b>5,213,225,337</b>	<b>4,195,827,073</b>

**NOTE NO. 2.21****OTHER INCOME**

PARTICULARS	(Amount in ₹)	
	FOR THE YEAR ENDED 31st MARCH, 2017	FOR THE YEAR ENDED 31st MARCH, 2016
Income from dividend	2,788,945	6,393,810
Interest income	32,901,721	6,481,740
Profit on sale of investment	13,880,096	13,687,667
Profit on sale of fixed assets	-	3,582,161
Liability no longer required written back	11,102,949	26,813,237
Miscellaneous income	64,876,534	12,689,591
<b>Total</b>	<b>125,550,245</b>	<b>69,648,206</b>

**NOTE NO. 2.22****EXCHANGE AND OTHER OPERATING EXPENSES**

PARTICULARS	(Amount in ₹)	
	FOR THE YEAR ENDED 31st MARCH, 2017	FOR THE YEAR ENDED 31st MARCH, 2016
Client introduction charges	614,991,778	516,424,905
Expense for distribution of financial products	509,565,846	289,868,748
Exchange & other regulatory charges	447,689,853	409,238,252
Securities & commodities transaction tax	405,230,573	299,816,576
VPN, leaseline, internet & VSAT expenses (net)	30,500,731	18,889,391
<b>Total</b>	<b>2,007,978,781</b>	<b>1,534,237,872</b>

**NOTE NO. 2.23****EMPLOYEE BENEFIT EXPENSES \***

PARTICULARS	(Amount in ₹)	
	FOR THE YEAR ENDED 31st MARCH, 2017	FOR THE YEAR ENDED 31st MARCH, 2016
Salaries and incentives	1,185,897,634	1,053,732,846
Employers' contributions to provident & other funds	47,157,439	39,535,751
Gratuity	29,166,873	32,619,681
Staff welfare	36,174,451	29,449,578
<b>Total</b>	<b>1,298,396,397</b>	<b>1,155,337,856</b>

\* also refer to Note no. 2.04, 2.09 &amp; 2.33

**NOTE NO. 2.24****FINANCE COST**

PARTICULARS	(Amount in ₹)	
	FOR THE YEAR ENDED 31st MARCH, 2017	FOR THE YEAR ENDED 31st MARCH, 2016
Interest to bank (term loan)	2,159,490	3,084,162
Interest to bank (others)	68,475,076	15,769,167
Interest - others	178,298,469	126,454,974
Other charges	35,543,365	30,253,776
<b>Total</b>	<b>284,476,400</b>	<b>175,562,079</b>

**NOTE NO. 2.25****DEPRECIATION AND AMORTISATION EXPENSES**

PARTICULARS	(Amount in ₹)	
	FOR THE YEAR ENDED 31st MARCH, 2017	FOR THE YEAR ENDED 31st MARCH, 2016
Depreciation on tangible assets	67,210,316	63,066,302
Amortization of intangible assets	6,386,396	5,123,917
<b>Total</b>	<b>73,596,712</b>	<b>68,190,219</b>

**NOTE NO. 2.26****OTHER EXPENSES**

PARTICULARS	(Amount in ₹)	
	FOR THE YEAR ENDED 31st MARCH, 2017	FOR THE YEAR ENDED 31st MARCH, 2016
Advertisement	155,182,563	93,276,565
Bank charges	3,455,866	1,262,042
Business promotion	198,436,586	189,151,492
Communication expenses	38,857,457	37,082,743
Computer repair & maintenance	26,957,595	20,000,908
Conveyance & traveling expenses	37,916,114	38,979,130
CSR expenses	7,588,467	6,711,326
Directors' sitting fees	3,715,000	2,815,000
Electricity & water charges	57,013,067	55,990,660
Insurance expenses	4,476,110	4,289,018
Legal & professional charges	40,173,798	50,364,327
Loss on sale of fixed assets	730,410	-
Meeting & conference expenses	443,076	258,029
Membership fees & subscription	1,509,473	2,364,125
Miscellaneous expenses	20,693,009	12,811,660
Office repair & maintenance	48,265,934	43,958,743
Printing and stationery	20,865,024	16,803,482
Provision for diminution in value of investment	19,000,000	17,200,000
Provision for doubtful debts/advances #	92,352,224	83,616,909
Provision for non performing assets #	23,547,438	3,445,697
Provision for standard assets	3,231,267	5,243,854
Preliminary expenses	4,144,982	-
Rent	155,213,485	129,067,519
Rates & taxes	2,453,508	5,135,800
Research expenses	2,420,087	2,541,501
Stamp & other expenses	86,815	107,840
Irrecoverable balance written off	12,689,437	7,187,946
Vehicle running & maintenance	4,575,808	4,280,129
<b>Auditor's remuneration:</b>		
As statutory auditor	3,081,772	2,148,679
As tax auditor	382,250	382,175
As fees for other services	361,400	1,510,900
<b>Total</b>	<b>989,820,022</b>	<b>837,988,199</b>

# refer to Note No. 2.29

**NOTE NO. 2.27****a) CONTINGENT LIABILITIES**

PARTICULARS	(Amount in ₹)	
	AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
1. Corporate Guarantee executed by the holding company for credit facility extended to a subsidiary	1,01,00,00,000	91,00,00,000
2. ESI demand in dispute (Total amount paid under protest ₹ 12,42,581 (P.Y. ₹12,42,581))	31,06,450	31,06,450
3. Service Tax Demand	6,74,73,978	6,74,73,978
4. Provident Fund	-	-
5. Stamp Duty	-	-
6. Income Tax demand	92,30,664	39,86,595

**Note:**

- The holding company has given counter guarantee towards credit facility of Subsidiary Company, SMC Comtrade Limited.
- An ESI demand is being agitated by the holding company before Additional Senior Civil Judge Tis Hajari, Delhi.
- Service Tax demand of ₹ 3,56,67,295/- is being agitated by the Company before Commissioner of Service Tax, Audit 1, Delhi, of ₹ 11,21,400/- is being agitated by the Company before Additional Commissioner (Service Tax), Delhi and of ₹ 2,98,30,585/- is being agitated by the Company before CESTAT, Delhi and of ₹ 8,54,698/- is being agitated by the Company before Additional Commissioner Service Tax, Delhi-I. Service Tax Adjudicating Proceedings have been kept in abeyance for the time being for which similar issue is subjudice before the Hon'ble Supreme Court.
- PF matter related to holding company is pending before High Court and amount is not quantifiable.
- (a) The holding company has received a notice dated 21.11.2014 from the Collector of Stamp (HQ) Delhi on account of verification of records pertaining to Stamp duty chargeable on the basis of broker's Note for the Period 2010 to 21/11/2014. Matter is sub-judice and has been stayed by jurisdictional High Court at Delhi vide its order dated 09/12/2014 until further order.  
(b) The holding company has received a notice dated 20.03.2017 from Government of West Bengal Directorate of Registration & Stamp Revenue through National Stock Exchange for making payment of outstanding Stamp Duty on Client & Proprietary Trades in West Bengal for the period of 01.04.2014 to 31.05.2016.  
(c) One of the subsidiary company SMC Comtrade Limited has received a notice dated 05/01/2015 from the Office of The Collector of Stamps, Delhi, on account of levy of stamp duty on commodity transactions. The matter is sub-judice and has been stayed by jurisdictional High Court at Delhi vide its order dated 19/01/2015 in the matter of WP/C/516/2015 and matter was adjourned to 26th October, 2017. In view of the legal opinion of the counsel, the amount of contingent liability in this regard is: Nil
- Income Tax demand has been agitated by the Companies as per details:

Name of Company	Amount (₹)	Assessment Year	Forum where agitated
SMC Global Securities Limited	31,46,625	2013-14	Commissioner of Income Tax (Appeals)
SMC Global Securities Limited	56,81,359	2014-15	Commissioner of Income Tax (Appeals)
Moneywise Financial Services (P) Ltd	4,02,680	2010-11	Commissioner of Income Tax (Appeals) I, Kolkata

Assessment u/s 143(3) for the A.Y 2013-14 & 2014-15 has completed and disallowance made on account of section 14A for which appeal filed before the Commissioner of Income Tax (Appeals) in Holding Company. In Moneywise Financial Services (P) Ltd assessment u/s 143(3) for the A.Y 2010-11 has completed and disallowance made on account of section 14A and TDS credit not given although original TDS certificate submitted for which appeal filed before the Commissioner of Income Tax (Appeals).

#### b) OTHER LITIGATIONS

- SEBI has issued us a Show Cause notice dated 12.08.2015 of holding company for Circular trading in Shares of Omaxe limited by one of our client. Necessary reply has already been filed by the Company refuting the allegation.
- Title of the property located at Office no 205, 2nd Floor, Plot no 4A, Community Centre, 21st Century Plaza, Sector 8, Rohini, New Delhi having book value of ₹ 46,12,060/- is under dispute and sealed due to the allegation of acquisition of the said property from the funds of Ganga Yamuna Finvest Pvt. Ltd, which is under liquidation.
- The Companies are subject to legal proceedings and claims, which have arisen in the ordinary course of business. The company's management do not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the company's results of operations and financial condition.

Pending completion of the legal process the impact of liability, if any, cannot be ascertained at this stage, however, management believes that, based on legal advice, the outcome of these contingencies will be favourable and that outflow of economic resources is not probable.

## NOTE NO. 2.28

Margin deposited with exchanges or against guarantees & other commitments includes ₹2,94,80,62,293 (PY ₹ 2,29,81,05,366) under lien in favour of the bank as margin deposit for the guarantees issued of ₹ 5,89,46,29,000 (PY ₹ 4,56,35,25,000)/credit facilities or otherwise, ₹7,40,000 (PY ₹ 8,15,271) under lien with sales tax authorities and ₹19,89,02,956 (PY ₹ 4,94,99,740) 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. 2.29

Unsecured Non Current Trade Receivables (considered good) includes amount due from parties on whom legal action initiated for recovery and are net of doubtful portion, disclosed separately and provision made thereof.

## NOTE NO. 2.30

### COMMITMENTS

(Amount in ₹)

PARTICULARS	AS AT	AS AT
	31st MARCH, 2017	31st MARCH, 2016
Contracts remaining to be executed on account of capital (net of advances)	2,64,78,283	1,77,40,000

## NOTE NO. 2.31

### RELATED PARTY DISCLOSURES

The following are the details of transactions with related parties as defined in the Accounting Standard - 18 on Related Party Disclosures notified u/s 133 of the Companies Act, 2013, read with rule 7 of Companies (Accounts) Rules, 2014.

#### A. Name of Related Parties and nature of relationship:

Nature of Relationship		Name of Related Parties
Key managerial personnel	Whole Time Director	Mr. Subhash C. Aggarwal
		Mr. Mahesh C. Gupta
		Mr. Ajay Garg
		Mr. Anurag Bansal
		Mr. Pradeep Aggarwal
		Mr. Finney J. Cherian
		Mr. Damodar K. Aggarwal
		Mr. Lalit K. Aggarwal (upto 02/02/2017)
		Mr. Pravin K. Aggarwal
		Mr. Shyam S. Bansal
		Mr. Himanshu Gupta
Executive officers		Ms. Akanksha Gupta
		Mr. Ayush Aggarwal (w.e.f 13/02/2017)
		Mr. Vinod K. Jamar
		Mr. Suman Kumar
		Mr. Shambhu Mishra (upto 14/10/2016)
		Mr. Jai Gopal
		Mr. Manoj Kumar
		Mr. Vishwanath Bansal
		Ms. Sakshi Mehta
		Mr. Shamsher Ansari
		Ms. Vaishali Gupta (w.e.f 01/11/2016)
Ms. Vandana Jhinjheria (w.e.f 06/02/2017)		
Ms. Jyoti Kumari (w.e.f 17/01/2017)		
Mr. Kashish Bhatia		
Ms. Khushboo Khandelwal (upto 29/10/2016)		
Mr. Ashu Batra (upto 30/12/2016)		
Ms. Saniya Hussain		

Nature of Relationship	Name of Related Parties (remuneration period)
Relatives of key managerial personnel	Ms. Sushma Gupta
	Ms. Hemlata Aggarwal
	Ms. Shilpi
	Ms. Archana Aggarwal
	Ms. Priyanka Gupta
	Ms. Meetu Goel
	Mr. Amit Sharma
	Ms. Nidhi Bansal
	Ms. Reema Garg
Other related parties in which key managerial able to exercise significant influence:	Pulin Investments Private Limited

Note: Related party relationship is as identified by the company and relied upon by auditor.

#### B. Significant Transactions with Related Parties \*

PARTICULARS OF TRANSACTIONS	(Amount in ₹)	
	FOR THE YEAR ENDED 31st MARCH, 2017	FOR THE YEAR ENDED 31st MARCH, 2016
<b>Expenses: Remuneration</b>		
Whole Time Directors	7,16,95,012	4,20,63,224
Executive Officers	1,78,37,619	2,34,96,783
Relatives of KMP	1,61,68,458	1,52,12,131
<b>Income: Advisory Services</b>		
Mr. Damodar K. Aggarwal	13,516	12,504
<b>Performance Fee Reversed</b>		
Mr. Damodar K. Aggarwal	-	47,001
<b>Interest Expense</b>		
Pulin Investments Private Limited	2,87,763	-

\* Note: Transactions with KMPs and their relatives through stock exchanges / depositories in the normal course of business have not been disclosed as the same have been transacted at prevailing market prices under online trade mechanism and not material in nature.

#### C. Balance Outstanding

PARTY NAME	INCLUDED IN	(Amount in ₹)	
		AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
Pulin Investments Private Limited	Short Term Loans & Advances	3,09,180	Nil

#### NOTE NO. 2.32

##### EARNING PER SHARE (EPS)

In accordance with AS-20 "Earning per Share", notified under section 133 of the Companies Act, 2013, read with rule 7 of Companies (Accounts) Rules, 2015, the basic & diluted earning per share is being calculated as under:-

PARTICULARS	(Amount in ₹)	
	FOR THE YEAR ENDED 31st MARCH, 2017	FOR THE YEAR ENDED 31st MARCH, 2016
Net profit attributable to equity shareholders	45,82,73,053	34,48,59,288
Weighted Average No. of Equity Shares		
- For basic & diluted EPS	11,31,34,450	11,31,34,450
Nominal Value per share	2	2
<b>Basic &amp; Diluted EPS</b>	<b>4.05</b>	<b>3.05</b>

#### NOTE NO. 2.33

The details of gross liability, contributions, value of funds and provisions for gratuity & leave encashment as under: (refer Note No. 2.04, 2.09 & 2.23)

##### A. Gratuity (partly funded)

PARTICULARS	(Amount in ₹)	
	FOR THE YEAR ENDED 31st MARCH, 2017	FOR THE YEAR ENDED 31st MARCH, 2016
<b>a. Change in Present Value of Obligation</b>		
<b>As per Actuarial Report</b>		
Present Value of the Obligation at the beginning of the year	9,64,86,516	7,05,59,737
Interest Cost	81,20,552	62,07,197
Current Service Cost	1,76,69,398	1,63,59,100
Benefit Paid	(91,66,070)	(73,57,706)
Actuarial (gain)/loss on obligations	31,29,215	78,87,888
	<b>(A)</b>	<b>9,36,56,216</b>
<b>As per Management Estimation</b>		
Provision for the year	26,71,585	19,76,096
Foreign Currency Fluctuation reserve	(2,75,811)	8,54,204
	<b>(B)</b>	<b>28,30,300</b>
<b>Present Value of the Obligation at the end of the year (A + B)</b>	<b>11,86,35,385</b>	<b>9,64,86,516</b>

A. Gratuity (partly funded)		(Amount in ₹)	
PARTICULARS	FOR THE YEAR ENDED 31st MARCH, 2017	FOR THE YEAR ENDED 31st MARCH, 2016	
<b>b. Change in fair value of plan assets</b>			
Fair value of plan assets at the beginning of the year	91,70,639	1,09,20,325	
Expected return on plan assets	10,92,561	12,63,365	
Contributions	61,36,250	57,97,420	
Benefits paid	(91,66,070)	(73,57,706)	
Actuarial gain/(loss) on plan assets	13,31,316	(14,52,765)	
<b>Fair value of plan assets at the end of the year</b>	<b>85,64,696</b>	<b>91,70,639</b>	
<b>Total Actuarial (gain)/loss to be recognized</b>	<b>17,97,899</b>	<b>93,40,653</b>	
<b>Actual return on plan assets</b>			
Expected return on plan assets	10,92,561	12,63,365	
Actuarial gain/(loss) on plan assets	13,31,316	(14,52,765)	
<b>Actual return on plan assets</b>	<b>24,23,877</b>	<b>(189,400)</b>	
<b>c. Amount recognized in the Balance Sheet</b>			
Present Value of the Obligation at the end of the year	11,86,35,385	9,64,86,516	
Fair Value of Plan Assets at the end of the year	(85,64,696)	(91,70,639)	
<b>Net Liability recognized in Balance Sheet</b>	<b>11,00,70,689</b>	<b>8,73,15,877</b>	
<b>d. Amount recognized in the Statement of Profit and Loss</b>			
<b>As per Actuarial Report</b>			
Interest Cost	81,20,552	62,07,197	
Current Service Cost	1,76,69,398	1,63,59,100	
Expected Return on Plan Assets	(10,92,561)	(12,63,365)	
Actuarial (gain)/loss on obligations	17,97,899	93,40,653	
	(A)	<b>2,64,95,288</b>	<b>3,06,43,585</b>
<b>As per Management Estimation</b>			
Provision for the year	26,71,585	19,76,096	
	(B)	<b>26,71,585</b>	<b>19,76,096</b>
<b>Total expense recognized in the Statement of Profit and Loss</b>	<b>(A+B)</b>	<b>2,91,66,873</b>	<b>3,26,19,681</b>

A. Gratuity (partly funded)		(Amount in ₹)	
PARTICULARS	FOR THE YEAR ENDED 31st MARCH, 2017	FOR THE YEAR ENDED 31st MARCH, 2016	
<b>e. Reconciliation of Balance Sheet</b>			
<b>As per Actuarial Report</b>			
Present Value of the Obligation at the beginning of the year	9,64,86,516	7,05,59,737	
Total expense recognized in the Statement of Profit and Loss	2,64,95,288	3,06,43,585	
Actual Return on Plan Assets	24,23,877	(1,89,400)	
Benefits paid	(91,66,070)	(73,57,706)	
	(A)	<b>11,62,39,611</b>	<b>9,36,56,216</b>
<b>As per Management Estimation</b>			
	(B)	<b>23,95,774</b>	<b>28,30,300</b>
<b>Present Value of the Obligation at the end of the year</b>	<b>(A+B)</b>	<b>11,86,35,385</b>	<b>9,64,86,516</b>
Less: Fair value of plan assets at the end of the year	(85,64,696)	(91,70,639)	
<b>Net Liability</b>		<b>11,00,70,689</b>	<b>8,73,15,877</b>
<b>f. Bifurcation of Present Value of the Obligation at the end of the year</b>			
<b>Non-Current Liability</b>			
		<b>11,52,08,516</b>	<b>9,51,54,396</b>
Less: Fair Value of Plan Assets at the end of the year	(85,64,696)	(91,70,639)	
	(A)	<b>10,66,43,820</b>	<b>8,59,83,757</b>
<b>Current Liability</b>			
		34,26,869	13,32,120
Less: Fair Value of Plan Assets at the end of the year	-	-	-
	(B)	<b>34,26,869</b>	<b>13,32,120</b>
<b>Total</b>	<b>(A+B)</b>	<b>11,00,70,689</b>	<b>8,73,15,877</b>

**B. Leave Encashment (unfunded)**

(Amount in ₹)

PARTICULARS	FOR THE YEAR ENDED 31st MARCH, 2017	FOR THE YEAR ENDED 31st MARCH, 2016
<b>a. Bifurcation of Present Value of the Obligation at the end of the year</b>		
Non-Current Liability	3,66,34,250	2,78,76,316
Current Liability	44,28,669	34,79,682
<b>Total</b>	<b>4,10,62,919</b>	<b>3,13,55,998</b>

**NOTE NO. 2.34****SEGMENT REPORTING****Business Segment:**

The Group has three reportable segments, as described below, which are the Group's Lines of Business (LoBs). The LoBs offer different products and services, and are managed separately because the nature of products and method used to distribute the services are different.

The following summary describes the operations in each of the Group's reportable segments:

- Trading and distribution primarily comprises
  - Brokerage on dealing in shares, commodities, derivatives and other securities on behalf of customers;
  - Proprietary trading in shares, commodities, derivatives and other securities;
  - Clearing services;
  - Depository services rendered as depository participant;
  - Distribution of third party financial products and
  - Insurance broking services
- Advisory services primarily comprises portfolio and wealth management, mortgage and loan advisory, real estate broking and investment banking services.
- Financing services primarily comprises business of providing loans.
 

For these LoBs, the Group's Leadership Team comprising of Chairman, Vice-Chairman, Group Chief Operating Officer and Group Chief Financial Officer, reviews internal management reports. Accordingly, the Leadership Team is construed to be the Chief Operating Decision Maker (CODM).

**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. 2.35**

Based on the nature of the services/activities of the Company and the normal time between acquisition of assets and their realization in cash and cash equivalents, the company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**NOTE NO. 2.36**

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 rupee.

In terms of our Audit Report of even date attached

**For R. GOPAL & ASSOCIATES**  
Chartered accountants  
Firm Registration No.: 000846C

**For and on behalf of the Board**

sd/-  
**S.K. AGARWAL**  
PARTNER  
Membership No. : 093209

sd/-  
**S. C. AGGARWAL**  
(CHAIRMAN & MANAGING  
DIRECTOR)  
**Din No.: 00003267**

sd/-  
**VINOD KUMAR JAMAR**  
(GROUP CFO)

sd/-  
**MAHESH C. GUPTA**  
(VICE-CHAIRMAN & MANAGING  
DIRECTOR)  
**Din No.: 00003082**

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

**PLACE : Mumbai**  
**DATE : 29th May 2017**



Annexure I to Note No. 2.34 of Notes forming part of the consolidated financial statements  
Information about Segment:

(Amount in ₹)

Description	Trading and Distribution		Advisory		Financing		Elimination		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
<b>I. Primary Segment-Business</b>										
<b>Revenue</b>										
External revenue	4,522,875,243	3,490,989,272	417,972,121	528,486,908	397,928,218	245,999,099			5,338,775,582	4,265,475,279
Inter segment revenue	128,909,068	93,731,669	10,717,685	(1,657,215)	36,618,489	36,644,726	(176,245,242)	(128,719,180)		
<b>Total</b>	<b>4,651,784,311</b>	<b>3,584,720,941</b>	<b>428,689,806</b>	<b>526,829,693</b>	<b>434,546,707</b>	<b>282,643,825</b>	<b>(176,245,242)</b>	<b>(128,719,180)</b>	<b>5,338,775,582</b>	<b>4,265,475,279</b>
<b>Expenses</b>										
Stock Exchange & Other										
Regulatory Expenses	1,975,152,335	1,483,766,017	47,062,073	76,409,972	10,185,448	5,376,042	(24,421,075)	(31,314,159)	2,007,978,781	1,534,237,872
Employee benefits expense	1,042,170,087	904,130,572	233,095,631	238,557,456	23,130,679	12,649,828	-	-	1,298,396,397	1,155,337,856
Finance costs	275,452,378	186,579,030	24,227,793	12,649,952	125,898,600	63,037,322	(141,102,371)	(86,704,225)	284,476,400	175,562,079
Depreciation and amortization expense	62,932,057	61,203,681	8,214,212	5,419,387	2,450,443	1,567,151	-	-	73,596,712	68,190,219
Other expenses	799,736,656	702,109,933	144,150,325	129,273,864	56,654,837	17,305,198	(10,721,796)	(10,700,796)	989,820,022	837,988,199
<b>Segment Expense</b>	<b>4,155,443,513</b>	<b>3,337,789,233</b>	<b>456,750,034</b>	<b>462,310,631</b>	<b>218,320,007</b>	<b>99,935,541</b>	<b>(176,245,242)</b>	<b>(128,719,180)</b>	<b>4,654,268,312</b>	<b>3,771,316,225</b>
<b>Segment Profit/(Loss) (before tax)</b>	<b>496,340,798</b>	<b>246,931,708</b>	<b>(28,060,228)</b>	<b>64,519,062</b>	<b>216,226,700</b>	<b>182,708,284</b>	<b>-</b>	<b>-</b>	<b>684,507,270</b>	<b>494,159,054</b>
<b>Other Information</b>										
Segment assets	11,539,498,249	9,372,395,176	468,875,947	548,165,633	3,649,812,255	3,548,869,727	-	-	15,658,186,451	13,469,430,536
Other unallocated assets										
<b>Total Assets</b>	<b>11,539,498,249</b>	<b>9,372,395,176</b>	<b>468,875,947</b>	<b>548,165,633</b>	<b>3,649,812,255</b>	<b>3,548,869,727</b>	<b>-</b>	<b>-</b>	<b>15,658,186,451</b>	<b>13,469,430,536</b>
Segment liabilities	8,512,422,813	6,731,280,251	111,756,158	86,796,037	1,237,202,129	1,132,085,697	-	-	9,861,381,100	7,950,161,985
Other unallocated liabilities										
<b>Total Liabilities</b>	<b>8,512,422,813</b>	<b>6,731,280,251</b>	<b>111,756,158</b>	<b>86,796,037</b>	<b>1,237,202,129</b>	<b>1,132,085,697</b>	<b>-</b>	<b>-</b>	<b>9,861,381,100</b>	<b>7,950,161,985</b>
<b>II. Secondary Segment - Geographical</b>										
		<b>Within India</b>		<b>Outside India</b>		<b>Elimination</b>		<b>Total</b>		
		<b>2016-17</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2015-16</b>	
<b>Revenue</b>										
External revenue		5,193,696,781	4,107,555,428	145,078,801	157,919,851					5,338,775,582
Inter segment revenue		176,245,242	128,719,180	-	-	(176,245,242)	(128,719,180)			
<b>Total</b>		<b>5,369,942,023</b>	<b>4,236,274,608</b>	<b>145,078,801</b>	<b>157,919,851</b>	<b>(176,245,242)</b>	<b>(128,719,180)</b>	<b>5,338,775,582</b>	<b>4,265,475,279</b>	
<b>Expenses</b>										
Stock Exchange & Other Regulatory Expenses		1,975,200,062	1,526,106,712	57,199,794	39,445,319	(24,421,075)	(31,314,159)	2,007,978,781	1,534,237,872	
Employee benefits expense		1,242,723,382	1,130,527,511	55,673,015	24,810,345	-	-	1,298,396,397	1,155,337,856	
Finance costs		387,548,062	243,273,222	38,030,709	18,993,082	(141,102,371)	(86,704,225)	284,476,400	175,562,079	
Depreciation and amortization expense		70,004,274	66,196,039	3,592,438	1,994,180	-	-	73,596,712	68,190,219	
Other expenses		980,941,888	830,716,426	19,599,930	17,972,569	(10,721,796)	(10,700,796)	989,820,022	837,988,199	
<b>Segment Expense</b>		<b>4,656,417,668</b>	<b>3,796,819,910</b>	<b>174,095,886</b>	<b>103,215,495</b>	<b>(176,245,242)</b>	<b>(128,719,180)</b>	<b>4,654,268,312</b>	<b>3,771,316,225</b>	
<b>Segment Profit/(Loss) (before tax)</b>		<b>713,524,355</b>	<b>439,454,698</b>	<b>(29,017,085)</b>	<b>54,704,356</b>	<b>-</b>	<b>-</b>	<b>684,507,270</b>	<b>494,159,054</b>	
<b>Other Information</b>										
Segment assets		14,636,341,508	12,583,679,375	1,021,844,943	885,751,161			15,658,186,451	13,469,430,536	
Other unallocated assets										
<b>Total Assets</b>		<b>14,636,341,508</b>	<b>12,583,679,375</b>	<b>1,021,844,943</b>	<b>885,751,161</b>	<b>-</b>	<b>-</b>	<b>15,658,186,451</b>	<b>13,469,430,536</b>	
Segment liabilities		9,024,528,152	7,233,247,109	836,852,948	716,914,876			9,861,381,100	7,950,161,985	
Other unallocated liabilities										
<b>Total Liabilities</b>		<b>9,024,528,152</b>	<b>7,233,247,109</b>	<b>836,852,948</b>	<b>716,914,876</b>	<b>-</b>	<b>-</b>	<b>9,861,381,100</b>	<b>7,950,161,985</b>	

# independent auditor's report

## TO THE MEMBERS OF SMC GLOBAL SECURITIES LTD. ON STANDALONE FINANCIAL STATEMENTS

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **SMC Global Securities Limited** ('the Company'), which comprise the balance sheet as at 31st March 2017, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017 and its profit and its 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-A, a statement on the matters specified in the paragraph 3 and 4 of the order.

2. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and 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 it 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 aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on 31st March 2017 taken on record by the Board of Directors,

none of the directors is disqualified as on 31st March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 2.27 to the financial statements;
  - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses, and
  - iii. There were no amount which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note No 2.17 to the financial statements.

### For R Gopal & Associates

Chartered Accountants  
FRN: 000846C

sd/-  
**S.K Agarwal**  
Partner  
MRN: 093209

Place : Mumbai  
Date : 29th May 2017

### Annexure A to the Independent Auditors' Report

The Annexure referred to in Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31st March 2017, we report that:

- (l) (a) The Company has maintained 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 three 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 have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The securities held as inventory have been verified from the statements of holding from the depository participants by the management during the year / at the year end. In our opinion, the frequency of verification is reasonable. There are no material discrepancies noticed between the books records and the statements of holding provided by the depository participants. The company does not hold any inventory in physical form.
- (iii) The Company has granted unsecured loans to its four bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- (a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under section 189 of the Act are not, prima facie, prejudicial to the interest of the Company.
- (b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the schedule of repayment of principal and payment of interest is on demand except for one subsidiary which is long term in nature.
- (c) There are no overdue amounts in respect of loan granted to a body corporate listed in the register maintained u/s 189 of the Act as the same are repayable on demand except from one subsidiary which is long term in nature.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act, with respect to the loans, investments, guarantees and security made. The company has not given any loan to its directors, hence section 185 not applicable.
- (v) The Company has not accepted any deposits from the public within the meaning of sections 73 to 76 of the Act, 2013 and rules framed there under.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees state insurance, income-tax, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of

Sales tax, duty of custom, duty of excise and value added tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, service tax, cess and other material statutory dues were in arrears as at 31st March 2017 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, there are no material dues of cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax and service tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Amount (in ₹)	Period to which the amount relates	Forum where dispute is pending
Finance Act 1994	Service Tax	3,56,67,295	FY 2009-10 To FY 2012-13	Commissioner, Delhi-I
Finance Act 1994	Service Tax	11,21,400	FY 2013-14	Additional Commissioner, Delhi-I
Finance Act 1994	Service Tax	2,98,30,585	FY 2004-05 To FY 2012-13	CESTAT, New Delhi
Finance Act 1994	Service Tax	8,54,698	FY 2014-15	Additional Commissioner, Delhi-I
Income Tax Act, 1961	Disallowance u/s 14A	31,46,625	FY 2012-13	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Disallowance u/s 14A	56,81,359	FY 2013-14	Commissioner of Income Tax (Appeals)

Sales tax, duty of custom, duty of excise and value added tax are not applicable to the company.

- (vii) According to the records of the Company examined by us and the information and explanation given to us, the company has not defaulted in repayments of dues to any financial institution and banks. The company does not have any loan and borrowings from government or dues to debenture holders during the year.
- (viii) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). In our opinion, and according to information and explanations given to us, the term loans have been applied for the purposes for which they were raised.
- (ix) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (x) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xi) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xii) According to the information and explanations given to us and based on our examination of the

records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xv) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For R Gopal & Associates**

Chartered Accountants  
FRN: 000846C

sd/-  
**S.K Agarwal**  
Partner  
MRN: 093209

Place : Mumbai  
Date : 29th May 2017

**Annexure - B to the Auditors' Report**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of SMC Global Securities Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial

reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:-

- 1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with

authorizations of management and directors of the company; and

- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### For R Gopal & Associates

Chartered Accountants  
FRN: 000846C

sd/-  
**S.K Agarwal**  
Partner  
MRN: 093209

Place : Mumbai  
Date : 29th May 2017

## BALANCE SHEET

### BALANCE SHEET AS AT 31st MARCH 2017

(Amount in ₹)

PARTICULARS	NOTE NO.	AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2.01	226,268,900	226,268,900
Reserves and surplus	2.02	5,334,489,419	5,155,982,917
<b>Non-current liabilities</b>			
Long-term borrowings	2.03	5,997,310	6,608,850
Long-term provisions	2.04	62,571,439	50,531,460
Other Long-term Liabilities	2.05	19,187,528	18,724,328
<b>Current liabilities</b>			
Short-term borrowings	2.06	2,069,494,055	831,056,735
Trade Payables	2.07	1,833,215,653	2,352,610,861
Other current liabilities	2.08	2,803,160,311	1,978,758,395
Short-term provisions	2.09	82,236,217	71,374,363
<b>Total</b>		<b>12,436,620,832</b>	<b>10,691,916,809</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
2.10			
Tangible assets		235,529,022	110,418,661
Intangible assets		6,386,967	7,539,237
Software WIP		300,000	560,000
Non-current investments	2.11	3,510,116,491	3,084,561,161
Deferred tax assets (Net)	2.12	69,641,259	90,419,099
Long-term loans and advances	2.13	181,169,700	169,441,096
Trade Receivables	2.14	99,867,182	162,467,102

### AS AT 31st MARCH, 2017

(Amount in ₹)

PARTICULARS	NOTE NO.	AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
<b>Current assets</b>			
Current Investments	2.11	55,818,557	85,252,485
Inventories	2.15	849,700,803	1,468,377,597
Trade receivables	2.16	3,444,600,576	2,290,093,556
Cash and bank balances	2.17	3,238,624,463	2,803,676,616
Short-term loans and advances	2.18	722,778,459	392,539,325
Other current assets	2.19	22,087,353	26,570,874
<b>Total</b>		<b>12,436,620,832</b>	<b>10,691,916,809</b>

### Significant accounting policies and notes to the financial statements

1 &amp; 2

In terms of our Audit Report of even date attached

For R. GOPAL & ASSOCIATES  
Chartered Accountants  
Firm Registration No.: 000846C

For and on behalf of the Board

sd/-  
S.K. AGARWAL  
PARTNER  
Membership No. : 093209

sd/-  
S. C. AGGARWAL  
(CHAIRMAN & MANAGING  
DIRECTOR)  
Din No.: 00003267

sd/-  
MAHESH C. GUPTA  
(VICE-CHAIRMAN & MANAGING  
DIRECTOR)  
Din No.: 00003082

sd/-  
VINOD KUMAR JAMAR  
(GROUP CFO)

sd/-  
SUMAN KUMAR  
(COMPANY SECRETARY)

PLACE : Mumbai  
DATE : 29th May 2017

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2017

(Amount in ₹)

PARTICULARS	NOTE NO.	FOR THE YEAR ENDED 31st MARCH, 2017	FOR THE YEAR ENDED 31st MARCH, 2016
<b>Revenue:</b>			
Revenue from operations	2.20	3,554,909,142	2,532,039,802
Other income	2.21	36,229,335	47,847,484
<b>Total revenue</b>		<b>3,591,138,477</b>	<b>2,579,887,286</b>
<b>Expenses:</b>			
Stock exchange & other operating expenses	2.22	1,761,693,544	1,261,022,552
Employee benefit expenses	2.23	532,645,449	456,111,080
Finance cost	2.24	208,810,292	140,183,073
Depreciation and amortization expenses	2.25	35,073,736	36,722,821
Other expenses	2.26	607,781,873	548,820,057
<b>Total expenses</b>		<b>3,146,004,894</b>	<b>2,442,859,583</b>
<b>Profit before tax</b>		<b>445,133,583</b>	<b>137,027,703</b>
<b>Tax expenses:</b>			
Current tax		132,364,607	86,347,500
Deferred tax		20,777,840	(35,220,878)
Prior period tax/adjustment		(1,364,645)	(57,826)
<b>Profit after tax</b>		<b>293,355,781</b>	<b>85,958,907</b>
<b>Earnings per equity share of ₹2 /- each</b>			
- Basic & Diluted	2.35	<b>2.59</b>	<b>0.76</b>
<b>Significant accounting policies and notes to the financial statements</b>	<b>1 &amp; 2</b>		

In terms of our Audit Report of even date attached

**For R. GOPAL & ASSOCIATES**  
Chartered Accountants  
Firm Registration No.: 000846C

sd/-  
**S.K. AGARWAL**  
PARTNER  
Membership No. : 093209

For and on behalf of the Board

sd/-  
**S. C. AGGARWAL**  
(CHAIRMAN & MANAGING  
DIRECTOR)  
**Din No.: 00003267**

sd/-  
**VINOD KUMAR JAMAR**  
(GROUP CFO)

sd/-  
**MAHESH C. GUPTA**  
(VICE-CHAIRMAN & MANAGING  
DIRECTOR)  
**Din No.: 00003082**

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

**PLACE : Mumbai**  
**DATE : 29th May 2017**

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31st MARCH, 2017

PARTICULARS	(Amount in ₹)	
	FOR THE YEAR ENDED 31st MARCH, 2017	FOR THE YEAR ENDED 31st MARCH, 2016
<b>A Cash Flow From Operating Activities</b>		
Profit before Tax	445,133,583	137,027,703
<b>Adjusted for:</b>		
Depreciation & Amortization	35,073,736	36,722,821
Intangible Assets Written Off	-	89,395
Loss/(Profit) on sale of Investment	1,298,986	(184,201)
Provision for Doubtful Debts	73,377,243	76,090,356
Provision for Doubtful Advances	1,915,418	-
Provision for Diminution of value of investment	5,000,000	17,200,000
Income from Investment in PMS (Net)	(13,384,602)	3,225,018
Loss/(Profit) on sale / Discarded Fixed assets	75,122	(2,414,089)
Dividend Income	(616,712)	(1,354,832)
Interest received	(7,554,509)	(640,500)
Interest Expenses	176,964,656	112,840,813
<b>Operating Profit (Loss) Before Working Capital Changes</b>	<b>717,282,921</b>	<b>378,602,484</b>
Increase / (Decrease) in Liabilities and Provisions	319,676,415	1,522,723,034
(Increase) / Decrease in Trade Receivables	(1,165,284,341)	(391,980,749)
(Increase) / Decrease in Inventories	618,676,794	(208,543,583)
(Increase) / Decrease in Loans & advances and Other Assets	(359,137,097)	(147,980,370)
(Increase) / Decrease in Bank term deposit	(600,939,140)	(79,693,559)
<b>Cash Generated from Operations</b>	<b>(469,724,448)</b>	<b>1,073,127,257</b>
Actual Amount of Direct Taxes Paid (net of refunds)	(116,410,849)	(97,619,094)
<b>Net Cash (used in) Operating Activities (a)</b>	<b>(586,135,297)</b>	<b>975,508,163</b>
<b>B Cash Flow from Investing Activities</b>		
(Purchase) of Fixed Assets	(159,974,714)	(27,264,235)
Sale of Fixed Assets	1,127,766	4,367,153
(Purchase) of Non Current Investments	(441,126,517)	(521,127,477)
Sale of Non Current Investments	9,272,202	36,123,518
(Purchase) of Current Investments	(148,642,560)	(235,722,832)
Sale of Current Investments	191,461,087	219,025,795
Dividend on Investment	616,712	1,306,018
<b>Net Cash (used in) Investing Activities (b)</b>	<b>(547,266,024)</b>	<b>(523,292,060)</b>
<b>C Cash Flow From Financing Activities</b>		
Interim/Final Dividend Paid and Tax thereon	(98,039,528)	(81,551,530)
Interest received	5,295,513	640,500
Interest Paid	(177,671,737)	(110,508,441)
(Payment) / proceeds of short term borrowings	1,238,437,320	265,291,075
(Payment) / proceeds from Secured Loan from Banks (net)	(611,540)	3,047,452

PARTICULARS	(Amount in ₹)	
	FOR THE YEAR ENDED 31st MARCH, 2017	FOR THE YEAR ENDED 31st MARCH, 2016
<b>Net Cash From increase in Financing Activities (c)</b>	<b>967,410,028</b>	<b>76,919,056</b>
<b>Net Increase/(Decrease) in cash and cash Equivalents (a+b+c)</b>	<b>(165,991,293)</b>	<b>529,135,159</b>
Cash and Cash Equivalent at the beginning of the year	694,279,902	165,144,743
<b>Cash and Cash Equivalent at the end of the year (refer Note No. 2.17)</b>	<b>528,288,609</b>	<b>694,279,902</b>

### Notes:

- The above Cash flow statement has been prepared under the "Indirect Method" as set out in AS-3 notified u/s 133 of the Companies Act, 2013.
- Figures in brackets indicate cash outflow.
- 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 R. GOPAL & ASSOCIATES**  
Chartered Accountants  
Firm Registration No.: 000846C

**For and on behalf of the Board**

sd/-  
**S.K. AGARWAL**  
PARTNER  
Membership No. : 093209

sd/-  
**S. C. AGGARWAL**  
(CHAIRMAN & MANAGING  
DIRECTOR)  
**Din No.: 00003267**

sd/-  
**VINOD KUMAR JAMAR**  
(GROUP CFO)

sd/-  
**MAHESH C. GUPTA**  
(VICE-CHAIRMAN & MANAGING  
DIRECTOR)  
**Din No.: 00003082**

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

PLACE : Mumbai  
DATE : 29th May 2017



## SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

### COMPANY OVERVIEW

SMC Global Securities Limited ("the company" or "SMC Global") is a limited liability company is domiciled in India incorporated in the year 1994 having its registered office at 11/6B, Shanti Chambers, Pusa Road, New Delhi-110005. The company is a trading member of the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") in the capital market. Further, the company is a trading and clearing member of NSE, BSE and Metropolitan Stock Exchange of India Limited ("MSEI") in the futures and options segment and currency derivative segment. Also having depository participants registration of Central Depository Services (India) Limited and National Securities Depository Limited, participants of NCDEX Comtrack and AMFI registered mutual fund distributor. The company is governed by the SEBI. The company also has nine subsidiaries, three step subsidiaries and one Joint venture.

The company offers a wide range of services to meet client's needs including brokerage services, clearing services, depository services, distribution of financial products such as mutual fund and initial public offerings and also engages in proprietary transactions.

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 ACCOUNTING CONVENTION

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 standard referred to in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rule, 2014.

#### 1.2 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.

#### 1.3 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.

#### CAPITAL WORK IN PROGRESS

Software under which assets are not yet ready for their intended use are carried at cost, comprising direct cost and related incidental expenses.

#### 1.4 DEPRECIATION

Depreciation on tangible fixed assets is computed on written down value method at such

rate as computed considering useful life provided in the Schedule - II of the Act.

#### Intangible Fixed Assets

Depreciation on intangible fixed assets continues to be computed on written down value method at the following rates:-

a. Computer Software	40%
b. Trade Mark Logo	40%
c. Goodwill	25%

#### 1.5 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.

#### 1.6 INVENTORIES

1.6.1 Inventories of shares are valued at market value and of bonds are valued at lower of cost or market value.

1.6.2 Closing stock of shares includes stocks pledged against secured loan from banks and kept as margin/securities with stock exchange but does not include stocks held on behalf of clients/constituents.

#### 1.7 REVENUE RECOGNITION

1.7.1 Revenue on account of trading in

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

1.7.2 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 trading day on daily basis.

1.7.3 Revenue from broking activities is accounted for on the trade date of transaction.

1.7.4 Treasury income from interest on fixed deposits is recognized on accrual basis.

1.7.5 Dividend is accounted for as income when the right to receive dividend is established.

1.7.6 Depository income is accounted for on accrual basis.

1.7.7 Profit/Loss in the case of balance in Portfolio Management account has been accounted for as other operating income/loss on its accrual when the transaction takes place and is on the basis of monthly statement received from portfolio manager.

1.7.8 In respect of other heads of income the company follows the practice of recognizing income on accrual basis

1.7.9 Revenue excludes service tax.

### 1.8 FOREIGN CURRENCY TRANSACTIONS & TRANSALATION

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.

The exchange difference relating to non-integral foreign operations are recognized in the "Foreign Currency Fluctuation Reserve" classified under Reserves & Surplus.

### 1.9 EMPLOYEE BENEFITS

- 1.9.1 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.
- 1.9.2 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.
- 1.9.3 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.
- 1.9.4 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.

### 1.11 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.

### 1.12 BORROWING COSTS

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.

### 1.13 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.

### 1.14 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.

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.

### 1.15 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.

### 1.16 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.

### 1.17 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

PARTICULARS	(Amount in ₹)	
	AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
<b>a Authorised</b>		
16,50,50,000 (Previous Year 16,50,50,000) Equity Shares of ₹ 2/- each	330,100,000	330,100,000
	<b>330,100,000</b>	<b>330,100,000</b>
<b>b Issued, Subscribed &amp; Fully Paid up</b>		
11,31,34,450 (Previous Year 11,31,34,450) Equity Shares of ₹ 2/- each fully paid up	226,268,900	226,268,900
	<b>226,268,900</b>	<b>226,268,900</b>
<b>c Reconciliation of Number of Equity Shares Outstanding</b>		
<b>Particulars</b>	<b>Number of Shares</b>	<b>(Amount in ₹)</b>
<b>As at 31.03.2017</b>		
At the beginning of the year	113,134,450	226,268,900
Issued during the year	-	-
<b>At the end of the year</b>	<b>113,134,450</b>	<b>226,268,900</b>
<b>As at 31.03.2016</b>		
At the beginning of the year	113,134,450	226,268,900
Issued during the year	-	-
<b>At the end of the year</b>	<b>113,134,450</b>	<b>226,268,900</b>
<b>d Shares held by shareholders holding more than 5% shares</b>		
<b>Name of Shareholder</b>	<b>No. of Shares held</b>	<b>No. of Shares held (%)</b>
<b>As at 31.03.2017</b>		
ASM Pipes Pvt Ltd	18,667,140	16.50
Millennium India Acquisition Company Inc.	12,204,690	10.79
Mahesh C. Gupta	10,248,500	9.06
Subhash C. Aggarwal	10,095,500	8.92
Sanlam International Investment Partners Ltd.	9,460,590	8.36
Hemlata Aggarwal	7,720,550	6.82
Sushma Gupta	7,566,550	6.69

### NOTE NO. 2.01

#### SHARE CAPITAL

Name of Shareholder	(Amount in ₹)	
	No. of Shares held	No. of Shares held(%)
<b>As at 31.03.2016</b>		
ASM Pipes Pvt Ltd	18,667,140	16.50
Millennium India Acquisition Company Inc.	13,604,690	12.03
Mahesh C. Gupta	10,248,500	9.06
Subhash C. Aggarwal	10,095,500	8.92
Sanlam International Investment Partners Ltd.	9,460,590	8.36
Hemlata Aggarwal	7,720,550	6.82
Sushma Gupta	7,566,550	6.69
<b>e Terms/Rights attached to Equity Shares</b>		
The Company has only one class of Equity Shares having a par Value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The Dividend Proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.		
During the year ending 31st March 2017, the amount of per share dividend recognised as distributions to equity shareholders for interim dividend is ₹ 0.36 (P.Y. ₹ 0.24) and proposed final dividend is ₹ 0.48 (P.Y. ₹ 0.36)		
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.		
<b>NOTE NO. 2.02</b>		
<b>RESERVES &amp; SURPLUS</b>		
PARTICULARS	(Amount in ₹)	
	AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
<b>Securities Premium Reserve</b>		
As at beginning and at the end of the year	3,444,449,991	3,444,449,991
<b>Capital Reserves (On Amalgamation)</b>		
As at beginning and at the end of the year	104,102,620	104,102,620
<b>Capital Reserves (On Forfeiture)</b>		
As at beginning and at the end of the year	123,998,200	123,998,200
<b>Foreign Currency Fluctuation Reserve</b>		
Opening Balance	-	-
Addition during the year	(469,853)	-
Closing Balance	(469,853)	-

**NOTE NO. 2.02****RESERVES & SURPLUS**

PARTICULARS	(Amount in ₹)	
	AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
<b>General Reserve</b>		
Opening Balance	664,011,539	644,011,539
Add: Addition during the year	30,000,000	20,000,000
Closing Balance	694,011,539	664,011,539
<b>Surplus</b>		
Opening balance	819,420,567	835,161,267
Add : Transfer from Statement of Profit and Loss	293,355,781	85,958,907
<b>Amount Available for Appropriation</b>	<b>1,112,776,348</b>	<b>921,120,174</b>
Less : Appropriations		
Transfer to General Reserve	(30,000,000)	(20,000,000)
Interim Dividend	(40,728,402)	(27,152,268)
Proposed Dividend-Final	(54,304,536)	(40,728,402)
Tax on Dividend	(19,346,488)	(13,818,937)
Closing Balance	968,396,922	819,420,567
<b>Total</b>	<b>5,334,489,419</b>	<b>5,155,982,917</b>

**NOTE NO. 2.03****LONG TERM BORROWINGS**

PARTICULARS	(Amount in ₹)	
	AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
<b>Term Loans* (Secured Against Vehicles)</b>		
From Banks	9,132,761	10,831,232
Less: Current Maturities disclosed under the head "Other Current Liabilities" (Note No. 2.08)	(3,135,451)	(4,222,382)
<b>Total</b>	<b>5,997,310</b>	<b>6,608,850</b>

\* Repayable in 8 to 40 equated monthly instalments bearing interest @ 9.85% to 10.25% p.a.

**NOTE NO. 2.04****LONG TERM PROVISIONS**

PARTICULARS	(Amount in ₹)	
	AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
<b>Provision for Employee Benefits</b>		
Provision For Gratuity #	47,358,761	38,525,792
Provision For Leave Encashment #	15,212,678	12,005,668
<b>Total</b>	<b>62,571,439</b>	<b>50,531,460</b>

# also refer to Note No. 2.09 & 2.23

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

PARTICULARS	(Amount in ₹)	
	AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
Security Deposits *	19,187,528	18,724,328
<b>Total</b>	<b>19,187,528</b>	<b>18,724,328</b>

\* Also refer to Note no.2.36

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

PARTICULARS	(Amount in ₹)	
	AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
<b>Secured *</b>		
Short Term Loan from NBFC	195,000,000	237,500,000
Short Term Loan from Banks	1,874,494,055	593,556,735
<b>Total</b>	<b>2,069,494,055</b>	<b>831,056,735</b>

\* Amount Secured either against FDR/ Bonds/ Shares/ Book Debts and / or Personal Guarantee of Directors .

**NOTE NO. 2.07****TRADE PAYABLES**

(Amount in ₹)

PARTICULARS	AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
- Due to micro and small enterprises *	-	-
- Others	1,833,215,653	2,352,610,861
<b>Total</b>	<b>1,833,215,653</b>	<b>2,352,610,861</b>

\* 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 2016 and 31st March 2017.

**NOTE NO. 2.08****OTHER CURRENT LIABILITIES**

(Amount in ₹)

PARTICULARS	AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
Book Overdraft from Banks	78,052,187	256,874,671
Current Maturities of Long Term Borrowings *(Refer Note No. 2.03)	3,135,451	4,222,382
Security Deposits Received from clients	68,481	18,481
Advances /Margin Received from Clients	2,656,212,417	1,671,030,947
Interest accrued but not due	1,625,291	2,332,372
Unpaid Dividend	138,444	138,684
Unearned Income	14,655,446	10,682,489
Employee Benefit Payable	25,528,525	5,409,488
PMS Payable	226,301	277,690
Payable to Statutory authorities	23,517,768	27,771,191
<b>Total</b>	<b>2,803,160,311</b>	<b>1,978,758,395</b>

**NOTE NO. 2.09****SHORT TERM PROVISIONS**

(Amount in ₹)

PARTICULARS	AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
<b>Provision For employee benefits</b>		
Provision For Leave Encashment #	1,977,821	1,551,390
<b>Others</b>		
Provision For Income Tax (Net of Advance tax & TDS of ₹ 12,01,84,652/- , P.Y. ₹ 6,72,30,054/-)	12,179,955	19,117,446
Provision for CSR	2,718,779	1,685,763
Proposed Dividend	54,304,536	40,728,402
Tax on Dividend	11,055,126	8,291,362
<b>Total</b>	<b>82,236,217</b>	<b>71,374,363</b>

# also refer to Note No. 2.04 &amp; 2.23

## NOTE NO. 2.10 FIXED ASSETS

PARTICULARS	Gross Block		DEPRECIATION		NET BLOCK	
	As At 01.04.2016	As At 31.03.2017	As At 01.04.2016	Charged for the year	As At 31.03.2017	As At 31.03.2016
<b>Tangible Assets</b>						
Office Building	54,417,068	175,105,968	17,782,872	4,097,283	21,880,155	36,634,196
Office Equipment	90,856,575	93,943,580	82,880,333	2,634,130	81,926,833	7,976,242
Furniture & Fixtures	122,929,947	133,026,829	94,119,801	8,725,312	100,450,797	28,810,146
Computer Hardware	145,711,868	151,534,816	128,984,528	10,567,808	130,612,463	16,727,340
Vehicle	30,314,025	32,133,534	15,024,522	5,476,713	19,389,727	15,289,503
VSAT	36,742,236	36,742,236	31,761,002	936,964	32,697,966	4,981,234
<b>Total Tangible Assets (A)</b>	<b>480,971,719</b>	<b>622,486,963</b>	<b>370,553,058</b>	<b>32,438,210</b>	<b>386,957,941</b>	<b>110,418,661</b>
<b>Intangible Assets</b>						
Computer Software	45,571,930	47,055,186	42,251,852	1,580,673	43,832,525	3,320,078
Trade Mark Logo	20,000	20,000	19,591	165	19,756	409
Goodwill	10,000,000	10,000,000	5,781,250	1,054,688	6,835,938	4,218,750
<b>Total Intangible Assets (B)</b>	<b>55,591,930</b>	<b>57,075,186</b>	<b>48,052,693</b>	<b>2,635,526</b>	<b>50,688,219</b>	<b>7,539,237</b>
<b>Software WIP (C)</b>	<b>560,000</b>	<b>300,000</b>	-	-	-	<b>560,000</b>
<b>Current Year (A+B+C)</b>	<b>537,123,649</b>	<b>679,862,149</b>	<b>418,605,751</b>	<b>35,073,736</b>	<b>437,646,160</b>	<b>118,517,898</b>
<b>Previous Year</b>	<b>562,343,305</b>	<b>537,123,649</b>	<b>432,324,363</b>	<b>36,722,821</b>	<b>50,441,433</b>	<b>130,018,942</b>

## NOTE NO. 2.11 INVESTMENTS

PARTICULARS	FACE VALUE	(Amount in ₹)			
		NUMBER	AS AT 31st MARCH, 2017	NUMBER	AS AT 31st MARCH, 2016
<b>A. Non-Current Investments</b>					
Investment in Gold Bonds (Quoted)		0.5	1,559,500	-	-
Investment in Mutual Fund (Quoted)		100,000	1,000,000	-	-
Investment in Property			10,686,191	-	10,686,191
<b>Sub- Total (A)</b>		<b>100,001</b>	<b>13,245,691</b>		<b>10,686,191</b>
<b>Trade Investments (Valued at cost)</b>					
<b>Investment in Equity Instruments (Un-quoted)</b>					
<b>Investment in Subsidiaries</b>					
SMC Comtrade Ltd.	10	8,500,000	735,400,000	8,500,000	735,400,000
Moneywise Financial Services (P) Ltd.	10	32,156,920	1,302,292,979	27,156,920	1,052,292,979
SMC Capitals Ltd.	10	10,000,000	124,876,767	10,000,000	124,876,767
SMC Investment & Advisors Ltd.	10	25,000,000	700,000,000	25,000,000	700,000,000
Indunia Realtech Ltd.	10	2,500,000	25,000,000	2,500,000	25,000,000
Moneywise Finvest Ltd.	10	2,500,000	37,548,700	1,000,000	9,798,700
SMC Global USA Inc.	\$5000	140	47,393,645	60	20,518,500
SMC Finvest Ltd.	10	41,000,000	379,988,000	41,000,000	379,988,000
SMC Global IFSC Pvt. Ltd.	10	11,999,800	119,998,000	-	-
<b>Sub- Total (B)</b>		<b>133,656,860</b>	<b>3,472,498,091</b>	<b>115,156,980</b>	<b>3,047,874,946</b>
<b>Investment In equity instruments (Unquoted)</b>					
Ludhiyana Stock Exchange Association Ltd.	10	2,000	54,000	2,000	54,000
Priknit Retails Ltd.	10	250,000	25,000,000	250,000	25,000,000
The Great Logistic & Parking Services Pvt. Ltd.	10	100,000	4,700,000	100,000	4,700,000
		<b>352,000</b>	<b>29,754,000</b>	<b>352,000</b>	<b>29,754,000</b>
Less: Provision for diminution in value of Investment			(29,700,000)		(29,700,000)
<b>Sub- Total (C )</b>		<b>352,000</b>	<b>54,000</b>	<b>352,000</b>	<b>54,000</b>

**NOTE NO. 2.11****INVESTMENTS**

(Amount in ₹)

PARTICULARS	FACE VALUE	NUMBER	AS AT 31st MARCH, 2017	NUMBER	AS AT 31st MARCH, 2016
<b>Non- Trade Investments (Valued at cost)</b>					
<b>Investment in Equity Instruments (Quoted)</b>					
Manganese Ore India Ltd.	10	-	-	8,398	4,784,739
Shipping Corporation of India Ltd.	10	43,955	6,206,641	45,584	6,436,663
Pradip Overseas Ltd.	10	424,108	9,447,024	424,108	9,447,024
Khandwala Securities Ltd.	10	256,912	4,277,481	294,279	4,899,744
Larsen & Toubro Ltd.	2	72	73,967	72	73,967
Reliance Capital Ltd.	10	576	272,892	576	272,892
Ore India	10	4,100	27,470	4,100	27,470
HB Portfolio Ltd.	10	100	2,575	100	2,575
Peacock Industries Ltd.	4	200	950	200	950
TRF Ltd.	10	31,000	9,009,709	-	-
		<b>761,023</b>	<b>29,318,709</b>	<b>777,417</b>	<b>25,946,024</b>
Less: Provision for diminution in value of Investment		-	(5,000,000)	-	-
<b>Sub- Total (D)</b>		<b>761,023</b>	<b>24,318,709</b>	<b>777,417</b>	<b>25,946,024</b>
<b>Total (A+B+C+D)</b>		<b>3,510,116,491</b>		<b>3,084,561,161</b>	

- Aggregate Market Value of Quoted Investment in Gold Bond is ₹13,87,350 (Previous Year is ₹ N.A.)
- Aggregate Book Value of Quoted Investment in Gold Bond is ₹15,59,500 (Previous Year is ₹ N.A.)
- Aggregate Net Asset Value of Quoted Investment in Mutual Fund is ₹10,02,200 (Previous Year is ₹ N.A.)
- Aggregate Book Value of Quoted Investment in Mutual Fund is ₹10,00,000 (Previous Year is ₹ N.A.)
- Aggregate Book Value of Unquoted Investment is ₹3,50,22,52,091 (Previous Year is ₹3,07,76,28,946)
- Aggregate Provision for diminution in value of Unquoted Investment is ₹2,97,00,000 (Previous Year is ₹2,97,00,000)
- Aggregate Market Value of Quoted Investment is ₹1,62,91,179 (Previous Year is ₹1,10,07,776)
- Aggregate Book Value of Quoted Investment is ₹2,93,18,709 (Previous Year is ₹2,59,46,024)
- Aggregate Provision for diminution in value of Quoted Investment is ₹50,00,000 (Previous Year is ₹ Nil)

**NOTE NO. 2.11****INVESTMENTS**

(Amount in ₹)

PARTICULARS	FACE VALUE	NUMBER	AS AT 31st MARCH, 2017	NUMBER	AS AT 31st MARCH, 2016
<b>B. Current Investments (at lower of cost or fair value)</b>					
<b>Investment in Equity Instruments (Quoted)</b>					
Amara Raja Batteries Ltd.	1	600	499,242	-	-
Force Motors Ltd.	10	477	2,128,124	-	-
Piramal Enterprises Ltd.	2	515	974,040	-	-
Tata Elxsi (I)	10	680	996,132	-	-
Fag Bearings Ltd.	10	223	985,887	-	-
Cosmo Films Ltd.	10	5400	2,014,200	-	-
Berger Paints (I) Ltd.	1	4400	999,584	-	-
Dewan Housing Fin Corp Ltd.	10	2662	977,353	-	-
Pennar Industries Ltd.	5	23765	973,177	-	-
Mothersun Sumi	1	4672	1,705,034	-	-
Symphony Ltd.	2	648	986,354	-	-
Sona Steering Systems	1	12200	996,130	-	-
Nilkamal Plastics	10	499	973,998	-	-
Relaxo Footwears Ltd.	1	1453	704,503	-	-
Indusind Bank	10	598	840,891	-	-
Shiva Cement Ltd.	2	10800	200,177	-	-
Cera Sanitaryware Ltd.	5	248	701,274	-	-
Maruti Udyog Ltd.	5	164	982,248	-	-
Minda Industries	10	2232	980,874	-	-
Karnatka Bank Ltd.	10	60350	8,252,240	-	-
Edelweiss	1	17249	2,482,394	-	-
Godrej Properties Ltd.	5	4073	1,490,287	-	-
Triveni Turbine Ltd.	1	7236	991,283	-	-
Crompton Greaves Consumer Electrical Ltd.	2	5454	1,121,110	-	-

**NOTE NO. 2.11****INVESTMENTS**

(Amount in ₹)

PARTICULARS	FACE VALUE	NUMBER	AS AT 31st MARCH, 2017	NUMBER	AS AT 31st MARCH, 2016
Max Ventures And Industries Ltd.	10	11500	1,005,615	-	-
Bajaj Finserv Ltd.	5	260	996,294	-	-
		<b>178,358</b>	<b>35,958,445</b>	-	-
<b>Investment in Equity Instruments under Portfolio Management Service</b>					
HCL Technologies Ltd.	2	-	-	5,417	4,410,251
Container Corporation of India Ltd.	10	-	-	3,437	3,969,413
Indraprastha Gas Ltd.	10	-	-	6,441	3,490,964
Glaxosmithkline Consumer Healthcare Ltd.	10	-	-	346	1,941,443
Gillette India Ltd.	10	-	-	190	835,081
Bharti Airtel Ltd.	5	-	-	20,677	6,597,529
Gruh Finance Ltd.	2	-	-	17,644	4,219,563
United Breweries Ltd.	1	-	-	8,169	6,635,542
Jubilant Foodworks Ltd.	10	-	-	6,293	6,424,441
Sun TV Network Ltd.	5	-	-	19,799	6,911,103
Hexaware Technologies Ltd.	2	-	-	23,298	5,736,432
Tata Motors Ltd.	2	-	-	26,927	7,437,758
Gateway Distriparks Ltd.	10	3,930	984,485	3,930	984,485
Whirlpool of India Ltd.	10	1,809	789,825	1,809	789,825
Housing Development Finance Corporation Ltd.	2	938	991,961	938	991,961
IDFC Limited - Equity	10	7,018	382,481	7,018	338,619
Axis Bank Ltd.	2	2,003	793,131	2,003	793,131
Yes Bank Ltd.	10	1,373	789,491	1,373	789,491
NTPC Ltd.	10	7,310	1,000,759	7,310	941,528
Elecon Engineering Company Ltd.	2	15,549	785,423	15,549	785,423
IL & FS Transportation Network Ltd.	10	8,262	903,863	8,262	594,038
Reliance Industries Ltd.	10	1,242	1,207,310	1,242	1,207,310

**NOTE NO. 2.11****INVESTMENTS**

(Amount in ₹)

PARTICULARS	FACE VALUE	NUMBER	AS AT 31st MARCH, 2017	NUMBER	AS AT 31st MARCH, 2016
Larsen & Toubro Ltd.	2	534	788,217	534	649,451
Indusind Bank Ltd.	10	951	591,867	951	591,867
State Bank Of India	1	2,740	697,389	2,740	532,382
Neyveli Lignite Corporation Ltd.	10	9,456	806,460	9,456	670,430
Engineers India Ltd.	5	6,508	785,364	3,254	553,994
Phoenix Mills Ltd.	2	1,659	595,593	1,659	497,783
Tata Consultancy Services Ltd.	1	223	542,135	2,616	6,067,810
Lakshmi Machine Works Ltd.	10	-	-	148	493,610
PNB Gilts Ltd.	10	-	-	17,937	392,828
Mahindra & Mahindra Ltd.	5	445	571,692	445	538,294
VIP Industries Ltd.	2	5,427	580,619	5,427	569,835
Jain Irrigation Systems Ltd.	2	7,950	694,726	7,950	479,385
Gujarat Mineral Development Company Ltd.	2	4,108	504,257	4,108	268,458
L&T Finance Holdings Ltd.	10	13,419	793,807	31,979	1,750,180
IDFC Bank Ltd.	10	7,018	397,507	7,018	283,527
Indian Hotels Co. Ltd.	1	8,554	987,077	-	-
Mahindra CIE Automotive Ltd.	10	6,081	1,205,622	-	-
NTPC Ltd (Bonds)	10	-	-	7,310	91,375
		<b>124,507</b>	<b>19,171,061</b>	<b>291,604</b>	<b>81,256,540</b>
<b>Sub- Total (A)</b>		<b>302,865</b>	<b>55,129,506</b>	<b>291,604</b>	<b>81,256,540</b>
<b>Investment in Mutual Fund (Unquoted)</b>					
Reliance Money Manager Fund-Growth Option		320	689,051	2,025	3,995,945
<b>Sub- Total (B)</b>		<b>320</b>	<b>689,051</b>	<b>2,025</b>	<b>3,995,945</b>
<b>Total</b>	<b>(A+B)</b>	<b>303,185</b>	<b>55,818,557</b>	<b>293,629</b>	<b>85,252,485</b>

1. Aggregate Market Value of Quoted Investment is ₹ 6,31,55,107 (Previous Year is ₹ 8,80,64,910)
2. Aggregate Book Value of Quoted Investment is ₹ 5,51,29,506 ( Previous Year is ₹ 8,12,56,540)
3. Aggregate Net Asset Value of Unquoted Investment is ₹ 7,18,189 ( Previous Year is ₹ 42,01,940)
4. Aggregate Book Value of Unquoted Investment is ₹ 6,89,051 ( Previous Year is ₹ 39,95,945)



**NOTE NO. 2.12****DEFERRED TAX ASSETS**

(Amount in ₹)

PARTICULARS	AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
Provision for Doubtful Debts	37,000,671	45,563,423
Provision for Doubtful Advances	662,888	-
Provision for Gratuity	6,007,520	13,333,006
Provision for Diminution in value of Investments	3,426,192	3,426,192
Disallowances / Others	6,504,092	5,974,782
Difference between carrying cost of fixed assets as per Companies Act, 2013 and Income Tax Act, 1961	19,666,936	21,883,909
<b>(A)</b>	<b>73,268,299</b>	<b>90,181,312</b>
<b>Deferred Tax Liability</b>		
ICDS Impact	3,627,040	(237,787)
<b>(B)</b>	<b>3,627,040</b>	<b>(237,787)</b>
<b>Total (A-B)</b>	<b>69,641,259</b>	<b>90,419,099</b>

**NOTE NO. 2.13****LONG TERM LOANS AND ADVANCES**

(Amount in ₹)

PARTICULARS	AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
<b>Unsecured, considered good</b>		
Security Deposits	46,213,127	46,963,548
Loans and advances to related parties	13,533,808	-
Advances Recoverable in cash or in kind	56,120,669	59,429,464
Capital Advance	56,280,617	32,500,000
Balance with Government Authorities	9,021,479	30,548,084
<b>(A)</b>	<b>181,169,700</b>	<b>169,441,096</b>
<b>Unsecured, considered doubtful</b>		
Advances Recoverable in cash or in kind	1,915,418	-
Less: Provision for doubtful advances	(1,915,418)	-
<b>(B)</b>	<b>-</b>	<b>-</b>
<b>Total (A+B)</b>	<b>181,169,700</b>	<b>169,441,096</b>

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

(Amount in ₹)

PARTICULARS	AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
Outstanding for a period exceeding one year		
Secured, considered good <b>(A)</b>	42,743,100	48,705,015
Unsecured, considered good	57,124,082	113,762,087
Unsecured, considered doubtful	106,913,637	131,655,754
	164,037,719	245,417,841
Less: Provision for doubtful debts #	(106,913,637)	(131,655,754)
<b>(B)</b>	<b>57,124,082</b>	<b>113,762,087</b>
<b>Total (A+B)</b>	<b>99,867,182</b>	<b>162,467,102</b>

# also refer to Note No. 2.33

**NOTE NO. 2.15****INVENTORIES**

(Amount in ₹)

PARTICULARS	AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
Shares (valued at market price)	707,296,006	807,660,956
Bonds (valued at lower of cost or market price)	142,404,797	660,716,641
<b>Total</b>	<b>849,700,803</b>	<b>1,468,377,597</b>

**NOTE NO. 2.16****TRADE RECEIVABLES (CURRENT)**

(Amount in ₹)

PARTICULARS	AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
<b>Debts outstanding for more than six months</b>		
Secured, considered good	13,202,682	16,134,487
Unsecured, considered good	8,381,930	4,988,398
<b>Other Debts</b>		
Secured, considered good	1,947,155,534	884,627,106
Unsecured, considered good	1,475,860,430	1,384,343,565
<b>Total</b>	<b>3,444,600,576</b>	<b>2,290,093,556</b>

**NOTE NO. 2.17****CASH AND BANK BALANCES**

(Amount in ₹)

PARTICULARS	AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
<b>Cash &amp; Cash Equivalents</b>		
Balance with Banks in current accounts	509,777,560	691,511,228
Cheques in hand	16,049,627	-
Cash in hand	1,800,484	1,909,670
Foreign currency in hand	660,938	859,004
<b>(A)</b>	<b>528,288,609</b>	<b>694,279,902</b>
<b>Other Bank Balances*</b>		
Bank Deposit #		
- Placed under lien with banks	2,615,552,000	2,085,850,000
- Pledged with the clearing corporations and stock exchanges as margin	29,300,000	9,500,000
- Placed under lien with Consumer Court	108,389	80,366
- Placed with Pension Fund Regulatory and Development Authority	2,000,000	2,000,000
- Placed under Arbitration	13,783,456	11,966,348
- Deposits in hand	49,592,009	-
<b>(B)</b>	<b>2,710,335,854</b>	<b>2,109,396,714</b>
<b>Total (A+B)</b>	<b>3,238,624,463</b>	<b>2,803,676,616</b>

# Bank Deposit Includes Fixed Deposit amounting to ₹ 88,89,70,000 (P.Y. ₹ 59,26,20,000) having maturity period more than one year.

\*also refer to Note No. 2.32

**Note: Following is the disclosure in terms of notification no G.S.R. 308(E) issued by the Ministry of Corporate Affairs dated 30th March 2017**

PARTICULARS	SPECIFIED BANK NOTES	OTHER DENOMINATION NOTES	TOTAL
Closing cash in hand as on 08.11.2016	160,000	1,128,288	1,288,288
(+) Permitted receipts	-	3,197,400	3,197,400
(-) Permitted payments	-	2,457,689	2,457,689
(-) Amount deposited in Banks	160,000	-	160,000
<b>Closing cash in hand as on 30.12.2016</b>	<b>-</b>	<b>1,867,999</b>	<b>1,867,999</b>

**NOTE NO. 2.18****SHORT-TERM LOANS AND ADVANCES**

PARTICULARS	(Amount in ₹)	
	AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
<b>Short-term loans and advances</b>		
<b>Unsecured, considered good</b>		
Loans and advances to related parties *	523,866,396	190,899,413
Advances Recoverable in cash or in kind	195,966,316	195,766,895
Balance with Government Authorities	2,945,747	5,873,017
<b>Total</b>	<b>722,778,459</b>	<b>392,539,325</b>

\*also refer to Note No. 2.36

**NOTE NO. 2.19****OTHER CURRENT ASSETS**

PARTICULARS	(Amount in ₹)	
	AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
Accrued Interest on FDR	18,956,555	25,108,300
Accrued Interest on Bonds	3,096,868	1,413,760
Dividend Receivable	33,930	48,814
<b>Total</b>	<b>22,087,353</b>	<b>26,570,874</b>

**NOTE NO. 2.20****REVENUE FROM OPERATIONS**

PARTICULARS	(Amount in ₹)	
	FOR THE YEAR ENDED 31st MARCH, 2017	FOR THE YEAR ENDED 31st MARCH, 2016
Income from Brokerage	1,136,287,664	887,826,436
Income from Proprietary Trading	1,290,224,413	875,470,745
Income from Distribution of Financial Products	663,120,647	362,518,480
Income from Depository Business	30,740,381	48,337,883
Treasury Income	184,514,884	181,645,405
Dividend Earned	5,758,090	10,016,242
Income from Reverse Book Building	150,000	1,100,000
<b>Other Operating Income</b>		
Income from Investment in PMS(Net)	13,384,602	(3,225,018)
Income From Research Support Services	20,070,871	-
Dividend on Investment	616,712	1,354,832
Profit/(loss) on Sale of Investment	(1,298,986)	184,201
Delay Payment Charges	211,339,864	166,810,596
<b>Total</b>	<b>3,554,909,142</b>	<b>2,532,039,802</b>

**NOTE NO. 2.21****OTHER INCOME**

PARTICULARS	(Amount in ₹)	
	FOR THE YEAR ENDED 31st MARCH, 2017	FOR THE YEAR ENDED 31st MARCH, 2016
Interest	7,554,509	640,500
Rent Income	17,643,316	17,610,816
Liability no longer required written back	4,154,590	22,728,952
Profit on Sale of Fixed Assets	-	2,414,089
Miscellaneous Income	6,876,920	4,453,127
<b>Total</b>	<b>36,229,335</b>	<b>47,847,484</b>

**NOTE NO. 2.22****STOCK EXCHANGE AND OTHER OPERATING EXPENSES**

PARTICULARS	(Amount in ₹)	
	FOR THE YEAR ENDED 31st MARCH, 2017	FOR THE YEAR ENDED 31st MARCH, 2016
Client Introduction Charges	521,660,015	405,589,633
Exchange & Other Regulatory Charges	336,816,079	279,341,317
Expense for Distribution of Financial Products	510,084,682	289,868,748
VPN, Leaseline, Internet & VSAT Expenses (Net)	11,257,682	7,698,027
Securities Transaction Tax	380,663,086	277,367,946
Demat Charges	1,212,000	1,156,881
<b>Total</b>	<b>1,761,693,544</b>	<b>1,261,022,552</b>

**NOTE NO. 2.23****EMPLOYEE BENEFIT EXPENSES**

PARTICULARS	(Amount in ₹)	
	FOR THE YEAR ENDED 31st MARCH, 2017	FOR THE YEAR ENDED 31st MARCH, 2016
Salaries and incentives	490,451,052	418,989,722
Employers' Contributions towards Statutory Fund	22,641,621	15,996,486
Gratuity	13,618,714	15,238,535
Staff welfare	5,934,062	5,886,337
<b>Total</b>	<b>532,645,449</b>	<b>456,111,080</b>

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

**A Gratuity (Partly Funded)**  
**Change in Present Value of Obligation**

(Amount in ₹)

PARTICULARS	FOR THE YEAR ENDED 31st MARCH, 2017	FOR THE YEAR ENDED 31st MARCH, 2016
Present Value of the Obligation as at the beginning of the year	44,211,949	32,095,644
Interest Cost	3,959,028	2,971,262
Current Service Cost	6,931,004	6,414,627
Liability Assumed on Acquisition/ (Settled on Divestiture)	214,255	-
Benefits Paid	(4,808,058)	(2,989,590)
Actuarial (gain)/loss on obligations	4,538,940	5,720,006
<b>Present Value of the Obligation as at the end of the year</b>	<b>55,047,118</b>	<b>44,211,949</b>

(Amount in ₹)

PARTICULARS	FOR THE YEAR ENDED 31st MARCH, 2017	FOR THE YEAR ENDED 31st MARCH, 2016
<b>Change in Fair Value of Plan Assets</b>		
Fair value of plan assets at the beginning of the year	5,686,157	7,083,136
Expected return on plan assets	697,894	801,055
Contributions	5,000,000	1,725,251
Benefits paid	(4,808,058)	(2,989,590)
Actuarial gain/(loss) on plan assets	1,112,364	(933,695)
<b>Fair value of plan assets at the end of the year</b>	<b>7,688,357</b>	<b>5,686,157</b>
<b>Total Actuarial (gain)/loss to be recognised</b>	<b>3,426,576</b>	<b>6,653,701</b>
<b>Actual return on plan assets</b>		
Expected return on plan assets	697,894	801,055
Actuarial gain/(loss) on plan assets	1,112,364	(933,695)
<b>Actual return on plan assets</b>	<b>1,810,258</b>	<b>(132,640)</b>

(Amount in ₹)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
<b>Amount recognized in the Balance Sheet</b>		
Present Value of the Obligation as at the end of the year	55,047,118	44,211,949
Fair Value of Plan Assets as at the end of the year	(7,688,357)	(5,686,157)
<b>Net Liability recognised in Balance Sheet</b>	<b>47,358,761</b>	<b>38,525,792</b>

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
<b>Amount recognized in the Statement of Profit and Loss</b>		
Interest on Defined Benefit Obligation	3,959,028	2,971,262
Current Service Cost	6,931,004	6,414,627
Expected Return on Plan Assets	(697,894)	(801,055)
Net Actuarial (gain)/loss Recognised in Year	3,426,576	6,653,701
<b>Total expense recognized in the Statement of Profit and Loss</b>	<b>13,618,714</b>	<b>15,238,535</b>

**Bifurcation of the present value of the Obligation as at the end of the year**

Current Liability	-	-
Non-Current Liability	47,358,761	38,525,792
<b>Net Liability</b>	<b>47,358,761</b>	<b>38,525,792</b>

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

ASSUMPTIONS	CURRENT YEAR	PREVIOUS YEAR
Discount rate	7.30%	8.05%
Expected Rate of Return on Assets (p.a)	7.50%	8.00%
Salary Escalation Rate (p.a.)	7.00%	7.00%

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)**

(Amount in ₹)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
<b>Bifurcation of the present value of the Obligation as on the end of the year</b>		
Current Liability	1,977,821	1,551,390
Non-Current Liability	15,212,678	12,005,668
<b>Total</b>	<b>17,190,499</b>	<b>13,557,058</b>

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

ASSUMPTIONS	CURRENT YEAR	PREVIOUS YEAR
Discount rate	7.30%	8.05%
Salary Escalation Rate (p.a.)	7.00%	7.00%

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. 2.24****FINANCE COST**

(Amount in ₹)

PARTICULARS	FOR THE YEAR ENDED 31st MARCH, 2017	FOR THE YEAR ENDED 31st MARCH, 2016
Interest to Bank (Term Loan)	1,062,481	1,139,135
Interest to Bank (Others)	65,384,480	14,560,274
Interest-others	110,521,370	97,157,693
Other Borrowing Cost	31,841,961	27,325,971
<b>Total</b>	<b>208,810,292</b>	<b>140,183,073</b>

**NOTE NO. 2.25****DEPRECIATION AND AMORTISATION EXPENSES**

(Amount in ₹)

PARTICULARS	FOR THE YEAR ENDED 31st MARCH, 2017	FOR THE YEAR ENDED 31st MARCH, 2016
Depreciation on Tangible Assets	32,438,210	33,938,216
Amortisation on Intangible Assets	2,635,526	2,784,605
<b>Total</b>	<b>35,073,736</b>	<b>36,722,821</b>

**NOTE NO. 2.26****OTHER EXPENSES**

(Amount in ₹)

PARTICULARS	FOR THE YEAR ENDED 31st MARCH, 2017	FOR THE YEAR ENDED 31st MARCH, 2016
Advertisement	118,646,585	49,410,223
Business Promotion	163,759,926	162,248,369
Provision for Doubtful Debts	(24,742,117)	70,869,086
Bad Debts	98,119,360	5,221,270
Provision for Doubtful Advances	1,915,418	-
Computer Repair & Maintenance	19,449,327	13,787,889
Conveyance & Traveling Expenses	12,142,274	11,981,640
Director Sitting Fee	2,315,000	1,780,000
Donation	227,100	16,100
Electricity & Water Charges	28,861,543	30,421,144
Insurance	2,132,373	2,033,312
Legal & Professional Charges	12,873,107	30,298,230
Bank Charges	3,094,039	977,900
Provision for diminution of value of investment	5,000,000	17,200,000
Stock Exchange Listing Fee	52,501	72,500
Loss on Sale / Discarded Fixed Assets (Net)	75,122	-
Office Repair & Maintenance	22,641,844	21,261,016
Printing and Stationery	12,891,112	10,043,497
Rent (Net)	81,346,237	77,088,125
Rates & Taxes	1,727,127	1,911,933
Intangible Assets Written Off	-	89,395

**NOTE NO. 2.26****OTHER EXPENSES**

(Amount in ₹)

PARTICULARS	FOR THE YEAR ENDED 31st MARCH, 2017	FOR THE YEAR ENDED 31st MARCH, 2016
Irrecoverable Balance Written off	2,689,437	4,087,946
Membership Fees & Subscription	769,327	785,609
Communication Expenses	21,288,749	21,412,370
Vehicle Running & Maintenance	2,719,047	2,860,772
CSR Expenses	3,329,016	3,264,626
Miscellaneous Expenses	12,450,919	7,011,205
<b>Auditor's remuneration:</b>		
As Statutory Auditor	1,650,000	1,175,000
As Tax Auditor	150,000	150,000
As Fee for Other Services	207,500	1,360,900
<b>Total</b>	<b>607,781,873</b>	<b>548,820,057</b>

**NOTE NO. 2.27****a) CONTINGENT LIABILITIES**

Contingent liabilities not provided in the financial statements:

(Amount in ₹)

PARTICULARS	AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
1. Corporate guarantee executed by the company for credit facility extended to a subsidiary	1,01,00,00,000	91,00,00,000
2. ESI demand (Total amount Paid under protest ₹12,42,581 (P.Y. ₹ 12,42,581)	31,06,450	31,06,450
3. Service Tax Demand	6,74,73,978	6,74,73,978
4. Income Tax Demand (A.Y. 2013-14)	31,46,625	31,46,625
5. Income tax Demand (A.Y. 2014-15)	56,81,359	-
5. Provident Fund	-	-
6. Stamp Duty	-	-

**Notes:**

- The Company has given corporate guarantee towards credit facility of one of the Subsidiary Company, M/s SMC Comtrade Limited.
- An ESI demand is being agitated by the Company in Additional Senior Civil Judge Tis Hajari, Delhi.
- Service Tax demand of ₹ 3,56,67,295/- is being agitated by the Company before Commissioner of Service Tax, Audit 1, Delhi, of ₹ 11,21,400/- is being agitated by the Company before Additional Commissioner (Service Tax), Delhi of ₹ 2,98,30,585/- is being agitated by the Company before CESTAT, Delhi and of ₹ 8,54,698/- is being agitated by the Company before Additional Commissioner Service Tax, Delhi-I. Service Tax Adjudicating Proceedings have been kept in abeyance for the time being for which similar issue is subjudice before the Hon'ble Supreme Court.
- Assessment u/s 143(3) for the A.Y 2013-14 & AY 2014-15 has completed and disallowance made under section 14A of the income tax Act 1961 for which appeal filed before the Commissioner of Income Tax (Appeals).
- PF matter is pending before High Court and amount is not quantifiable.
- The Company has received a notice dated 21.11.2014 from the Collector of Stamp (HQ), Delhi on account of verification of records pertaining to Stamp duty chargeable on the basis of broker's Note for the period 2010 to 21.11.2014. Matter is sub-judice and has been stayed by jurisdictional High Court at Delhi vide its order dated 09/12/2014 until further order.
  - The Company has received a notice dated 20.03.2017 from Government of West Bengal Directorate of Registration & Stamp Revenue through National Stock Exchange for making payment of outstanding Stamp Duty on Client & Proprietary Trades in West Bengal for the period of 01.04.2014 to 31.05.2016.

**b) OTHER LITIGATIONS**

- SEBI has issued us a Show Cause notice dated 12.08.2015 for Circular trading in Shares of Omaxe limited by one of our client. Necessary reply has already been filed by the Company refuting the allegation.
- Title of the property located at Office no 205, 2nd Floor, Plot no 4A, Community Centre, 21st Century Plaza, Sector 8, Rohini, New Delhi having book value of ₹ 46,12,060/- is under dispute and sealed due to the allegation of acquisition of the said property by the transferor from the funds of Ganga Yamuna Finvest Pvt. Ltd, which is under liquidation.
- The company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the company's results of operations and financial condition.

Pending completion of the legal process the impact of liability, if any, cannot be ascertained at this stage, however, management believes that, based on legal advice, the outcome of these contingencies will be favorable and that outflow of economic resources is not probable.

**NOTE NO. 2.28****COMMITMENTS**

(Amount in ₹)

PARTICULARS	AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
Contracts remaining to be executed on account of capital (net of advances)		
- For purchase of Software	3,00,000	2,40,000
- For Purchase of Office Building	2,39,28,283	1,75,00,000

**NOTE NO. 2.29****EARNING AND EXPENDITURE IN FOREIGN CURRENCY**

(Amount in ₹)

PARTICULARS	FOR THE YEAR ENDED 31st MARCH, 2017	FOR THE YEAR ENDED 31st MARCH, 2016
a) Earning in Foreign Currency		
- Brokerage & DP Charges	Nil	2,96,539
b) Expenditure in Foreign Currency		
- Expense on Foreign Tour	41,450	4,66,484
- Investments in Foreign Subsidiary	2,68,75,145	2,05,18,500
- Loan to Foreign Subsidiary	1,35,33,808	Nil
- On Account of Proposed ADR Issue	1,60,22,928	22,641,048
- Others	214,175	Nil

**NOTE NO. 2.30****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 31st MARCH, 2017	FOR THE YEAR ENDED 31st MARCH, 2016
a) Number of Non Resident Shareholders	2	2
b) Number of Equity Shares held by them	2,27,65,280/2,21,65,280	2,41,96,625
c) (i) Amount of Dividend Paid	61,13,362/58,97,362	1,07,76,218
(ii) Tax Deducted at Source	-	-
(iii) Year to which dividend relates	(2015-16/2016-17)	(2014-15/2015-16)
	(Final Dividend/ Interim Dividend)	(Final Dividend/ Interim Dividend)

**NOTE NO. 2.31**

In the opinion of the Board, any of the assets other than Fixed Assets and Non Current Investments have a value on realization in the ordinary course of the business at least equal to the amount at which they are stated.

**NOTE NO. 2.32**

Fixed Deposit with Schedule Banks includes ₹ 2,61,55,52,000 (P.Y. ₹ 2,08,58,50,000/-) under lien in favour of the bank as margin deposit for the guarantees issued of ₹ 5,23,01,04,000/- (P.Y. ₹ 4,17,35,00,000)/credit facilities or otherwise, ₹ 2,93,00,000/- (P.Y. ₹ 95,00,000) pledge with stock exchanges as margin, which does not include margins paid by client constituents on their own behalf, ₹ 1,08,389/- (P.Y. ₹ 80,366) pledge with Court, ₹ 20,00,000/- (P.Y. ₹ 20,00,000) pledge with Pension Fund Regulatory and Development Authority" to become POP of NPS, and ₹ 1,37,83,456/- (P.Y. ₹ 1,19,66,348) pledge with Exchange for Arbitration.

**NOTE NO. 2.33**

Unsecured Non Current Trade Receivables (considered good) includes amount due from parties on whom legal action initiated for recovery and are net of doubtful portion, disclosed separately and necessary provision made thereof.

**NOTE NO. 2.34****SEGMENT ACCOUNTING****a. Business Segment**

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

- Trading & Distribution (P.Y.Capital Market): 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. 2.35****EARNING PER SHARE**

In accordance with AS-20 "Earning per Share", notified u/s 133 of the Companies Act, 2013, read with rule 7 of Companies (Accounts) Rules, 2014, the basic & diluted earnings per share is being calculated as under:-

PARTICULARS	(Amount in ₹)	
	FOR THE YEAR ENDED 31st MARCH, 2017	FOR THE YEAR ENDED 31st MARCH, 2016
Net Profit attributable to Equity Shareholders	29,33,55,781	8,59,58,907
Weighted Average No. of Equity Shares		
- For Basic EPS	11,31,34,450	11,31,34,450
- For Diluted EPS	11,31,34,450	11,31,34,450
Nominal Value per share	2	2
<b>Basic EPS</b>	<b>2.59</b>	<b>0.76</b>
<b>Diluted EPS</b>	<b>2.59</b>	<b>0.76</b>

**NOTE NO. 2.36****RELATED PARTY DISCLOSURES**

The following are the details of transactions with related parties as defined in the Accounting Standard - 18 on Related Party Disclosures notified u/s 133 of the Companies Act, 2013, read with rule 7 of Companies (Accounts) Rules, 2014.

**1. Name of Related Parties and nature of relationship:**

	Nature of Relationship	Name of Related Parties
<b>Key managerial personnel</b>	<b>Whole Time Director</b>	Mr. Subhash C. Aggarwal (Chairman & Managing Director)
		Mr. Mahesh C. Gupta (Vice-Chairman & Managing Director)
		Mr. Ajay Garg
	<b>Executive officers</b>	Mr. Anurag Bansal
		Mr. Vinod K. Jamar (Group CFO)
<b>Relative of key managerial personnel</b>		Mr. Suman Kumar (CS)
		Ms. Nidhi Bansal
		Ms. Reema Garg
		Ms. Meetu Goel

Nature of Relationship	Name of Related Parties
<b>Subsidiaries</b>	SMC Comtrade Limited SMC Insurance Brokers Private Limited Moneywise Financial Services Private Limited SMC Capitals Limited SMC Comex International DMCC SMC Real Estate Advisors Private Limited SMC Finvest Limited Moneywise Finvest limited Indunia Realtech Limited SMC Investments & Advisors limited SMC Global USA Inc. SMC Global IFSC Pvt.Ltd. (Since 08/12/2016)
<b>Jointly controlled entity</b>	SMC & IM Capitals Investment Manager LLP (Since 30/06/2016)

**NOTE: Related party relationship is as identified by the company and relied upon by the auditors.**



## 2. Significant Transactions with Related Parties for the year ended 31st March, 2017

(Amount in ₹)

Nature Of Transaction	Key Managerial Personnel	Relatives of key managerial personnel	Subsidiaries	Jointly controlled entity
<b>Investments</b>				
Moneywise Financial Services Private Limited			25,00,00,000 (39,99,99,979)	
SMC Investment & Advisors Limited			Nil (10,00,00,000)	
Moneywise Finvest Limited			2,77,50,000 (Nil)	
SMC Global IFSC Pvt. Ltd.			11,99,98,000 (Nil)	
SMC Global USA Inc.			2,68,75,145 (2,05,18,500)	
<b>Loan &amp; Advances given (net)</b>				
SMC Comtrade Limited			50,50,02,199 (19,08,99,413)	
Indunia Realtech Limited			1,88,64,197 (Nil)	
SMC Global USA Inc.			1,35,33,808 (Nil)	
<b>Loan &amp; Advances repaid (net)</b>				
SMC Comtrade Limited			33,52,09,789 (Nil)	
<b>Brokerage Received</b>				
SMC Real Estate Advisors Private Limited			2,42,56,679 (3,49,42,437)	
SMC Comtrade Limited			38,25,739 (4,33,583)	
SMC Investments and Advisors Limited			7,25,092 (7,60,147)	
Moneywise Finvest Limited			72,31,298 (Nil)	
SMC Insurance Brokers Private Limited			79,543 (80,484)	
Moneywise Financial Services Pvt. Limited			32,488 (10,697)	
<b>Demat Charges Received</b>				
SMC Comtrade Limited			80,744 (5,26,349)	
Others			5,990 (6,691)	

## 2. Significant Transactions with Related Parties for the year ended 31st March, 2017

(Amount in ₹)

Nature of Transaction	Key Managerial Personnel	Relatives of Key Managerial Personnel	Subsidiaries	Jointly controlled entity
<b>Rent received</b>				
SMC Insurance Brokers Private Limited			98,00,796 (98,00,796)	
SMC & IM Capitals Investment Manager LLP				12,500 (Nil)
Moneywise Financial Services Private Limited			9,07,500 (9,00,000)	
<b>Interest Received</b>				
SMC Comtrade Limited			25,88,052 (6,17,383)	
Indunia Realtech Limited			15,775 (Nil)	
SMC Global USA Inc.			5,66,088 (Nil)	
Moneywise Finvest Limited			3,47,551 (Nil)	
SMC Real Estate Advisors Private Limited			(Nil) (15,295)	
<b>Income from Distribution of Financial Products</b>				
SMC Capitals Limited			1,50,33,138 (Nil)	
<b>Remuneration</b>				
Whole Time Directors	3,24,92,500 (2,25,00,000)			
Executive officers	86,87,080 (73,74,483)			
Others		53,97,500 (49,89,536)		
<b>Expense for Distribution of Financial Products</b>				
SMC Investments and Advisors Limited			5,18,836 (7,27,232)	
<b>Client Introduction Charges Paid</b>				
SMC Investments and Advisors Limited			50,13,798 (38,08,552)	
<b>Management Fee on PMS (Paid)</b>				
SMC Investments and Advisors Limited			9,50,360 (8,91,748)	

## 2. Significant Transactions with Related Parties for the year ended 31st March, 2017

(Amount in ₹)				
Nature of Transaction	Key Managerial Personnel	Relatives of Key Managerial Personnel	Subsidiaries	Jointly controlled entity
<b>Interest paid</b>				
SMC Investments and Advisors Limited			13,35,888 (6,06,260)	
SMC Comtrade Limited			2,60,45,187 (1,21,88,232)	
SMC Finvest Limited			16,95,332 (Nil)	
SMC Real Estate Advisors Private Limited			18,63,014 (70,32,877)	
<b>Net Reimbursement of Expenses (Received)</b>				
SMC Insurance Brokers Private Limited			1,02,040 (1,06,384)	
SMC Global IFSC Pvt. Ltd.			20,28,507 (Nil)	
SMC Real Estate Advisors Private Limited			7,31,226 (3,82,354)	
Moneywise Financial Services Private Limited			2,877 (2,463)	
SMC Capitals Limited			2,182 (3,121)	
SMC Finvest Limited			60,710 (60,918)	
Indunia Realtech Limited			139 (180)	
SMC Comtrade Limited			16,78,794 (19,74,171)	
<b>Net Reimbursement of Expenses (Paid)</b>				
SMC Investments and Advisors Limited			Nil (2,629)	
SMC Capitals Limited			4,73,862 (3,57,727)	

**Note:**

- Figures shown in bracket indicate previous year amount.
- Transactions with KMPs and their relatives through stock exchanges / depositories in the normal course of business have not been disclosed as the same have been transacted at prevailing market prices under online trade mechanism and not material in nature.

## 3. Balance Outstanding

		(Amount in ₹)	
Party Name	Included in	AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
SMC Comtrade Limited	Other Current Liabilities (Margin received from client)	5,42,94,278	6,77,46,549
	Short Term Loans & Advances	50,50,02,199	19,08,99,413
	Trade Payable (Current)	54,06,414	Nil
SMC Real Estate Advisors Private Limited	Trade Receivable (Current)	6,49,883	Nil
	Other Current Liabilities (Margin received from client)	5,93,80,578	10,04,20,536
	Short Term Loans & Advances (Advances Recoverable in cash or Kind)	3,54,924	Nil
SMC Capitals Limited	Trade Payable (Current)	1,40,669	Nil
SMC Investments and Advisors Limited	Trade Payable (Current)	4,26,726	2,077
	Other Current Liabilities (Margin received from client)	Nil	3,31,27,212
SMC Global IFSC Private Limited	Short Term Loans & Advances	20,28,507	Nil
Indunia Realtech Limited	Short Term Loans & Advances	1,88,64,197	Nil
Moneywise Finvest Limited	Trade Payable (Current)	8,20,441	Nil
	Other Current Liabilities (Margin received from client)	5,14,94,740	Nil
SMC Global USA Inc.	Long Term Loans & Advances	1,35,33,808	Nil
SMC Insurance Brokers Private Limited	Other Long-term Liabilities	49,00,398	49,00,398
	Other Current Liabilities (Margin received from client)	Nil	14,45,330
	Trade Receivable	Nil	14,45,330

**NOTE NO. 2.37**

The difference if any, arising due to expenditure and income provided on estimate basis in earlier years is adjusted to respective account head.

**NOTE NO. 2.38**

Based on the nature of the services / activities of the company and the normal time between acquisition of assets and their realization in cash and cash equivalents, the company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**NOTE NO. 2.39**

Previous year 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 rupee.

In terms of our Audit Report of even date attached

**For R. GOPAL & ASSOCIATES**  
Chartered Accountants  
Firm Registration No.: 000846C

**For and on behalf of the Board**

sd/-  
**S.K. AGARWAL**  
PARTNER  
Membership No. : 093209

sd/-  
**S. C. AGGARWAL**  
(CHAIRMAN & MANAGING  
DIRECTOR)  
Din No.: 00003267

sd/-  
**MAHESH C. GUPTA**  
(VICE-CHAIRMAN & MANAGING  
DIRECTOR)  
Din No.: 00003082

sd/-  
**VINOD KUMAR JAMAR**  
(GROUP CFO)

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

PLACE : Mumbai  
DATE : 29th May 2017

# THE BEST CHOICE OF CITIES AND PROPERTY TYPES WITH SMC



Realty Wise.  
Real Advice.

Trust of 2 decades in financial advisory | One stop shop for all real estate needs | Over 500+ channel partners | Residential and Commercial space for end user & investors | Handpicked property choice from major developers





# SMC MOMENTS





Moneywise. Be wise.

**SMC Global Securities Limited**

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

Tel: + 91-11-30111000, 40753333 Fax: + 91-11-25754365

E-mail: [smc@smcindiaonline.com](mailto:smc@smcindiaonline.com) Website: [www.smcindiaonline.com](http://www.smcindiaonline.com)

CIN: L74899DL1994PLC063609