



R. GOPAL & ASSOCIATES

CHARTERED ACCOUNTANTS

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Independent Auditor's Report

To the Members of SMC Global Securities Limited

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 2018, 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 standalone 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 there under.

We conducted our audit of standalone financial statement 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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone 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 standalone 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 standalone financial statements.



We believe that the audit evidence obtained by us 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 31st March 2018 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 of the Company as on 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 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 standalone 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.

For R Gopal & Associates

Chartered Accountants

Firm Registration No.: 000846C



S.K. Agarwal

Partner

Membership No.: 093209



Date : 14th May, 2018

Place : Kolkata

Annexure A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2018, we report that:

- (i) (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 five 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 and in case of one subsidiary terms of repayment are 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.
- (vii) (a) According to the information and explanations given to us, Company has generally been regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income-tax, service tax, goods and service tax, cess and other material statutory dues applicable to it 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.



There were no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, service tax, goods and service tax cess and other material statutory dues were in arrears as at 31st March 2018 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	45,65,609	FY 2009-10 To FY 2012-13	Commissioner, Delhi-I
Finance Act 1994	Service Tax	9,18,13,513	01.07.2012 To 30.06.2017	Additional Director General of GST Intelligence, Delhi Zonal Unit
Income Tax Act, 1961	Disallowance u/s 14A	17,50,524	A.Y 2015-16	Additional Commissioner of Income Tax (Appeals)

sales tax, duty of custom, duty of excise and value added tax are not applicable to the Company.

- (viii) 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.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) or term loan and hence clause (ix) not applicable to the company.
- (x) 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.
- (xi) 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.
- (xii) 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.
- (xiii) 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.



- (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 made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) 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.
- (xvi) 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
Firm Registration No.: 000846C



S.K. Agarwal
Partner
Membership No.: 093209



Date : 14th May, 2018
Place : Kolkata

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 31st March 2018 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 2018, 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

Firm Registration No.: 000846C



S.K. Agarwal
Partner

Membership No.: 093209



Date : 14th May, 2018

Place : Kolkata

SMC GLOBAL SECURITIES LIMITED
BALANCE SHEET AS AT MARCH 31, 2018

(Amount in ₹)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.01	22,62,68,900	22,62,68,900
Reserves and surplus	2.02	5,63,52,55,216	5,33,44,89,419
Non-current liabilities			
Long-term borrowings	2.03	34,49,098	59,97,310
Long-term provisions	2.04	2,70,99,885	6,25,71,439
Other long-term liabilities	2.05	2,16,79,628	1,91,87,528
Current liabilities			
Short-term borrowings	2.06	2,67,73,02,838	2,06,94,94,055
Trade payables	2.07	2,00,23,15,605	1,83,32,15,653
Other current liabilities	2.08	2,91,22,53,004	2,80,31,60,311
Short-term provisions	2.09	71,42,248	8,22,36,217
Total		13,51,27,66,422	12,43,66,20,832

ASSETS

Non-current assets

Property, plant & equipment	2.10	27,61,51,170	23,55,29,022
Intangible assets	2.10	1,03,13,451	63,86,967
WIP	2.10	-	3,00,000
Non-current investments			
Deferred tax assets (net)	2.11	3,97,52,79,091	3,51,01,16,491
Long-term loans and advances	2.12	6,88,07,624	6,96,41,259
Trade receivables	2.13	19,32,07,344	18,11,69,700
Trade receivables	2.14	6,76,48,284	9,98,67,182

Current assets

Current investments	2.11	2,08,37,691	5,58,18,557
Inventories	2.15	1,03,56,31,834	84,97,00,803
Trade receivables	2.16	3,73,44,29,468	3,44,46,00,576
Cash and bank balances	2.17	3,42,45,72,553	3,23,86,24,463
Short-term loans and advances	2.18	68,42,24,573	72,27,78,459
Other current assets	2.19	2,16,63,339	2,20,87,353

Total **13,51,27,66,422** **12,43,66,20,832**

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.: 000345C

S.K Agarwal

Partner
Membership No.: 093209



Place: Kolkata
Date: May 14, 2018

For and on behalf of the Board

S.C. Aggarwal
Chairman &
Managing Director
Din No: 00003267

Vinod Kumar Jamar
Group CFO

Mahesh C. Gupta
Vice-Chairman & Managing
Director
Din No: 00003082

Suman Kumar
Company Secretary




SMC GLOBAL SECURITIES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

		(Amount in ₹)	
Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue:			
Revenue from operations	2.20	4,05,81,90,876	3,55,49,09,142
Other income	2.21	9,57,87,599	3,62,29,335
Total revenue		4,15,39,78,475	3,59,11,38,477
Expenses:			
Stock exchange & other operating expenses	2.22	1,98,89,54,009	1,76,16,93,544
Employee benefit expenses	2.23	63,71,33,582	53,26,45,449
Finance cost	2.24	31,53,43,049	20,88,10,292
Depreciation and amortization expenses	2.25	5,06,33,552	3,50,73,736
Other expenses	2.26	61,32,57,518	60,77,81,873
Total expenses		3,60,53,21,710	3,14,60,04,894
Profit before extraordinary items and tax		54,86,56,765	44,51,33,583
Extraordinary items (net)	2.28	3,59,38,879	-
Profit before tax		51,27,17,886	44,51,33,583
Tax expenses:			
Current tax		14,43,51,691	13,23,64,607
Deferred tax		8,33,634	2,07,77,840
Prior period tax/adjustment		8,44,727	(13,64,645)
Profit after tax		36,66,87,834	29,33,55,781
Earnings per equity share of ₹ 2 /- each	2.37		
Before extraordinary items			
Basic & Diluted		3.13	2.59
After extraordinary items			
Basic & Diluted		3.24	2.59
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

For and on behalf of the Board


S.K. Agarwal

Partner
Membership No.: 093209



Place: Kolkata
Date: May 14, 2018


S.C. Aggarwal
Chairman & Managing
Director
Din No: 00003267


Vinod Kumar Jamar
Group CFO


Mahesh C. Gupta
Vice-Chairman &
Managing Director
Din No: 00003082


Suman Kumar
Company Secretary



SMC GLOBAL SECURITIES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(Amount in ₹)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A Cash flow from operating activities		
Profit before tax	51,27,17,886	44,51,33,583
Adjusted for:		
Depreciation & amortization	5,06,33,552	3,50,73,736
Loss/(Profit) on sale of investment	-	12,98,986
Provision for doubtful debts	3,76,13,903	7,33,77,243
Provision for doubtful advances	6,12,495	19,15,418
Provision for diminution of value of investment	(50,00,000)	50,00,000
Provision for impairment of property, plant and equipment	45,00,000	-
Income from investment in PMS (net)	(11,66,259)	(1,33,84,602)
Loss on sale / discarded property, plant and equipment (net)	54,958	75,122
Intangible assets written off	1,46,977	-
Dividend on investment	(3,49,317)	(6,16,712)
Extraordinary item - profit on sale of investment in subsidiary	(10,35,00,000)	-
Interest received	(5,68,35,399)	(75,54,509)
Interest expenses	27,47,54,233	17,69,64,656
Operating profit before working capital changes*	71,41,83,029	71,72,82,921
*(Refer note No.2 below of cash flow statement)		
Increase / (Decrease) in Liabilities and Provisions	24,32,04,067	31,96,76,415
(Increase) / Decrease in Trade Receivables	(29,52,23,897)	(1,16,52,84,341)
(Increase) / Decrease in Inventories	(18,59,31,031)	61,86,76,794
(Increase) / Decrease in Loans & advances and Other Assets	6,08,23,729	(35,91,51,981)
(Increase) / Decrease in Bank term deposit	(52,50,35,463)	(60,09,39,140)
Cash generated from operations	1,20,20,434	(46,97,39,332)
Direct taxes paid (net of refunds)	(19,18,25,551)	(11,64,10,849)
Net cash (used in) operating activities	A	(17,98,05,117)
B Cash flow from investing activities		
(Purchase) of property, plant and equipment	(9,64,67,314)	(15,99,74,714)
Sale of property, plant and equipment	13,83,197	11,27,766
(Purchase) of non current investments in subsidiaries	(60,36,67,500)	(44,11,26,517)
Sale of non current investment in a subsidiary	20,70,00,000	-
Sale of non current investments others	4,00,04,900	92,72,202
(Purchase) of current investments	(93,89,311)	(14,86,42,560)
Sale of current investments	4,55,36,437	19,14,61,087
Dividend on investment	3,56,167	6,31,596
Net cash (used in) investing activities	B	(41,52,43,424)
C Cash flow from financing activities		
Interim/final dividend paid and tax thereon	(13,13,35,340)	(9,80,39,528)
Interest received	5,68,35,399	52,95,513
Interest paid	(27,47,99,462)	(17,76,71,737)
(Payment) / proceeds of short term borrowings	60,78,08,783	1,23,84,37,320
(Payment) / proceeds from secured loan from banks (net)	(25,48,212)	(6,11,540)
Net cash from financing activities	C	25,59,61,168
Net decrease in cash and cash Equivalents	(A+B+C)	(33,90,87,373)
Cash and cash equivalent at the beginning of the year	52,82,88,609	69,42,79,902
Cash and cash equivalent at the end of the year (refer Note No. 2.17)	18,92,01,236	52,82,88,609



Notes :

- 1 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.
- 2 Operating profit before working capital changes ₹ 71,41,83,029/- is after extraordinary item ADR expense ₹ 13,94,38,879/-
- 3 Figures in brackets indicate cash outflow.
- 4 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


S.K. Agarwal

Partner
Membership No.: 093209



Place: Kolkata
Date: May 14, 2018

For and on behalf of the Board


S.C. Aggarwal
Chairman &
Managing Director
Din No: 00003267


Vinod Kumar Jamar
Group CFO


Mahesh C. Gupta
Vice-Chairman &
Managing Director
Din No: 00003082


Suman Kumar
Company Secretary



Company Overview

SMC Global Securities Limited ("the company" or "SMC Global"), 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 has nine subsidiaries, three step down 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

1.01 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 (the Act), read with Rule 7 of the Companies (Accounts) Rule, 2014.

1.02 USE OF ESTIMATES

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

1.03 PROPERTY, PLANT & EQUIPMENT

Property, plant & equipment 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 / GST claimed thereon.

Additions to the property, plant & equipment and intangible assets have been accounted for on the date of installation and its use irrespective of date of invoice.

CAPITAL WORK IN PROGRESS

Capital work in progress comprises the cost of assets that are not yet ready for their intended use are carried at cost, comprising direct cost and related incidental expenses.

1.04 DEPRECIATION

Depreciation on property, plant & equipment is computed on written down value method at such rate as computed considering useful life provided in the Schedule - II of the Act.

Intangible Assets

Depreciation on intangible Property, plant & equipment 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%

1.05 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.

1.06 INVENTORIES

1.06.1 Inventories of shares are valued at market value and of bonds are valued at lower of cost or market value.



- 1.06.2 Closing stock of shares includes stocks pledged against secured loan from banks and kept as margin/securities with stock exchange but does not include stocks held on behalf of clients/constituents.

1.07 REVENUE RECOGNITION

- 1.07.1 Revenue from broking activities is accounted for on the trade date of transaction.
- 1.07.2 Revenue on account of trading in securities is recognized on the basis of each trade executed at the stock exchange during the financial year.
- 1.07.3 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.
- 1.07.4 Income from Distribution of Financial Products is recognized on accrual basis.
- 1.07.5 Depository income is accounted for on accrual basis.
- 1.07.6 Treasury income from interest on fixed deposits is recognized on accrual basis.
- 1.07.7 Dividend is accounted for as income when the right to receive dividend is established.
- 1.07.8 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.
- 1.07.9 Interest on delay payment and margin trading has been accounted as other operating income on accrual basis.
- 1.07.10 In respect of other heads of income the company follows the practice of recognizing income on accrual basis.
- 1.07.11 Revenue excludes indirect taxes.

1.08 FOREIGN CURRENCY TRANSACTIONS & TRANSLATION

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 differences relating to non-integral foreign operations are recognized in the "Foreign Currency Fluctuation Reserve" classified under Reserves & Surplus.

1.09 EMPLOYEE BENEFITS

- 1.09.1 Provident Fund is a defined contribution scheme and the contributions as required by the statute are charged to the Statement of Profit and Loss as incurred.
- 1.09.2 Gratuity Liability is a defined obligation and is partly funded. The Company accounts for liability for future gratuity benefits based on an actuarial valuation as at the Balance Sheet date.
- 1.09.3 The undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered by an employee is recognized during the period/year when the employee renders the services.
- 1.09.4 Unavailed Leave Liability is a defined obligation and is not funded. The company accounts for liability for future benefits based on actuarial valuation as at the Balance Sheet date.

1.10 LEASES

Lease Rentals in respect of operating lease arrangements are charged to the Statement of Profit & Loss.

1.11 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.

1.12 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.

1.13 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.

1.14 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.

1.15 IMPAIRMENT OF ASSET

Wherever events or changes in circumstances indicate that the carrying value of Property, plant & equipment 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.

1.16 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.

1.17 OTHER ACCOUNTING POLICIES

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



SMC GLOBAL SECURITIES LIMITED
2. NOTES TO THE FINANCIAL STATEMENTS

(Amount in ₹)

Note No.	Particulars	As at March 31, 2018	As at March 31, 2017
2.01	Share capital		
a	Authorised		
	16,50,50,000 (Previous Year 16,50,50,000) Equity Shares of ₹ 2/- each	33,01,00,000	33,01,00,000
		<u>33,01,00,000</u>	<u>33,01,00,000</u>
b	Issued, Subscribed & Fully Paid up		
	11,31,34,450 (Previous Year 11,31,34,450) Equity Shares of ₹ 2/- each fully paid up	22,62,68,900	22,62,68,900
		<u>22,62,68,900</u>	<u>22,62,68,900</u>

c Reconciliation of number of equity shares outstanding

Particulars	Number of Shares	Amount in ₹
As at March 31, 2018		
At the beginning of the year	11,31,34,450	22,62,68,900
Issued during the year	-	-
At the end of the year	11,31,34,450	22,62,68,900
As at March 31, 2017		
At the beginning of the year	11,31,34,450	22,62,68,900
Issued during the year	-	-
At the end of the year	11,31,34,450	22,62,68,900

d Shares held by shareholders holding more than 5% shares

Name of Shareholder	No. of Shares held	No. of Shares held (%)
As at March 31, 2018		
ASM Pipes Pvt Ltd	1,86,67,140	16.50%
Millennium Investment And Acquisition Co. Inc.	1,15,04,690	10.17%
Mahesh C. Gupta	1,02,48,500	9.06%
Subhash Chand Aggarwal	1,00,95,500	8.92%
Sanlam International Investment Partners Ltd.	94,60,590	8.36%
Signature Global (India) Pvt Limited	88,65,885	7.84%
Hemlata Aggarwal	77,20,550	6.82%
Sushma Gupta	75,66,550	6.69%
As at March 31, 2017		
ASM Pipes Pvt Ltd	1,86,67,140	16.50%
Millennium Investment And Acquisition Co. Inc.	1,22,04,690	10.79%
Mahesh C. Gupta	1,02,48,500	9.06%
Subhash Chand Aggarwal	1,00,95,500	8.92%
Sanlam International Investment Partners Ltd.	94,60,590	8.36%
Hemlata Aggarwal	77,20,550	6.82%
Sushma Gupta	75,66,550	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 Board of Directors has proposed an Equity dividend @ 24% i.e. ₹ 0.48 (P.Y. ₹ 0.48) per share for the financial year ending March 31, 2018 at their meeting held on dated May 14, 2018, which is subject to approval by the shareholders in the ensuing Annual General Meeting. The amount of per share dividend recognised as distribution to equity shareholders for Interim 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.



(Amount in ₹)

Note No.	Particulars	As at March 31, 2018	As at March 31, 2017
2.02	Reserves and Surplus		
	Securities Premium Reserve		
	As at beginning and at the end of the year	3,44,44,49,991	3,44,44,49,991
	Capital Reserve (On Amalgamation)		
	As at beginning and at the end of the year	10,41,02,620	10,41,02,620
	Capital Reserve (On Forfeiture)		
	As at beginning and at the end of the year	12,39,98,200	12,39,98,200
	Foreign Currency Fluctuation Reserve		
	Opening Balance	(4,69,853)	-
	Addition during the year	53,641	(4,69,853)
	Closing Balance	<u>(4,16,212)</u>	<u>(4,69,853)</u>
	General Reserve		
	Opening Balance	69,40,11,539	66,40,11,539
	Add: Addition during the Year	-	3,00,00,000
	Closing Balance	<u>69,40,11,539</u>	<u>69,40,11,539</u>
	Surplus		
	Opening balance	96,83,96,922	81,94,20,567
	Add : Transfer from statement of profit and loss	36,66,87,834	29,33,55,781
	Amount available for appropriation	<u>1,33,50,84,756</u>	<u>1,11,27,76,348</u>
	Less : Appropriations		
	Transfer to General Reserve	-	(3,00,00,000)
	Interim dividend @24%, PY @18%	(5,43,04,536)	(4,07,28,402)
	Proposed dividend-Final*	-	(5,43,04,536)
	Tax on dividend	(1,16,71,142)	(1,93,46,488)
	Closing Balance	<u>1,26,91,09,078</u>	<u>96,83,96,922</u>
	Total	<u>5,63,52,55,216</u>	<u>5,33,44,89,419</u>

*The Board of Directors has proposed an Equity dividend @ 24% i.e. ₹ 0.48 per share for the financial year ending March 31, 2018 at their meeting held on dated May 14, 2018, which is subject to approval by the shareholders in the ensuing Annual General Meeting.

In accordance with the revised Accounting Standard - 4 'Contingencies and Events occurring after the Balance Sheet Date', proposed dividend for distribution of profit in the current year's accounts ₹ 5,43,04,536 and Corporate Dividend Tax ₹ 1,14,96,811 thereon has not been recognized as a distribution of profit in the current year's accounts.

2.03 Long term borrowings

Term loans

From banks*	59,97,310	91,32,761
Less: Current maturities disclosed under the head "Other Current Liabilities" (Refer note No. 2.08)	(25,48,212)	(31,35,451)
	<u>34,49,098</u>	<u>59,97,310</u>

* Secured against Vehicles, repayable in 48 to 60 equated monthly instalments bearing interest @ 9.50% to 9.85% p.a.



SMC GLOBAL SECURITIES LIMITED
2. NOTES TO THE FINANCIAL STATEMENTS

(Amount in ₹)

Note No.	Particulars	As at March 31, 2018	As at March 31, 2017
2.04	Long-term provisions		
	Provision for employee benefits		
	Provision for gratuity #	76,46,734	4,73,58,761
	Provision for leave encashment #	1,94,53,151	1,52,12,678
	Total	2,70,99,885	6,25,71,439
	# also refer to Note No. 2.09 & 2.23		
2.05	Other long-term liabilities		
	Security deposits *	2,16,79,628	1,91,87,528
	Total	2,16,79,628	1,91,87,528
	* also refer to Note No. 2.38		
2.06	Short-term borrowings		
	Secured		
	Short term loan from NBFC*	37,00,00,000	19,50,00,000
	Short term loan from Banks**	2,30,73,02,838	1,87,44,94,055
	Total	2,67,73,02,838	2,06,94,94,055
	* amount secured either against shares/ bonds and / or personal guarantee of promoter directors .		
	** amount secured either against shares / book debts (on pari passu basis) and / or personal guarantee of promoter directors .		
2.07	Trade payables		
	- Due to micro and small enterprises *	-	-
	- Others	2,00,23,15,605	1,83,32,15,653
	Total	2,00,23,15,605	1,83,32,15,653
	* 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 March 31, 2018 and March 31, 2017.		
2.08	Other current liabilities		
	Book overdraft from banks	1,96,41,744	7,80,52,187
	Current maturities of long term borrowings (Refer note No. 2.03)	25,48,212	31,35,451
	Security deposits received from clients	57,459	68,481
	Margin received from clients	2,77,77,54,283	2,65,62,12,417
	Interest accrued but not due	15,80,062	16,25,291
	Unpaid dividend	19,93,910	1,38,444
	Unearned income	1,76,48,620	1,46,55,446
	Employee benefit payable	3,05,27,605	2,55,28,525
	PMS payable	1,78,800	2,26,301
	Payable to statutory authorities	6,03,22,309	2,35,17,768
	Total	2,91,22,53,004	2,80,31,60,311
2.09	Short-term provisions		
	Provision for employee benefits		
	Provision for leave encashment #	28,96,241	19,77,821
	Others		
	Provision for income tax (Net of Advance tax & TDS P.Y. ₹ 12,01,84,652)	-	1,21,79,955
	Provision for CSR	42,46,007	27,18,779
	Proposed dividend *	-	5,43,04,536
	Tax on dividend	-	1,10,55,126
	Total	71,42,248	8,22,36,217
	# also refer to Note No. 2.04 & 2.23		
	* also refer to Note No. 2.02		



SMC GLOBAL SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Note No. 2.10 Property, plant & equipment

Particulars	Gross carrying value				Depreciation			Net carrying value	
	As at April 1, 2017	Additions	Disposals	As at March 31, 2018	As at April 1, 2017	Charged for the year	On Disposals	As at March 31, 2018	As at March 31, 2017
	(Amount in ₹)								
Property, plant & equipment									
Office building	17,51,05,968	4,29,31,451	-	21,80,37,419	2,18,80,155	1,04,12,266	-	18,57,44,998	15,32,25,813
Office equipment	9,39,43,580	57,13,569	50,04,578	9,46,52,571	8,19,26,833	47,74,459	47,48,097	1,26,99,376	1,20,16,747
Furniture & fixtures	13,30,26,829	1,05,44,827	72,57,429	13,63,14,227	10,04,50,797	1,05,41,546	67,96,310	3,21,18,194	3,25,76,032
Computer hardware	15,15,34,816	2,83,96,305	78,32,644	17,20,98,477	13,06,12,463	1,50,61,276	74,41,013	3,38,65,751	2,09,22,353
Vehicle	3,21,33,534	-	5,85,686	3,15,47,848	1,93,89,727	39,76,276	5,56,402	87,38,247	1,27,43,807
VSAT	3,67,42,236	-	-	3,67,42,236	3,26,97,966	10,59,666	-	29,84,604	40,44,270
Total Property, plant & equipment (A)	62,24,86,963	8,75,86,152	2,06,80,337	68,93,92,778	38,69,57,941	4,58,25,489	1,05,41,822	27,61,51,170	23,55,29,022
Intangible Assets									
Computer software	4,70,55,186	88,81,162	1,01,84,212	4,57,52,136	4,38,32,525	40,16,952	1,00,37,597	79,40,256	32,22,661
Trade mark logo	20,000	-	-	20,000	19,756	96	-	148	244
Goodwill	1,00,00,000	-	-	1,00,00,000	68,35,938	7,91,015	-	23,73,047	31,64,062
Total Intangible assets (B)	5,70,75,186	88,81,162	1,01,84,212	5,57,72,136	5,06,88,219	48,08,063	1,00,37,597	1,03,13,451	63,86,967
Software WIP (C)	3,00,000	-	3,00,000	-	-	-	-	-	3,00,000
Current Year (A+B+C)	67,98,62,149	9,64,67,314	3,11,64,549	74,51,64,914	43,76,46,160	5,06,33,552	2,95,79,419	28,64,64,621	24,22,15,989
Previous Year	53,71,23,649	16,05,34,714	1,77,96,214	67,98,62,149	41,86,05,751	3,50,73,736	1,60,33,327	24,22,15,989	11,85,17,898



SMC GLOBAL SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Note No. 2.11

PARTICULARS	Face Value	No. of shares/ Units		(Amount in ₹)	
		As at March 31, 2018	Units	As at March 31, 2017	Units
A. Non-Current Investments					
Investment in Gold Bonds (Quoted)		500	15,59,500	500	15,59,500
Investment in Mutual Fund (Quoted)		1,00,000	10,00,000	1,00,000	10,00,000
Investment in Property			-		1,06,86,191
Sub- Total (A)		1,00,500	25,59,500	1,00,500	1,32,45,691
Trade Investments (valued at cost)					
Investment in Equity Instruments (Unquoted)					
Investment in Subsidiaries					
SMC Comtrade Limited	10	1,00,00,000	94,29,17,500	85,00,000	73,54,00,000
Moneywise Financial Services (P) Limited	10	3,62,06,920	1,59,49,42,979	3,21,56,920	1,30,22,92,979
SMC Capitals Limited	10	1,00,00,000	12,48,76,767	1,00,00,000	12,48,76,767
SMC Investment & Advisors Limited	10	2,50,00,000	70,00,00,000	2,50,00,000	70,00,00,000
Indunia Realtech Limited	10	25,00,000	2,50,00,000	25,00,000	2,50,00,000
Moneywise Finvest Limited	10	25,00,000	3,75,48,700	25,00,000	3,75,48,700
SMC Global USA Inc.	\$5000	140	4,73,93,645	140	4,73,93,645
SMC Finvest Limited	10	4,10,00,000	37,99,88,000	4,10,00,000	37,99,88,000
Smc Global IFSC (P) Limited	10	1,19,99,800	11,99,98,000	1,19,99,800	11,99,98,000
Sub- Total (B)		13,92,06,860	3,97,26,65,591	13,36,56,860	3,47,24,98,091
Investment In equity instruments (Unquoted)					
Ludhiyana Stock Exchange Association Limited	10	2,000	54,000	2,000	54,000
Priknit Retails Limited	10	2,50,000	2,50,00,000	2,50,000	2,50,00,000
The Great Logistic & Parking Services (P) Limited	10	1,00,000	47,00,000	1,00,000	47,00,000
		3,52,000	2,97,54,000	3,52,000	2,97,54,000
Less: Provision for diminution in value of Investment			(2,97,00,000)		(2,97,00,000)
Sub- Total (C)		3,52,000	54,000	3,52,000	54,000
Non- Trade Investments (valued at cost)					
Investment in equity instruments (Quoted)					
Shipping Corporation of India Limited	10	-	-	43,955	62,06,641
Pradip Overseas Limited	10	-	-	4,24,108	94,47,024
Khandwala Securities Limited	10	-	-	2,56,912	42,77,481
Larsen & Toubro Limited	2	-	-	72	73,967
Reliance Capital Limited	10	-	-	576	2,72,892
Ore India	10	-	-	4,100	27,470
HB Portfolio Limited	10	-	-	100	2,575
Peacock Industries Limited	4	-	-	200	950
TRF Limited	10	-	-	31,000	90,09,709
		-	-	7,61,023	2,93,18,709
Less: Provision for diminution in value of Investment		-	-	-	(50,00,000)
Sub- Total (D)		-	-	7,61,023	2,43,18,709
Total (A+B+C+D)			3,97,52,79,091		3,51,01,16,491

1. Aggregate market value of quoted investment in Gold Bond is ₹ 13,90,000 (Previous Year is ₹ 13,87,350)
2. Aggregate book value of quoted investment in Gold Bond is ₹ 15,59,500 (Previous Year is ₹ 15,59,500)
3. Aggregate net asset value of quoted investment in Mutual Fund is ₹ 10,44,500 (Previous Year is ₹ 10,02,200)
4. Aggregate book value of quoted investment in Mutual Fund is ₹ 10,00,000 (Previous Year is ₹ 10,00,000)
5. Aggregate book value of unquoted investment is ₹ 4,00,24,19,591 (Previous Year is ₹ 3,50,22,52,091)
6. Aggregate provision for diminution in value of unquoted investment is ₹ 2,97,00,000 (Previous Year is ₹ 2,97,00,000)
7. Aggregate market value of quoted investment is ₹ Nil (Previous Year is ₹ 1,62,91,179)
8. Aggregate book value of quoted investment is ₹ Nil (Previous Year is ₹ 2,93,18,709)
9. Aggregate provision for diminution in value of quoted investment is ₹ Nil (Previous Year is ₹ 50,00,000)



PARTICULARS	Face Value	No. of shares/ Units		No. of shares/ Units	
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
B. Current Investments					
(at lower of cost or fair value)					
Investment in equity instruments (Quoted)					
Amara Raja Batteries Limited	1	-	-	600	4,99,242
Force Motors Limited	10	-	-	477	21,28,124
Piramal Enterprises Limited	2	-	-	515	9,74,040
Tata Elxsi (I)	10	-	-	680	9,96,132
Fag Bearings Limited	10	-	-	223	9,85,887
Cosmo Films Limited	10	-	-	5,400	20,14,200
Berger Paints (I) Limited	1	-	-	4,400	9,99,584
Dewan Housing Fin Corp Limited	10	-	-	2,662	9,77,353
Pennar Industries Limited	5	-	-	23,765	9,73,177
Mothersun Sumi	1	-	-	4,672	17,05,034
Symphony Limited	2	-	-	648	9,86,354
Sona Steering Systems	1	-	-	12,200	9,96,130
Nilkamal Plastics	10	-	-	499	9,73,998
Relaxo Footwears Limited	1	-	-	1,453	7,04,503
Indusind Bank	10	-	-	598	8,40,891
Shiva Cement Limited	2	-	-	10,800	2,00,177
Cera Sanitaryware Limited	5	-	-	248	7,01,274
Maruti Udyog Limited	5	-	-	164	9,82,248
Minda Industries	10	-	-	2,232	9,80,874
Karnatka Bank Limited	10	-	-	60,350	82,52,240
Edelweiss	1	-	-	17,249	24,82,394
Godrej Properties Limited	5	-	-	4,073	14,90,287
Triveni Turbine Limited	1	-	-	7,236	9,91,283
Crompton Greaves Consumer Electrical Limited	2	-	-	5,454	11,21,110
Max Ventures And Industries Limited	10	-	-	11,500	10,05,615
Bajaj Finserv Limited	5	-	-	260	9,96,294
				1,78,358	3,59,58,445
Investment in equity instruments under portfolio management service					
Gateway Distriparks Limited	2	-	-	3,930	9,84,485
L&T Finance Holdings Limited	2	13,419	7,93,807	13,419	7,93,807
Yes Bank Limited	10	6,865	7,89,491	1,373	7,89,491
Whirlpool Of India Limited	10	1,357	5,92,478	1,809	7,89,825
Reliance Industries Limited	10	2,484	12,07,310	1,242	12,07,310
Housing Development Finance Corporation Limited	2	938	9,91,961	938	9,91,961
Indusind Bank Limited	10	951	5,91,867	951	5,91,867
Mahindra Cie Automotive Limited	10	6,081	12,05,622	6,081	12,05,622
NTPC Limited	2	7,310	10,00,759	7,310	10,00,759
Vip Industries Limited	1	5,427	5,80,619	5,427	5,80,619
The Indian Hotels Co	10	10,773	11,53,502	8,554	9,87,077
Engineers India Limited	10	6,508	7,85,364	6,508	7,85,364
Axis Bank Limited	10	2,003	7,93,131	2,003	7,93,131
Larsen & Toubro Limited	5	801	7,88,217	534	7,88,217
NLC India Limited	10	12,364	10,36,721	9,456	8,06,460
Phoenix Mills Limited	2	-	-	1,659	5,95,593
Jain Irrigation Systems Limited	1	7,950	6,94,726	7,950	6,94,726
Elecon Engineering Company Limited	2	-	-	15,549	7,85,423
State Bank Of India	2	6,170	15,43,117	2,740	6,97,389
II & Fs Transportation Networks Limited	5	8,262	5,01,917	8,262	9,03,863
Mahindra & Mahindra Limited	10	890	6,05,079	445	5,71,692
Gujarat Mineral Development Company Limited	2	-	-	4,108	5,04,257
Tata Consultancy Services Limited	10	223	5,91,185	223	5,42,135
Tata Power Co Limited	1	15,216	12,07,390	-	-
IDFC Bank Limited	10	31,004	14,68,039	7,018	3,97,507
IDFC Limited	10	7,018	3,41,426	7,018	3,82,481
ITC Limited	1	4,465	11,42,594	-	-
		1,58,479	2,04,06,322	1,24,507	1,91,71,061
Sub- Total (A)		1,58,479	2,04,06,322	3,02,865	5,51,29,506
Investment in Mutual Fund (Unquoted)					
Reliance Money Manager Fund-Growth Option		184	4,31,369	320	6,89,051
Sub- Total (B)		184	4,31,369	320	6,89,051
Total (A+B)		1,58,663	2,08,37,691	3,03,185	5,58,18,557

1. Aggregate market value of quoted investment is ₹ 2,99,90,349 (Previous Year is ₹ 6,31,55,107)
2. Aggregate book value of quoted investment is ₹ 2,04,06,322 (Previous Year is ₹ 5,51,29,506)
3. Aggregate net asset value of unquoted investment is ₹ 4,39,722 (Previous Year is ₹ 7,18,189)
4. Aggregate book value of unquoted investment is ₹ 4,31,369 (Previous Year is ₹ 6,89,051)



SMC GLOBAL SECURITIES LIMITED
2. NOTES TO THE FINANCIAL STATEMENTS

		(Amount in ₹)	
Note No.	Particulars	As at March 31, 2018	As at March 31, 2017
2.12	Deferred tax assets		
	Provision for doubtful debts	2,52,23,614	3,70,00,671
	Provision for doubtful advances	2,10,536	6,62,888
	Provision for gratuity	26,72,075	60,07,520
	Provision for diminution in value of investments	-	34,26,192
	Provision for impairment of property, plant and equipment	15,72,480	-
	Disallowances / others	2,15,28,972	65,04,092
	Difference between carrying cost of fixed assets as per Companies Act, 2013 and Income Tax Act, 1961	1,87,96,612	1,96,66,936
	(A)	7,00,04,289	7,32,68,299
	Deferred Tax Liability		
	ICDS Impact	11,96,665	36,27,040
	(B)	11,96,665	36,27,040
	Total	6,88,07,624	6,96,41,259
2.13	Long term loans and advances		
	Unsecured, considered good		
	Security deposits	4,92,40,984	4,62,13,127
	Loans and advances to related party*	1,44,09,824	1,35,33,808
	Advances recoverable in cash or in kind	6,24,92,238	6,50,27,028
	Capital advance	3,25,00,000	5,62,80,617
	Balance with government authorities	19,55,711	1,15,120
	Advance tax and TDS	3,26,08,587	-
	(Net of provision for income tax of ₹14,43,51,691)		
	(A)	19,32,07,344	18,11,69,700
	Unsecured, considered doubtful		
	Advances recoverable in cash or in kind	6,02,495	19,15,418
	Less: Provision for doubtful advances	(6,02,495)	(19,15,418)
	(B)	-	-
	Total	19,32,07,344	18,11,69,700
	*also refer to Note No. 2.38		
2.14	Trade receivables (Non Current)		
	Outstanding for a period exceeding one year		
	Secured, considered good	4,48,58,968	4,27,43,100
	(A)		
	Unsecured, considered good	2,27,89,316	5,71,24,082
	Unsecured, considered doubtful	7,21,82,961	10,69,13,637
		9,49,72,277	16,40,37,719
	Less: Provision for doubtful debts #	(7,21,82,961)	(10,69,13,637)
	(B)	2,27,89,316	5,71,24,082
	Total	6,76,48,284	9,98,67,182
	# also refer to Note No. 2.35		
2.15	Inventories		
	Shares (valued at market price)	1,03,47,44,999	70,72,96,006
	Bonds (valued at lower of cost or market price)	8,86,835	14,24,04,797
	Total	1,03,56,31,834	84,97,00,803



SMC GLOBAL SECURITIES LIMITED
2. NOTES TO THE FINANCIAL STATEMENTS

(Amount in ₹)

Note No.	Particulars	As at March 31, 2018	As at March 31, 2017
2.16	Trade receivables (Current)		
	Debts outstanding for more than six months		
	Secured, considered good	1,19,80,374	1,32,02,682
	Unsecured, considered good	33,07,326	83,81,930
	Other debts		
	Secured, considered good	2,17,90,03,041	1,94,71,55,534
	Unsecured, considered good	1,54,01,38,727	1,47,58,60,430
	Total	3,73,44,29,468	3,44,46,00,576
2.17	Cash and bank balances		
	Cash & cash equivalents		
	Balance with banks in current accounts	18,67,47,767	50,97,77,560
	Cheque in hand	-	1,60,49,627
	Cash in hand	18,81,323	18,00,484
	Foreign currency in hand	5,72,146	6,60,938
	(A)	18,92,01,236	52,82,88,609
	Other bank balances*		
	- Placed under lien with banks	3,16,36,50,000	2,61,55,52,000
	- Pledged with the clearing corporations and stock exchanges as margin	5,95,01,000	2,93,00,000
	- Placed under lien with consumer court	4,37,500	1,08,389
	- Placed with pension fund regulatory and development authority	20,00,000	20,00,000
	- Placed under arbitration	97,80,808	1,37,83,456
	- Deposits in hand	2,009	4,95,92,009
	(B)	3,23,53,71,317	2,71,03,35,854
	Total (A+B)	3,42,45,72,553	3,23,86,24,463
	* Other bank balance includes fixed deposit amounting to ₹ 1,14,82,31,000 (P.Y. ₹ 88,89,70,000) having maturity period more than one year.		
	*also refer to Note No. 2.34		
2.18	Short-term loans and advances		
	Unsecured, considered good		
	Loans and advances to related parties *	54,01,25,891	52,38,66,396
	Advances recoverable in cash or in kind	11,46,97,276	19,59,66,316
	Balance with government authorities	2,94,01,406	29,45,747
	Total	68,42,24,573	72,27,78,459
	*also refer to Note No. 2.38		
2.19	Other current assets		
	Accrued interest on FDR	2,16,08,394	1,89,56,555
	Accrued interest on bonds	27,865	30,96,868
	Dividend receivable	27,080	33,930
	Total	2,16,63,339	2,20,87,353



SMC GLOBAL SECURITIES LIMITED
2. NOTES TO THE FINANCIAL STATEMENTS

Note No.	Particulars	(Amount in ₹)	
		For the year ended March 31, 2018	For the year ended March 31, 2017
2.20	Revenue from operations		
	Income from brokerage	1,42,58,45,987	1,13,62,87,664
	Income from proprietary trading	1,24,56,27,923	1,29,02,24,413
	Income from distribution of financial products	77,35,87,361	66,31,20,647
	Income from depository business	5,59,79,970	3,07,40,381
	Treasury income	21,72,09,205	18,45,14,884
	Dividend earned	88,59,476	57,58,090
	Interest earned	38,15,000	-
	Income from reverse book building	-	1,50,000
	Other operating income		
	Income from investment in PMS (net)	11,66,259	1,33,84,602
	Income from research support services	99,63,150	2,00,70,871
	Dividend on investment	3,49,317	6,16,712
	Profit/(loss) on sale of investment	-	(12,98,986)
	Interest on delay payment and margin trading	31,57,87,228	21,13,39,864
	Total	4,05,81,90,876	3,55,49,09,142
2.21	Other income		
	Interest income	5,68,35,399	75,54,509
	Rent income	1,78,88,526	1,76,43,316
	Liability no longer required written back	1,92,56,679	41,54,590
	Miscellaneous income	18,06,995	68,76,920
	Total	9,57,87,599	3,62,29,335
2.22	Stock exchange and other operating expenses		
	Client introduction charges	66,08,95,494	52,16,60,015
	Exchange & other regulatory charges	36,03,07,648	33,68,16,079
	Expense for distribution of financial products	58,57,17,199	51,00,84,682
	VPN, leaseline, internet & VSAT expenses (net)	97,10,314	1,12,57,682
	Securities transaction tax	37,07,16,733	38,06,63,086
	Demat charges	16,06,621	12,12,000
	Total	1,98,89,54,009	1,76,16,93,544
2.23	Employee benefit expenses		
	Salaries and incentives	58,18,19,702	49,04,51,052
	Employers' contributions towards statutory fund	3,12,94,914	2,26,41,621
	Gratuity	1,45,33,572	1,36,18,714
	Staff welfare	94,85,394	59,34,062
	Total	63,71,33,582	53,26,45,449

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

A Gratuity (Partly Funded)

Change in Present Value of Obligation

Particulars	(Amount in ₹)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Present value of the obligation as at the beginning of the year	5,50,47,118	4,42,11,949
Interest cost	39,39,971	39,59,028
Current service cost	89,68,970	69,31,004
Liability assumed on acquisition/ (settled on divestiture)	-	2,14,255
Plan amendments cost/(credit)	86,74,410	-
Acquisitions cost/(credit)	1,19,38,344	-
Benefits paid	(21,49,813)	(48,08,058)
Actuarial (gain)/loss on obligations	(44,58,271)	45,38,940
Present value of the obligation as at the end of the year	8,19,60,729	5,50,47,118



(Amount in ₹)

Note No.	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	Gratuity (Partly Funded) cont...		
	Change in fair value of plan assets		
	Fair value of plan assets at the beginning of the year	76,88,357	56,86,157
	Expected return on plan assets	29,77,907	6,97,894
	Contributions	6,61,83,943	50,00,000
	Benefits paid	(21,49,813)	(48,08,058)
	Actuarial gain/(loss) on plan assets	(3,86,398)	11,12,364
	Fair value of plan assets at the end of the year	7,43,13,995	76,88,357
	Total Actuarial (gain)/loss to be recognised	(40,71,873)	34,26,576
	Actual return on plan assets		
	Expected return on plan assets	29,77,907	6,97,894
	Actuarial gain/(loss) on plan assets	(3,86,398)	11,12,364
	Actual return on plan assets	25,91,509	18,10,258
	Amount recognized in the Balance Sheet		
	Present Value of the Obligation as at the end of the year	8,19,60,729	5,50,47,118
	Fair Value of Plan Assets as at the end of the year	(7,43,13,995)	(76,88,357)
	Net liability recognised in Balance Sheet	76,46,734	4,73,58,761
	Amount recognized in the Statement of Profit and Loss		
	Interest cost	39,39,971	39,59,028
	Current service cost	89,68,970	69,31,004
	Past service cost	86,74,410	-
	Expected return on plan assets	(29,77,906)	(6,97,894)
	Net actuarial (gain)/loss recognised in year	(40,71,873)	34,26,576
	Total expense recognized in the Statement of Profit and Loss	1,45,33,572	1,36,18,714
	Bifurcation of the present value of the obligation as at the end of the year		
	Current Liability	-	-
	Non-Current Liability	76,46,734	4,73,58,761
	Net Liability	76,46,734	4,73,58,761

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

Assumptions	Current Year	Previous Year
Discount rate	7.70%	7.30%
Expected Rate of Return on Assets (p.a)	7.50%	7.50%
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)

Bifurcation of the present value of the Obligation as on the end of the year

Current Liability	28,96,241	19,77,821
Non-Current Liability	1,94,53,151	1,52,12,678
Total	2,23,49,392	1,71,90,499

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

Assumptions	Current Year	Previous Year
Discount rate	7.70%	7.30%
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.



SMC GLOBAL SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Note No.	Particulars	(Amount in ₹)	
		For the year ended March 31, 2018	For the year ended March 31, 2017
2.24	Finance cost		
	Interest to bank (term loan)	7,44,937	10,62,481
	Interest to bank (others)	15,87,64,229	6,53,84,480
	Interest - others	11,53,21,160	11,05,21,370
	Other borrowing cost	4,05,12,723	3,18,41,961
	Total	31,53,43,049	20,88,10,292
2.25	Depreciation and Amortisation Expenses		
	Depreciation on property, plant and equipment	4,58,25,489	3,24,38,210
	Amortisation on intangible assets	48,08,063	26,35,526
	Total	5,06,33,552	3,50,73,736
2.26	Other Expenses		
	Advertisement	14,74,98,423	11,86,46,585
	Business promotion	12,51,93,379	16,37,59,926
	Provision for doubtful debts	(3,47,30,676)	(2,47,42,117)
	Bad debts	7,23,44,579	9,81,19,360
	Provision for doubtful advances	6,12,495	19,15,418
	Computer repair & maintenance	2,67,23,786	1,94,49,327
	Conveyance & traveling expenses	1,49,66,123	1,21,42,274
	Director sitting fees	17,25,000	23,15,000
	Donation	3,53,400	2,27,100
	Electricity & water charges	3,03,72,789	2,88,61,543
	Insurance	17,91,021	21,32,373
	Legal & professional charges	3,28,96,043	1,28,73,107
	Bank charges	99,43,246	30,94,039
	Provision for diminution of value of investment	(50,00,000)	50,00,000
	Stock exchange listing fee	52,500	52,501
	Loss on sale / discarded property, plant and equipment (net)	54,958	75,122
	Office repair & maintenance	2,48,53,230	2,26,41,844
	Printing and stationery	1,77,54,749	1,28,91,112
	Rent (net)	8,96,49,057	8,13,46,237
	Rates and taxes	24,96,652	17,27,127
	Intangible assets written off	1,46,977	-
	Provision for impairment of property, plant and equipment	45,00,000	-
	Irrecoverable balance written off	-	26,89,437
	Membership fees & subscription	14,03,209	7,69,327
	Communication expenses	2,83,32,199	2,12,88,749
	Vehicle running & maintenance	31,88,001	27,19,047
	CSR expenses	56,52,228	33,29,016
	Miscellaneous expenses	80,69,650	1,24,50,919
	Auditor's remuneration:		
	As statutory auditor	19,00,000	16,50,000
	As tax auditor	2,00,000	1,50,000
	As fees for other services	3,14,500	2,07,500
	Total	61,32,57,518	60,77,81,873



SMC GLOBAL SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS

2.27 a) **Contingent liabilities**

Contingent liabilities not provided in the financial statements:

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
1. Corporate guarantee executed by the company for credit facility extended to subsidiaries	1,91,00,00,000	1,01,00,00,000
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	9,63,79,122	6,74,73,978
4. (a). Income Tax Demand (A.Y. 2013-14) (Total amount paid under protest ₹ 31,46,625 (P.Y. ₹ 31,46,625))	31,46,625	31,46,625
(b). Income tax Demand (A.Y. 2014-15) (Total amount paid under protest ₹ 56,81,359 (P.Y. ₹ 56,81,359))	56,81,359	56,81,359
(c). Income tax Demand (A.Y. 2015-16) (Total amount paid under protest ₹ 10,00,000 (P.Y. ₹ Nil))	27,50,524	-
5. Provident Fund	-	-
6. Stamp Duty	-	-

Notes:

- The Company has given corporate guarantee towards credit facility of two of the subsidiaries M/s SMC Comtrade Limited and M/s Moneywise Financial Services Private Limited.
- An ESI demand is being agitated by the Company at Additional Senior Civil Judge, Tis Hajari court, Delhi.
- Service Tax demand of ₹ 45,65,609/- is being agitated by the Company before Commissioner of Service Tax, Audit 1, Delhi and of ₹ 9,18,13,513/- is being agitated by the Company before Additional Director General of Directorate General of GST Intelligence, Delhi Zonal Unit.
- Assessment u/s 143(3) for the A.Y 2013-14, AY 2014-15 and AY 2015-16 has been 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.

b) Other litigations

- 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.



2.28 Extraordinary Items

a) The company had started making efforts for proposed ADR issue in USA for expansion of business in the year 2015, however, the same has been called off during the year due to regulatory issues with Ministry of Finance, Government of India and accordingly ADR Expenses incurred in all these years starting from October 2015 till the end of March 2018 ₹ 13,94,38,879/- has been charged to Profit & Loss account for the year.

b) The company has also earned a Profit on Sale of Investment in Subsidiary Company within the group ₹ 10,35,00,000/-.

Extraordinary items (net) of above ₹ 3,59,38,879/-

2.29 The company has converted investment in property amounting to ₹ 1,06,86,191/- and current / non-current (quoted) investment (excluding investment in portfolio management service) amounting to ₹ 6,52,77,154/- into building under the head property plant & equipment and inventories respectively during the year at book value.

2.30 Commitments

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
Contracts remaining to be executed on account of capital (net of advances)		
- For purchase of Software	-	3,00,000
- For Purchase of Office Building	1,75,00,000	2,39,28,283

2.31 Earning and expenditure in foreign currency

Particulars	(Amount in ₹)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
a) Earning in Foreign Currency		
- Brokerage & Commission	2,44,273	Nil
- Income From Support Service	6,27,275	Nil
b) Expenditure in Foreign Currency		
- Expense on Foreign Tour	2,10,703	41,450
- Investments in Foreign Subsidiary	Nil	2,68,75,145
- Loan to Foreign Subsidiary	Nil	1,35,33,808
- On Account of Proposed ADR Issue	5,99,19,883	1,60,22,928
- Others	Nil	2,14,175

2.32 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:

Particulars	(Amount in ₹)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
a) Number of non resident shareholders	2	2
b) Number of equity shares held by them	2,13,65,280/2,13,65,280	2,27,65,280/2,21,65,280
c) (i) Amount of dividend paid	74,79,149/74,79,149	61,13,362/58,97,362
(ii) Tax deducted at source	-	-
(iii) Year to which dividend relates	(2016-17/2017-18) (Final Dividend/ Interim Dividend)	(2015-16/2016-17) (Final Dividend/ Interim Dividend)

2.33 In the opinion of the Board, any of the assets other than Property, plant & equipment 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.

2.34 Fixed deposit with scheduled bank includes ₹ 3,16,36,50,000/- (P.Y. ₹ 2,61,55,52,000/-) under lien in favour of the bank as margin deposit for the guarantees issued of ₹ 6,32,73,00,000/- (P.Y. ₹ 5,23,01,04,000/-) credit facilities or otherwise, ₹ 5,95,01,000/- (P.Y. ₹ 2,93,00,000/-) pledged with stock exchanges as margin, which does not include margins paid by client constituents on their own behalf, ₹ 4,37,500/- (P.Y. ₹ 1,08,389/-) pledged with Court, ₹ 20,00,000 (P.Y. ₹ 20,00,000/-)



pledged with pension fund regulatory and development authority" to become POP of NPS, and ₹ 97,80,808/- (P.Y. ₹ 1,37,83,456/-) pledged with exchange for arbitration.

2.35 Unsecured Non Current Trade Receivables (considered good) includes amount due from parties including on whom legal action initiated for recovery and are net of doubtful portion, disclosed separately and necessary provision made thereof.

2.36 **Segment accounting**

a. Business Segment

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

Accordingly the primary business segment has been identified as below:

- Trading & Distribution: Comprises of brokerage income earned on secondary market transactions done on behalf of clients, proprietary trading in securities and derivatives, income from distribution of financial products and services rendered as depository participant.
- 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.

2.37 **Earnings 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 March 31, 2018	For the year ended March 31, 2017
Net profit attributable to equity shareholders before extraordinary items (net of tax)	35,43,69,706	29,33,55,781
Net Profit attributable to equity shareholders after extraordinary items (net of tax)	36,66,87,834	29,33,55,781
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
Basic/ Diluted EPS before extraordinary items	3.13	2.59
Basic/ Diluted EPS after extraordinary items	3.24	2.59

2.38 **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
Key managerial personnel	Whole Time Director
	Mr. Subhash Chand Aggarwal (Chairman & Managing Director) Mr. Mahesh Chand Gupta (Vice-Chairman & Managing Director) Mr. Ajay Garg Mr. Anurag Bansal Mr. Himanshu Gupta Ms. Shruti Aggarwal
	Executive officers
	Mr. Vinod Kumar Jamar (Group CFO) Mr. Suman Kumar (CS)
Relatives of key managerial personnel	Ms. Nidhi Bansal Ms. Reema Garg Ms. Meetu Goel
Subsidiaries	SMC Comtrade Limited



Moneywise Financial Services Private Limited
 SMC Capitals Limited
 SMC Finvest Limited
 Moneywise Finvest Limited
 Indunia Realtech Limited
 SMC Investments & Advisors Limited
 SMC Global USA Inc.
 SMC Global IFSC Private Limited

Step down subsidiaries	SMC Insurance Brokers Private Limited SMC Comex International DMCC SMC Real Estate Advisors Private Limited
Jointly controlled entity	SMC & IM Capitals Investment Manager LLP

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 March 31, 2018

(Amount in ₹)

Nature of transaction	Key managerial personnel	Relatives of key managerial personnel	Subsidiaries	Jointly controlled entity
Investments-Purchase				
Moneywise Financial Services Private Limited			39,61,50,000 (25,00,00,000)	
Moneywise Finvest Limited			Nil (2,77,50,000)	
SMC Global IFSC Private Limited			Nil (11,99,98,000)	
SMC Finvest Limited			20,70,00,000 (Nil)	
SMC Global USA Inc.			Nil (2,68,75,145)	
Investment – Sale				
SMC Finvest Limited			20,70,00,000 (Nil)	
Loan & Advances given (net)				
SMC Comtrade Limited			Nil (50,50,02,199)	
Indunia Realtech Limited			23,80,919 (1,88,64,197)	
SMC Real Estate Advisors Private Limited			93,16,864 (Nil)	
Moneywise Financial Services Private Limited			50,14,60,911 (Nil)	
SMC Global USA Inc.			Nil (1,35,33,808)	
Loan & Advances recovered (net)				
SMC Comtrade Limited			49,68,99,199 (33,52,09,789)	
Interest on delay payment and margin trading				
SMC Real Estate Advisors Private Limited			6,193 (Nil)	
Brokerage received				
SMC Real Estate Advisors Private Limited			71,41,248 (2,42,56,679)	
SMC Comtrade Limited			6,41,438 (38,25,739)	
SMC Investments and Advisors Limited			232 (7,25,092)	
Moneywise Finvest Limited			76,37,803 (72,31,298)	
SMC Insurance Brokers Private Limited			4,139 (79,543)	



Moneywise Financial Services Private Limited			19,196 (32,488)	
Demat charges received				
SMC Comtrade Limited			2,03,615 (80,744)	
Others			25,968 (5,990)	
Rent received				
SMC Insurance Brokers Private Limited			98,00,796 (98,00,796)	
SMC & IM Capitals Investment Manager LLP				45,000 (12,500)
SMC Capitals Limited			4,23,360 (Nil)	
Moneywise Financial Service Private Limited			7,08,750 (9,07,500)	
Interest Income				
SMC Comtrade Limited			Nil (25,88,052)	
Moneywise Financial Services Private Limited			5,36,75,657 (Nil)	
Indunia Realtech Limited			18,22,951 (15,775)	
SMC Global USA Inc.			8,33,104 (5,66,088)	
Moneywise Finvest Limited			Nil (3,47,551)	
Income from distribution of financial products				
SMC Capitals Limited			2,25,07,131 (1,50,33,138)	
Extraordinary item (Profit on sale of investment in subsidiary)				
SMC Finvest Limited			10,35,00,000 (Nil)	
Remuneration				
Whole Time Directors	3,19,06,668 (3,24,92,500)			
Executive officers	95,17,345 (86,87,080)			
Others		58,24,391 (53,97,500)		
Expense for distribution of financial products				
SMC Investments and Advisors Limited			78,499 (5,18,836)	
Client introduction charges paid				
SMC Investments and Advisors Limited			55,05,890 (50,13,798)	
Management Fee on PMS (Paid)				
SMC Investments and Advisors Limited			3,16,887 (9,50,360)	
Interest Expense				
SMC Investments and Advisors Limited			Nil (13,35,888)	
SMC Comtrade Limited			3,08,98,063 (2,60,45,187)	
SMC Finvest Limited			Nil (16,95,332)	
Moneywise Finvest Limited			7,59,438 (Nil)	
SMC Real Estate Advisors Private Limited			25,46,752 (18,63,014)	
Net reimbursement of expenses (received)				



SMC Insurance Brokers Private Limited			1,23,885 (1,02,040)
SMC Global IFSC Private Limited			1,43,579 (20,28,507)
SMC Real Estate Advisors Private Limited			1,07,700 (7,31,226)
Moneywise Financial Services Private Limited			11,000 (2,877)
Moneywise Finvest Limited			2,000 (Nil)
SMC Capitals Limited			2,14,680 (2,182)
SMC Finvest Limited			51,655 (60,710)
Indunia Realtech Limited			Nil (139)
SMC Comtrade Limited			Nil (16,78,794)
Net reimbursement of expenses (paid)			
SMC Comtrade Limited			2,91,86,945 (Nil)
SMC Capitals Limited			Nil (4,73,862)

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

Party Name	Included in	(Amount in ₹)	
		As at March 31, 2018	As at March 31, 2017
SMC Comtrade Limited	Short term loans & advances	81,03,000	50,50,02,199
	Other current liabilities (Margin received from client)	Nil	5,42,94,278
	Short term loans & advances (Advances recoverable in cash or kind)	21,600	Nil
	Trade payable	1,30,071	54,06,414
SMC Real Estate Advisors Private Limited	Trade receivable (current)	Nil	6,49,883
	Short term loans & advances	93,16,864	Nil
	Short term loans & advances (Advances recoverable in cash or kind)	2,360	3,54,924
	Other current liabilities (Margin received from client)	2,60,43,130	5,93,80,578
	Trade payable (current)	14,03,751	Nil
Moneywise Financial Services Private Limited	Short term loans & advances (Advances recoverable in cash or kind)	11,880	Nil
	Short term loans & advances	50,14,60,911	Nil
	Trade receivable (current)	36,02,284	Nil
	Other current liabilities (Margin received from client)	36,01,078	Nil
SMC Finvest Limited	Short term loans & advances (Advances recoverable in cash or kind)	43,560	Nil
SMC Capitals Limited	Trade payable (current)	Nil	1,40,669
	Trade receivable (current)	19,92,323	Nil
	Short term loans & advances (Advances recoverable in cash or kind)	7,05,974	Nil



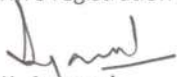
SMC Investments and Advisors Limited	Trade payable (current)	5,25,008	4,26,726
	Short term loans & advances (Advances recoverable in cash or kind)	16,447	Nil
SMC Global IFSC Private Limited	Short term loans & advances (Advances recoverable in cash or kind)	23,71,933	20,28,507
Indunia Realtech Limited	Short term loans & advances	2,12,45,116	1,88,64,197
Moneywise Finvest Limited	Trade payable (current)	86,30,724	8,20,441
	Short term loans & advances (Advances recoverable in cash or kind)	2,160	Nil
	Other current liabilities (Margin received from client)	5,34,32,144	5,14,94,740
SMC Global USA Inc.	Long term loans & advances	1,44,09,824	1,35,33,808
SMC Insurance Brokers Private Limited	Other long-term liabilities	49,00,398	49,00,398
	Short term loans & advances (Advances recoverable in cash or kind)	14,040	Nil
	Trade payable (current)	4,320	Nil

- 2.39 The difference if any, arising due to expenditure and income provided on estimate basis in earlier years is adjusted to respective account head.
- 2.40 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.
- 2.41 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's registration number: 000846C



S.K. Agarwal
Partner
Membership No.: 093209



For and on behalf of the Board


S.C. Aggarwal
Chairman &
Managing Director
Din No : 00003267


Vinod Kumar Jamar
Group CFO


Mahesh C. Gupta
Vice-Chairman &
Managing Director
Din No : 00003082


Suman Kumar
Company Secretary

Place: Kolkata
Date : May 14, 2018

