

ANNUAL REPORT
2018-2019

SMC CREDITS LIMITED

BOARD OF DIRECTORS

Mr. Prasaresh Arya
Mr. Yashpriya Devpriya Arya
Mr. Harsh Priya Arya
Smt. Sukeerti Arya

CHIEF FINANCIAL OFFICER & MANAGER

Mr. Rajesh Goenka
(w.e.f. April 24, 2019)

**COMPANY SECRETARY
& COMPLIANCE OFFICER**
Sharboni Chatterjee
(up to May 09, 2019)

STATUTORY AUDITORS

AVP & CO.
(Chartered Accountants)

REGISTRAR & SHARE TRANSFER AGENTS

Beetal Financial & Computer Services (P) Ltd

BANKERS

Canara Bank
HDFC Bank Ltd
AU Small Finance Bank Ltd

REGISTERED OFFICE

24, Ashoka Chambers,
5-B, Rajindra Park,
Pusa Road, New Delhi-110060

SMC CREDITS LIMITED

Regd. Off: 24, Ashoka Chambers, 5-B, Rajindra Park, Pusa Road, New Delhi-110060
CIN: L65910DL1992PLC049566

Directors' Report

To
The Members,

Your Directors take pleasure in presenting the 27th Annual Reports together with the Audited Accounts of the company for the financial year ended 31st March, 2019.

1. FINANCIAL RESULTS:-

<u>Particulars</u>	31st March, 2019	31st March, 2018
	(Amount in Rs.)	(Amount in Rs.)
Profit before depreciation and taxation	2,03,94,209	2,95,07,992
Less: Depreciation	3,94,990	3,94,990
Provision for Tax		
a)Current Tax	19,77,246	30,00,000
b)Deferred Tax	(11,21,391)	(56,981)
c)prior period tax	---	(92,646)
Profit after depreciation and taxation	1,91,43,364	2,62,62,629

2. DIVIDEND:

Considering the future requirements of the Company , your Board of Directors do not recommend any dividend for the financial year ended 31st March, 2019.

3. DIRECTORS :

There is no change in the composition of Directorship of the Company. During the year Mr. Yashpriya Devpriya Arya (DIN :00505675), Director of the Company retires by rotation and is eligible to offer herself for re-appointment.

4. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board to the best of their knowledge and belief and based on the representation and compliance certificate received from the Operating Management and after enquiry, confirm that:—

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) The Directors had selected such accounting policies and applied them consistently and 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 at the end of the financial year and of the profit and loss of the Company for that period;

(c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) The Directors had prepared the annual accounts on a going concern basis;

(e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.and

(f) Proper internal financial controls were in place and that such internal financial controls were adequate and were operating effectively

5. DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review.

6. AUDITORS REPORT

The Auditors **M/s AVP & Co.**, Chartered Accountants, will retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment from the conclusion of this Annual General Meeting till the conclusion of thirty second Annual General Meeting at a remuneration to be fixed by the Audit Committee and/or Board of Directors of the Company. The company has received a certificate from the auditor to the effect that the reappointment, if made, would be in accordance with section 139 & Section 141 of the Companies Act, 2013. The Board recommends their appointment. The observations of the Auditors have been explained wherever necessary in the appropriate notes to the Accounts and do not call for any further comments.

The Auditors' Report is self- explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

7. DISCLOSURES

a. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There was no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review.

b. NUMBER OF MEETINGS OF THE BOARD

Four meetings of the Board of Directors were held during the year. For further details , please refer report on corporate Governance of this Annual report.

c. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

During the financial year ended on 31st March, 2018, there were no materially significant related party transactions that may have potential conflict with the interest of the Company at large. Hence, there is no requirement to furnish form AOC -2 as per Section 188 (1).

d. MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments, affecting the financial position which has occurred between the end of the financial year of the Company i.e. 31st March, 2019 and the date of the Directors' Report.

e. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Provision as to conservation of energy, technology absorption and foreign exchange earning and outgo are not applicable to the company. .

f. PARTICULARS OF EMPLOYEES

None of the employee of the Company is getting the remuneration whose particulars/information is required to be furnished Pursuant to the Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

g. No case filed under Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

h. No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and Company's operation in future.

i. EXTRACT OF ANNUAL RETURN

As provided under Section 92(3) of the Act, the extract of annual return is given in **Annexure I** in the prescribed Form MGT-9, which forms part of this report.

j. Particulars of loans, guarantees or investment

The company has not given any loans, guarantee, or investment.

k. Secretarial Audit Report

Pursuant to provisions of Section 204 of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed **Mr. Nitin Kumar Mishra (MNO 34396 CP No. 14804)**, a Practicing Company Secretary as its Secretarial Auditor to conduct secretarial audit of the Company for the financial year 2018-19. The Secretarial Audit Report given by the Secretarial Auditors in Form no. MR-3 is annexed as Annexure-I and forms an integral part of this Report. There is no qualification or adverse remark in the report.

8. CORPORATE GOVERNANCE

As per under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the detailed report on Corporate Governance is given separately and forms part of Annual Report and the certificate obtained from Company Secretaries regarding compliance of the conditions of corporate governance is attached to the said report .

9. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

In terms of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the Management Discussion and Analysis Report is given separately and forming part of the Annual Report.

10. DECLARATION OF INDEPENDENT DIRECTORS:

The Independent Directors of the Company have given a declaration confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act, and the Listing Regulations.

11. PERFORMANCE EVALUATION:

Pursuant to the provisions of the Act, Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Guidance Note on Board Evaluation issued by the SEBI dated January 05, 2017.

12. NOMINATION & REMUNERATION POLICY:

The Board has maintained the Nomination & Remuneration Policy and adhering to it.

13. BOARD MEETINGS AND ANNUAL GENERAL MEETING:

During the financial year 2018-2019, 4 (Four) Board meetings were held. The details of meetings including dates of meetings indicating the number of meetings attended by each director are given in the Corporate Governance Report. The intervening gap between two Board Meetings did not exceed 120 days.

The 26th Annual General Meeting (AGM) of the Company was held on 29th September, 2018.

14. CORPORATE SOCIAL RESPONSIBILITY:

Since Company is not falling u/s 135 of the Companies Act, 2013. Hence, there is no requirement of spending money for CSR activities.

15. CHANGES IN SHARE CAPITAL:

There has been no change in the capital structure of the Company during the year under review.

16. PREVENTION OF INSIDER TRADING:

The Company has maintained and adhering to the Code of Conduct for Prevention of Insider Trading in code of internal procedures and conduct for regulating, monitoring and reporting of trading by designated persons ("Code") in accordance with SEBI (Prohibition of Insider Trading) Amendment Regulations, 2018, which is effective from April 01, 2019.

17. CODE OF CONDUCT:

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and Senior Management Personnel of the Company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings/ behaviors of any form and the Board has laid down the directives to counter such acts.

18. EXTRACT OF ANNUAL RETURN:

The extract of Annual Return in Form MGT-9 as required under Section 134(3)(a) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is given in Annexure - II to this Report.

19. SECRETARIAL STANDARDS:

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

20. VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

Pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Company is having VIGIL MECHANISM/ WHISTLE BLOWER POLICY and adhering to the same.

21. GREEN INITIATIVES:

Electronic copies of the Annual Report 2018-19 and Notice of the Annual General Meeting are sent to all shareholders whose email addresses are registered with the Company. For shareholders who have not registered their email address, physical copies will be sent to them through the permitted mode. Members are requested to register their email ids with Company or RTA for receiving e-copies of Annual Report and Notice to the Annual General Meeting.

22. LISTING FEES:

The Company affirms that the annual listing fees for the year 2019-20 to BSE Limited (Bombay Stock Exchange) has been paid.

ACKNOWLEDGEMENT

Your Directors placed on record their appreciation for company's customer, suppliers, Bankers and Central and State Governments for their continued guidance, support and cooperation.

Your Directors place on the record their deep appreciation of contribution made by employees at all levels. Yours company's consistent growth was made possible by their Hard work, commitment, teamwork and loyalty.

The board of Directors of the company also expresses their gratitude to the share holders for their valuable and un-stinted support extended to the company throughout the year.

BY ORDER OF THE BOARD

Place : New Delhi

Dated : 13.08.2019

CHAIRMAN
(Prasahesh Arya)
DIN:00006507

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended on 31st March, 2019

[Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**To,
The Board of Directors,
SMC Credits Limited
24 Ashoka Chambers, 5-B Rajindra Park,
Pusa Road, New Delhi 110060**

Dear Sir(s),

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **"SMC Credits Limited"** (hereinafter called the **"Company"**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of 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 authorized 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, 2019 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 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, 2019, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made there under;
- ii) Secretarial Standards issued by the Institute of Company Secretaries of India;
- iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iv) The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 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, 2015;
 - C. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the financial year under report-

- A. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- B. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; .
- C. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- D. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- E. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- F. The Securities and Exchange Board of India (Registrars to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

Provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings were not attracted to the Company under the financial year under report.

We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

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: -

- I. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- II. Adequate notice has been given to all directors to schedule the Board Meetings including the committee meetings during the financial year under review, agenda and detailed notes on agenda were sent properly before the scheduled meeting, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- III. Majority of the decisions have been carried unanimously by the Board while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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.

**For Nitin K Mishra & Associates
Practicing Company Secretary**

**Nitin Kumar Mishra
MNO 34396 CP No. 14804**

**Place: Delhi
Date: 13.08.2019**

ANNEXURE TO SECRETARIAL AUDIT

List of documents verified

1. Annual Report for the financial year ended 31st March 2019
2. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee and CSR Committee along with Attendance Register held during the financial year
3. Minutes of General Meetings held during the financial year
4. Statutory Registers viz.
 - Register of Members
 - Register of Directors & KMP and their shareholding
 - Register of loans, guarantees and security and acquisition made by the Company
5. Agenda papers submitted to all the directors/members for the Board Meetings and Committee Meetings.
6. Intimations received from employees and directors under the prohibition of Insider Trading Code.
7. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.
8. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Obligations and Disclosure Requirements during the financial year under report.

Registered Office:

SMC Credits Limited
24 Ashoka Chambers, 5-B Rajindra Park,
Pusa Road, New Delhi 110060

For Nitin K Mishra & Associates
Practicing Company Secretary

Nitin Kumar Mishra
MNO 34396 CP No. 14804

Place: Delhi

Date: 13.08.2019

Annexure -II**SMC CREDITS LIMITED**

Regd. Off: 24, Ashoka Chambers, 5-B, Rajindra Park, Pusa Road, New Delhi-110060

CIN: L65910DL1992PLC049566

Form No. MGT-9

EXTRACT OF ANNUAL RETURNAs on the financial year ended 31st March, 2019

[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	CIN: L65910DL1992PLC049566
2	Registration Date	15/07/1992
3	Name of the Company	SMC Credits Limited
4	Category/Sub-category of the Company	Limited Company
5	Address of the Registered office & contact details	24, Ashoka Chambers,5-B, Rajindra Park, Pusa Road, New Delhi-110 060
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Beetal Financial & computer Services (P) Ltd Beetal House, 3 rd floor, 99, Madangir, Behind Local shopping centre, New Delhi-110062

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	NA	NA	NA

(contributing 10 % or more of the total turnover of the company shall be stated)

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name and Address of the Company	CIN	Holding/ Subsidiary/Associate	% of shares held	Applicable Section
1	NA	NA	NA	NA	NA

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2019]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF			-				-		
b) Central Govt			-				-		
c) State Govt(s)			-				-		
d) Bodies Corp.	950000	451200	1401200	13.98%	950000	451200	1401200	13.98%	0.00%
e) Banks / FI			-				-		
f) Any other			-				-		
Sub Total (A) (1)	950000	451200	1401200	13.98%	950000	451200	1401200	13.98%	0.00%
(2) Foreign									
a) NRI Individuals			-				-		
b) Other Individuals			-				-		
c) Bodies Corp.			-				-		
d) Any other			-				-		
Sub Total (A) (2)	-	-	-						
TOTAL (A)	950000	451200	1401200	13.98%	950000	451200	1401200	13.98%	0.00%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds			-				-		
b) Banks / FI			-				-		
c) Central Govt			-				-		
d) State Govt(s)			-				-		
e) Venture Capital Funds			-				-		
f) Insurance Companies			-				-		
g) FIs			-				-		
h) Foreign Venture Capital Funds			-				-		

i) Others (specify)			-						
Sub-total (B)(1):-	-	-	-						
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	4381800	2236100	6617900	66.03%	4381800	2236100	6617900	66.03%	0.00%
ii) Overseas			-						
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	3600	1893100	1897600	18.93%	3600	1893100	1897600	18.93%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh		105500	105500	1.05%		105500	105500	1.05%	0.00%
c) Others (specify)									
Non Resident Indians			-						
Overseas Corporate Bodies			-						
Foreign Nationals			-						
Clearing Members			-						
Trusts			-						
Foreign Bodies - D R			-						
Sub-total (B)(2):-	4385400	4235600	8621000	86.02%	4385400	4235600	8621000	86.02%	0.00%
Total Public (B)	4385400	4235600	8621000	86.02%	4385400	4235600	8621000	86.02%	0.00%
C. Shares held by Custodian for GDRs & ADRs			-	0.00%				0.00%	0.00%
Grand Total (A+B+C)	5335400	4686800	10022200	100%	5335400	4686800	10022200	100%	0.00%

(ii) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		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	% of Shares Pledged / encumbered to total shares	
	Focal Leasing & Credits Ltd	1401200	13.98	----	1401200	13.98	----	--

(i) Change in Promoters' Shareholding (please specify, if there is no change)

Sl.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
-----THERE HAS BEEN NO CHANGE IN THE SHAREHOLDING-----					

(ii) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	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
	Name				
1	Shuklamber Exports Ltd	1493300	14.90	1493300	14.90
2	Zeal Impex & Traders Pvt Ltd	1359900	13.57	1359900	13.57
3	Amity Infotech Pvt ltd	1403100	14.00	1403100	14.00
4	Jbm International ltd	952100	9.50	952100	9.50
5	Atoz Securities Ltd	1403100	14.00	1403100	14.00
6	Ashish Singh	105500	1.05	105500	1.05
7	Globe Industrial finance ltd	6400	0.064	6400	0.064
8	Om Prakash Sharma	3600	0.036	3600	0.036
9	Bimla Agarwal	1000	0.010	1000	0.010
10	Deen Dayal Gaur	1000	0.010	1000	0.010

(iii) Shareholding of Directors and Key Managerial Personnel: NOT APPLICABLE

SN	Shareholding of each Directors and each Key Managerial Personnel	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				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year				
	At the end of the year	-	-	-	-

V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0
Change in Indebtedness during the financial year	0	0	0	0
* Addition	0	0	0	0
* Reduction	0	0	0	0
Net Change	0	0	0	0
Indebtedness at the end of the financial year	0	0	0	0
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

NOT APPLICABLE

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		----	----	----	---	
1	Gross salary					
	(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					
	Total (A)					
	Ceiling as per the Act					

B. REMUNERATION TO OTHER DIRECTORS-NOT APPLICABLE

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		----	----	----	---	
1	Independent Directors					
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (1)					
2	Other Non-Executive Directors					
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:
NOT APPLICABLE**

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(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				
	Total				

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NOT APPLICABLE

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)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Corporate Governance Report

Company's philosophy on code of governance.

The Board has adopted the principles of good Corporate Governance in line with the requirements of the corporate practices enumerated in the Listing Agreement entered into by the Company with the Stock Exchanges. The Company aims to achieve greater transparency by making adequate disclosures.

Board of Directors

The Company's Board presently comprises of 1 Executive 1 Non-Executive and 2 independent Directors. Attendance of each Director at the Board meetings, last Annual General Meeting and number of other directorship and chairmanship/membership of committee of each Director in various companies:

Other relevant Details of Directors (Directorship as at 31st March, 2019 unless otherwise stated)

S no	Name of Directors	Category	No of Directorship(s)		No of Other committee(s)*		Name of the Listed Entity in which Director includig this entity	Number of Share & convertible instruments held by non-executive directors
			Public	Private	Member	Chairman		
							SMC Credits Limited	Nil
1.	Mr. Prasahesh Arya	Chairman	6	7	2	2	SMC Credits Limited	Nil
2.	Mr. Yashpriya Dev Priya Arya	NED	2	1	3	1	SMC Credits Limited	Nil
3	Mr. Harsh Priya.Arya	Independent	3	0	3	-	SMC Credits Limited	Nil
4	Mr. Sukeerti Arya	Independent	2	1	1	-	SMC Credits Limited	Nil

* Excludes directorships of private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 and alternate directorships. Committee means Audit committee and stakeholders Relationship committee including membership held in said committee of the Company. Also refer below mentioned table to see information relating to the Board Meeting & AGM.

Board Meeting held during the year

Four Board Meetings were held during the financial year 2018-2019 on 24.04.2018, 30.05.2018, 13.08.2018, 14.11.2018, and 13.02.2019 . The last Annual General Meeting was held on 29th September, 2018.

S No.	Name of Directors	No. of meeting attend Total meeting held 4	Whether attended last AGM
1.	Prasahesh Arya	4	Yes
2.	Yashpriya Dev Priya Arya	4	Yes
3	Harsh Priya.Arya	4	Yes
4	Sukeerti Arya	4	Yes

Audit Committee:

The Audit Committee, comprises of chairman, non-executive and independent Directors viz. Shri Prasahesh Arya, Shri Yash Priya Devpriya Arya and Shri H.P.Arya.

The terms of reference of the Audit Committee are as per applicable guidelines.

Four Audit Committee were held during the financial year 2018-2019 on 24.04.2018, 30.05.2018, 13.08.2018, 14.11.2018, and 13.02.2019. All the committee members were present at all the meetings.

Nomination & Remuneration committee:

The Company has formed the NRC Committee as per the requirements of Corporate and allied laws.Mr. Yashpriya Devpriya Arya (Non-Executive –Non Independent Director, Chairperson), Mr. Harsh Priya Arya (Non-Executive –Independent Director, Member) & Ms. Sukeerti Arya (Non-Executive – Independent Director, Member).This Committee meeting was held on April 24, 2018.

Shareholders’/Investors’ Grievance Committee:

Mr. Prasahesh Arya is chairman and Mr. Yash Priya Devpriya Arya & Mr. H.P.Arya are members of the committee. The committee approves and monitors transfers, transmission, splitting and consolidation of shares issued by the Company. The Committee also monitors redressal/replies to investors’ complaints, queries and requests relating to transfer of shares, non-receipt of annual report etc. This Committee meeting was held on May 30, 2018.

General’Body Meetings:

The last three General Meetings of the Company were held as under:

Year	Location	Date	Time
2015-2016	24, Ashoka chambers, 5-B, Rajindra Park, Pusa Road, New Delhi- 110060	29 th September, 2016	10.00 a.m.
2016-2017	24, Ashoka chambers, 5-B, Rajindra Park, Pusa Road, New Delhi- 110060	29 th September, 2017	10.00 a.m.

2017-2018 24, Ashoka chambers, 5-B, Rajindra Park,
Pusa Road, New Delhi- 110060 29th September, 2018 10.00 a.m.

Disclosures

During 2018-2019, the Company had no materially significant related party transactions which are considered to have potential conflict with the interests of the Company at large.

There has not been any non-compliance, penalties, strictures imposed on the company by the stock exchange, SEBI, or any other statutory authority, or any matter related to capital markets.

General shareholder information

Annual General Meeting

Date and time : 30th September, 2019 at 10:30 A.M.
Venue : 24, Ashoka Chambers, 5-B, Rajindra Park,
Pusa Road, New Delhi-110 060

Financial Calendar

(tentative and subject to change):

First Quarter	-August , 2019
Second Quarter	- November, 2019
Third Quarter	- February , 2020
Year ending on 31 st march, 2020	- May 2020

Book closure date : 24th September to September 30, 2019

Equity Shares Listed on : BSE Limited
Stock Exchange at :

Demat ISIN in NSDL : INE440E01012

Registrar and Transfer Agents : M/s Beetal Financial & Computer Services (P) Ltd.,
Beetal House, 3rd Floor, 99, Madangir, Behind local Shopping
Centre,Near Dada Harsukhdas Mandir,New Delhi-110062

Share Transfer system : Presently, the share transfers in physical form are processed and share certificates returned with in a period of 15 days from the date of receipt, subject to the documents being clear in all respects.The Company also offer transfer-cum-demmat facility for the convenience of the investors.

Distribution of Shareholding

as on 31st March, 2019	:	Category	%
		Financial Institution/Banks/Mutual Funds	-
		NRI/OCBs	-
		Bodies Corporate	80.01%
		Others	19.99%

			100%

Any query on Annual report : Secretarial Department
24, Ashoka Chambers, 5-B, Rajindra Park,
Pusa Road, New Delhi-110 060

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Economic Review

Global Economy

As per the IMF, after strong growth in 2017 and early 2018, global economics activity slowed notably in the second half of last year, reflecting a confluence of factors affecting major economies. The Growth was driven by an investment recovery in advanced economies, continued strong growth in emerging Asia, a notable upswing in emerging Europe, and signs of recovery in several commodity exporters.

Global growth has continued soften this year by it will gradually rise to 2.8% by 2021. Global growth remains subdued. Global growth is forecast at 3.2 percent in 2019, picking up to 3.5 percent in 2020. The global economic upswing that began around mid-2016 has become broader and stronger. This new World Economic Outlook report projects that advanced economies as a group will continue to expand above their potential growth rates this year and next before decelerating, while growth in emerging market and developing economies will rise before leveling off. For most countries, current favorable growth rates will not last. Policymakers should seize this opportunity to bolster growth, make it more durable, and equip their governments better to counter the next downturn.

Indian Economy

The Government has projected the real GDP growth for the year 2019-20 at 7 per cent, on the back of anticipated pickup in the growth of investment and acceleration in the growth of consumption. The Union Minister for Finance and Corporate Affairs, Smt Nirmala Sitharaman tabled the Economic Survey 2018-19 in Parliament today, which clearly stated that the year 2019-20 has delivered a huge political mandate for the government, which augurs well for the prospects of high economic growth. The April, 2019 Report of the World Economic Outlook (WEO) of International Monetary Fund (IMF) has projected India's GDP to grow even higher at 7.3 percent in 2019. This is despite the Report projecting a decline in growth of world output and that of Emerging Market and Developing Economies (EMDEs) by 0.3 and 0.1 percentage points respectively.

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Industry Structure and Developments

Non-banking financial companies (NBFCs) are fast emerging as an important segment of Indian financial system. It is a heterogeneous group of institutions (other than commercial and co-operative banks) performing financial intermediation in a variety of ways, like accepting deposits, making loans and advances, leasing, hire purchase, etc. Gradually, they are being recognized as complementary to the banking sector due to their customer-oriented services; simplified procedures; attractive rates of return on deposits; flexibility and timeliness in meeting the credit needs of specified sectors; etc.

After the proliferation phase of 1980s and early 90s, the NBFCs witnessed consolidation and now the number of NBFCs eligible to accept deposits is around 600, down from 40000 in early 1990s. Almost 90% of the asset financing NBFCs are engaged in financing transportation equipments and the balance are in financing equipments for infrastructure projects. Therefore, the role of non-banking sector in both manufacturing and services sector is significant and they play the role of an intermediary by facilitating the flow of credit to end consumers particularly in transportation, SMEs and other unorganized sectors.

Capital Management

While adhering to the guidelines laid down by the RBI from time to time, the Company works towards maximising the returns on capital employed through an efficient capital management strategy.

Opportunities and Threats:

Opportunities

A robust banking and financial sector is critical for activating the economy and facilitating higher economic growth. Financial intermediaries like NBFCs have a definite and very important role in the financial sector, particularly in a developing economy like ours. They are a vital link in the system.

Opportunities

- Hiring will gain momentum next financial year, with 40-50% rise in employee counts and it shows clear sign of growth.
- Many non-banking unit might add numerous branches.
- Mortgages, microfinance and unsecured loans appear to be driving growth.

Threats

NBFCs' are operating with high risk of lending and more often NBFCs' lend credit to Small and Medium size enterprises, which are categorized as high risk class of assets. They are exposed to market risks (including liquidity risk) and also the factors that are associated with capital market, which inter alia includes economic/business cycle, fluctuations in the stock prices in the market, besides the interest rate volatility and credit risk.

Risks and Concerns

The Company like any other Company is exposed to specific risks that are particular to its business and the environment within which it operates. The Company is confident of managing these risks

by maintaining a conservative financial profile, and by following prudent business and risk management practices.

Outlook

The history of the NBFC Industry in India is a story of under-regulation followed by over-regulation. Policy makers have swung from one extreme position to another in their attempt to set controls and then restrain them so that they do not curb the growth of the industry. In current scenario, NBFCs provide substantial employment generation and help in increasing wealth generation. They provide supplement to bank credit in rural segments and finance to economically weaker sections

Segment wise Performance

The company's major source of earning is dividend income which comes from investments in shares and securities.

Operations:

During the year under review the company had a total revenue of Rs 41,496, 139/- and earned a profit of Rs. 19,143,364/-

Internal Control Systems

The Company has proper and adequate system of internal controls to ensure that all its assets are safeguarded and protected against loss from unauthorized use or disposition of assets and that the transactions are recorded and reported. The Company ensures adherence to all internal control policies and procedures as well as compliance with all regulatory guidelines.

Human Resources Policies

The Company has employee friendly HR policy and taking care and redressing their all concern. For this Company the people are the biggest assets and for all-round development of its employees at all levels various initiatives are taken in regular interval.

Industrial Relations

The company has maintained healthy industrial relations which were cordial during the period under review.

Acknowledgement

The Directors express their sincere thanks and gratitude for the guidance, support and co-operation extended by Banks, government authorities/ departments, and other private organizations

Forward Looking Statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward looking statements that set out anticipated results based on the Management's plans and assumptions. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or

should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

Pursuant to the requirement under Regulation 34(3) of Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 as specified in Clause 10(i) of Part C of Schedule V, I, Dhruv Khandelwal, Associate Member of Institute of Company Secretaries of India, bearing Membership No. ACS-48749, CP no. 19005, C/o Khandelwal & Associates, Company Secretaries having office at 1317, Desh Bandhu Gupta Road, Karol Bagh, New Delhi-110005, hereby certify that the following persons were listed as Directors on the Board of the Company “**SMC CREDITS LIMITED**” (hereinafter referred as “**the Company**”) as on 31st March, 2019 and they have not been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.

DIN	Full Name	Present Residential Address	Designation	Date of Appointment
00006507	PRASAHESH ARYA	B-98, SOUTH CITY, PHASE 1 GURGAON 122001 HR IN	Director	08/01/2001
00505675	YASHPRIYA DEVPRIYA ARYA	A-5, PRASANNA ASHIANA, 2ND FLOOR, 10TH ROAD NEAR V. N. DESAI HOSPITAL, SAN TACRUZ, (E MUMBAI 400055 MH IN	Director	03/10/2006
02744569	SUKEERTI ARYA	B-98, SOUTH CITY, PHASE 1 GURGAON 122001 HR IN	Director	30/03/2015
02771786	HARSH PRIYA ARYA	PRIYA SADNAM A-3 ASHOK VIHAR PHASE-3 EXTN. GURGAON 122001 HR IN	Director	28/07/2009

Basis of certification:

1. Information as available on Website of Ministry of Corporate Affairs and SEBI; and
2. Information as made available by the Management of the Company.

**For Khandelwal & Associates
Company Secretaries**

**Dhruv Khandelwal
ACS-48749
CP-19005
August 13, 2019**

CODE OF CONDUCT COMPLIANCE CERTIFICATE FOR FINANCIAL YEAR 2018-19

To the best of my knowledge and belief and information available with me, I hereby declare that all the Board Members and Senior Management Personnel of M/s SMC Credits Limited have complied with the code of conduct during the financial year 2018-19 (as applicable on them).

Date: 13th August, 2019

Place: New Delhi

(PRASAHESH ARYA)

Executive Director

DIN: 00006507

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To
The Members of SMC Credits Limited
24, Ashoka Chambers,
5-B, Rajindra Park, Pusa Road,
New Delhi 110060

1. The Corporate Governance Report prepared by SMC Credits Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2019. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.

5. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:

- i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
- ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;
- iii. Obtained and read the Directors Register as on March 31, 2019 and verified that at least one women director was on the Board during the year;

- iv. Obtained and read the minutes of the Board and Committee meetings held between April 01, 2018 to March 31, 2019;
- v. Obtained necessary representations and declarations from directors of the Company including the independent director; and
- vi. Performed necessary inquiries with the management and also obtained necessary specific representations from management. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

Based on the procedures performed by us as referred in paragraph 5 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2019, referred to in paragraph 1 above.

Other matters and Restriction on Use

6. This report 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.

7. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For Khandelwal & Associates Company Secretaries

Dhruv Khandelwal
ACS-48749
CP-19005

Place of Signature: New Delhi
Date: August 13, 2019

CEO AND CFO CERTIFICATION

The Board of Directors,
SMC Credits Limited,
24, Ashoka Chambers, 5-B Rajindra Park, Pusa Road,
New Delhi-110060

13th August, 2019

Sub: Annual Certificate of Compliance for FY 2018-19

Dear Sir/Madam,

We, Prasahesh Arya, Executive Director and Rajesh Goenka, CFO of the Company hereby states that:

- a) We have reviewed financial statement and the cash flow statement for the year ended 31st March, 2019 and to the best of our knowledge and belief:
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

Thanking you,

(Prasahesh Arya)
Executive Director
DIN: 00006507

(Rajesh Goenka)
CFO

