

SMC Credits Ltd.

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

CIN: L65910DL1992PLC049566

Email id: smccorp011@gmail.com Ph: 011-45012880

Website: www.smccredits.com

To

September 03, 2022

The Secretary,
BSE Limited
25th Floor
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort
Mumbai - 400001.

Security Code: **532138**

Sub: Submission of Notice of Annual General Meeting and Annual Report for the financial year 2021-22

Dear Sir,

We hereby enclose herewith the Notice of 30th Annual General Meeting of the Company scheduled to be held on Friday, 30th September, 2022 as informed.

Further, pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Annual Report of the Company for financial year 2021-22 is also attached herewith.

Kindly take the above submissions to your records.

Submitted for your information and record please.

For SMC Credits Limited

RAJESH
GOENKA

Digitally signed by RAJESH GOENKA
DN: cn=RAJESH GOENKA, title=FOCI,
postalCode=110001, st=INDIA, o=SMC CREDITS LTD,
c=IN, email=rajeshgoenka@smccredits.com,
serial=1046863032033775266
Date: 2022.09.03 11:02:51 +05'30'
[rajeshgoenka@smccredits.com] DN: cn=RAJESH GOENKA,
c=IN, email=rajeshgoenka@smccredits.com,
serial=1046863032033775266
Date: 2022.09.03 11:02:51 +05'30'

(Rajesh Goenka)

Whole-time Director & CFO

DIN: 00298227

Encl:

1. Notice to Annual General Meeting
2. Annual Report for the F.Y. 2021-22

**ANNUAL REPORT
2021-2022**

SMC CREDITS LIMITED

BOARD OF DIRECTORS

Mr. Rajesh Goenka
Mr. Prasaresh Arya
Ms. Jyoti Rajshree
Mr. Rajesh Ramnani

CHIEF FINANCIAL OFFICER

Mr. Rajesh Goenka

**COMPANY SECRETARY
& COMPLIANCE OFFICER**

Ms. Kaira Dewani

STATUTORY AUDITORS

AVP & CO.
(Chartered Accountants)

SECRETARIAL AUDITORS

Neeraj Arora & Associates, Company Secretaries

REGISTRAR & SHARE TRANSFER AGENTS

Beetal Financial & Computer Services (P) Ltd

BANKERS

Canara Bank

REGISTERED OFFICE

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

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Website: www.smccredits.com

NOTICE

Notice is hereby given that the **30th Annual General Meeting('AGM')** of the Members of **SMC Credits Limited** will be held on **Friday, the 30th September, 2022 at 3:00 P.M.** at the registered office i.e. **24, Asjhoka Chamber, 5-B, Rajindra Park, Pusa Road, New Delhi - 110060** of the Company to transact the following business: -

ORDINARY BUSINESS

1. To receive, consider and adopt the financial statements of the company for the financial year ended 31st March, 2022, together with the report of the Board of Directors and Auditors' thereon.
2. To appoint the Director in place of Mr. Prasahesh Arya (DIN: 00006507) who retire by rotation and being eligible, offer himself for re-appointment.

SPECIAL BUSINESS

3. To appoint Mr. Rajesh Ramnani (DIN: 00533679) as an Independent Director for a period of 5 years with effect from July 18, 2022.

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

RESOLVED THAT in accordance with the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Rajesh Ramnani (DIN: 00533679) who was appointed as an Additional Director, designated as an Independent Director, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of five(5) years starting from July 18, 2022 up to July 17, 2027 and whose office shall not be liable to retire by rotation.;

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

4. To approve the material related party transactions of the Company with Zeal Impex and Traders Private Limited

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

RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 (“the Act”) read with rules issued thereunder (as applicable), Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), SEBI circular SEBI/HO/CFD/CMD1/CIR/P/2022/40 dated March 30, 2022, and other applicable laws/statutory provisions, if any, including any amendment(s), modification(s), variation(s) or re-enactment(s) to any of the foregoing for the time being in force, the Company’s Policy on Related Party Transactions and subject to such other approval(s), consent(s), permission(s) and sanction(s) as may be necessary from time to time and basis the approval/recommendation of the Audit Committee and Board of Directors of the Company, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include the Audit Committee of the Company and any duly constituted/ to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution), to approve / ratify existing contract(s)/ arrangement(s)/ transaction(s) and to enter into new/ further contract(s)/arrangement(s)/ agreement(s)/ transaction(s) (including any modifications, alterations or amendments thereto), with Zeal Impex and Traders Private Limited a ‘Related Party’ within the meaning of the Act and the Listing Regulations (whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise), for availing loan, as more particularly enumerated in the explanatory statement to the Notice and on such terms and conditions as may be agreed between the Company and Zeal Impex and Traders Private Limited for a period of 3 (three) years commencing from the financial year 2022-23 to financial year 2024-25 and for an aggregate value not exceeding INR 100 crores, in a financial year during such period, however, subject to such modifications to this threshold which do not constitute material modifications as per the Company’s Policy on Related Party Transactions, as applicable at the relevant point of time, provided that such transaction(s) / contract(s) / arrangement(s) / agreement(s) is being carried out at an arm’s length pricing basis and in the ordinary course of business.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to delegate all or any of the powers conferred on it to any Committee of Board of Directors and/or Managing/Whole-time Director(s) of the Company and to do all such acts and take all such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects.”

5. Increase in Authorised Share Capital of the Company and consequential amendment in Memorandum of Association of the Company.

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

“RESOLVED THAT pursuant to the provisions of sections 13 and 61 and other applicable provisions of the Companies Act, 2013, the Rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force) and provisions of the Articles of Association, the approval of members be and is hereby accorded to increase the Authorized Share Capital of the Company from the existing Rupees 11,00,00,000 (Eleven Crores) divided into 1,10,00,000 (one crore ten lakhs) Equity shares of Rs. 10/-each to Rupees 26,00,00,000 (Twenty-Six Crores) divided into 2,60,00,000 (Two Crores Sixty Lakhs) Equity shares of Rs.10/- (Rupees Ten Only) each thereby creation of additional 1,50,00,000 (One crores fifty lakhs) Equity Shares of Rs. 10/- (Rupees Ten) each ranking pari-passu in all respect with the existing equity shares of the Company.

RESOLVED FURTHER THAT the existing Clause V of the Memorandum of Association of the Company be amended by way of substitution of the Clause V as under:

‘The authorized share capital of the Company is Rupees 26,00,00,000/- (Twenty-Six Crores) divided into 2,60,00,000 (Two Crores-Sixty Lakhs) Equity shares of Rs.10/- (Rupees Ten Only).

RESOLVED FURTHER THAT any of the Directors of the Company or the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, things as may be required in this behalf.”

For and on behalf of the Board

New Delhi
August 17, 2022

Sd/-
(Rajesh Goenka)
Chairman & CFO
DIN: 00298227

NOTES:

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “AGM”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE AGM.

1. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. Every member entitled to vote at the meeting or on any resolution to be moved thereat shall be entitled during the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the Company, provided that not less than three days’ notice in writing of the intention so to inspect is given to the Company.
3. The explanatory statement pursuant to Section 102 of Companies Act, 2013 (‘Act’), in regard to the business as set out from item nos. 3 to 5 and the relevant details pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) is annexed hereto.
4. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 24. The Company will also send communication relating to remote e-voting which inter alia would contain details of User ID and password.
5. In pursuance of section 112 and section 113 of the Act, representatives of the members may be appointed for the purpose of voting through remote e-voting or for participation and voting in the AGM. In this regard a duly certified copy of the Board Resolution/ Power of Attorney authorizing their representative is required to be provided to the company.
6. Members / Proxies should fill the attendance slip for attending the AGM. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting.

7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days between 9:30 a.m. to 11:30 a.m., except Saturdays, up to the date of the annual general meeting.
9. The Company has notified closure of Register of Members and Share Transfer Books from **Saturday, the 24th September, 2022 to Friday, the 30th September, 2022**, both days inclusive.

DATA UPDATION FOR SMOOTH PROCESSING

Updation of PAN, email address and other details

10. Members holding shares in dematerialized mode, are requested to update their records such as tax residential status, permanent account number (PAN), registered email addresses, mobile numbers and other details with their relevant Depositories through their Depository Participants. Members holding shares in physical mode are requested to furnish details to the Company's Registrar and Share Transfer Agent i.e Beetal Financial & Computer Services Pvt. Ltd.
11. In Compliances of provision of Companies Act, 2013 and SEBI (Listing Obligations & Disclosures Requirements.) Regulations, 2015, Company has sent the Notice of 30th Annual General Meeting and Annual Reports for the year 2021-22 in Electronics Mode to the Members who have registered their E-mail IDs whose email address was registered with the Company/Depositories However an option is also available with members to continuously receive the Physical Copy of the same by making specific request for it.
12. Members may please note that this Notice and Annual Report for the year 2021-22 has been uploaded on the Company's website: www.smccredits.com, website of the Stock Exchange i.e. BSE Ltd at www.bseindia.com and on the website of Registrar and Share Transfer Agent ('RTA') of the Company i.e. Beetal Financial & Computer Services Pvt. Ltd at <https://www.beetalfinancial.com>.
13. Members who have not registered their e-mail address with the Company can now register the same by sending an email to Company Secretary and Compliance Officer of the Company at smccorp011@gmail.com and/or by sending a request to RTA through email beetalrta@gmail.com
14. Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in the electronic form are, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts if not yet updated. Members holding shares in physical form can submit their PAN details to R&TA/Company.

15. Members are requested to note that SEBI vide circular dated November 3, 2021 has mandated that Members holding shares in physical mode are required to update the following with the Company/R&TA:

- PAN;
- KYC details containing address, mobile number, e-mail address, bank account details;
- Nomination details.

Members holding shares in physical mode, who have not registered their above particulars are requested to register the same with the Company/R&TA at the earliest.

16. Members are requested to note that SEBI vide circular dated January 25, 2022 has mandated that listed companies shall henceforth issue the securities in dematerialized form only while processing service requests for issue of duplicate securities certificate, claim from Unclaimed Suspense Account, renewal / exchange of securities certificate, endorsement, sub-division/ splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition purposes.

Members holding shares in physical mode are requested to get their holdings converted into dematerialised mode.

17. Members are requested to send their queries, if any, on the accounts and operations of the Company to the Company at its email id smccorp011@gmail.com in at least a week in advance, so that relevant information may be made available, if the Company permits such information to be furnished.

18. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat account(s). Members holding shares in physical form are requested to advise any change in their address or bank mandate immediately to the Company/ to the RTA i.e. M/S Beetal Financial & Computer Service Private Limited.

19. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in electronic/demat form may file nomination in the prescribed Form SH-13 (in duplicate) with the respective Depository Participant and in respect of shares held in physical form, the nomination form may be filed with the RTA i.e. Beetal Financial & Computer Service Private Limited.

20. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the RTA i.e. Beetal Financial & Computer Service Private Limited, for consolidation into a single folio.

21. Members are requested to furnish or update their e-mail IDs with the Registrar for sending the soft copy of the Notice, Annual Report, remote e-voting ID & Password and all other communications

from the Company electronically vide Circular No. 17/2011 dated April 21, 2011 and Circular No. 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs.

22. Members are requested to send their queries, if any, on the accounts and operations of the Company to the Company at its email id smccorp011@gmail.com at least a week in advance, so that relevant information may be made available, if the Company permits such information to be furnished.
23. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

24. Information and other instructions relating to e-voting are as under:

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide remote e-voting facility to the members of the Company to exercise their right to vote in respect of the resolutions to be passed at the 30th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period will commence **9:00 a.m. (IST) on Tuesday, the 27th September, 2022 upto 05:00 p.m. (IST) on Thursday, the 29th September, 2022**. During this period members’ of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date of 23rd September, 2022**, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

INSTRUCTIONS FOR E-VOTING:

STEP 1: ACCESS TO NSDL E-VOTING SYSTEM

- A. Login method for e-Voting for shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat

account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility. Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li data-bbox="505 396 1458 852">1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. <li data-bbox="505 905 1458 1052">2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp <li data-bbox="505 1104 1458 1598">3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. <li data-bbox="505 1650 1458 1719">4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility for seamless voting experience.
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li data-bbox="505 1738 1458 1881">1. Existing users who have opted for Easi/Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are

<https://web.cdslindia.com/myeasi/home/login> or www.cdslindia.com and click on New System Myeasi.

2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.
3. If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>
4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.

Individual Shareholders (holding securities in demat mode) login through their depository participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Type of Login Method

Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

B. Login Method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who holder of shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

1. Your password details are given below:
 - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
 - c. How to retrieve your 'initial password'?
 - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your 'User ID' and your 'initial password'.
 - ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
2. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a. Click on "[Forgot User Details/Password?](#)"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b. "[Physical User Reset Password?](#)" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
3. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
4. Now, you will have to click on "Login" button.

5. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system.

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of the Company.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders:

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer (Mr. Neeraj Arora, PCS, Membership No. FCS 10781 & CP No. 16186) by e-mail to csneerajarora@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990 or send a request to (Ms. Pallavi Mhatre, Manager, Phone No. 022-24994545) also can write at evoting@nsdl.co.in/pallavid@nsdl.co.in.
4. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the company as on the cut-off date of **23rd September, 2022**.
5. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e **23rd September, 2022** may obtain the login ID and password by sending a request at evoting@nsdl.co.in or the Company/RTA. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the toll free no.:1800-222-990.
6. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
7. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
8. The Board of Directors have appointed Mr. Neeraj Arora, Practising Company Secretary (M. No. F10781 & C.P. No. 16186) as the Scrutinizer to scrutinize the remote e-voting process and voting at the e-AGM in a fair and transparent manner.
9. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be done, allow voting with the assistance of scrutinizer by using "Ballot Paper" for those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
10. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer 's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
11. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.smccredits.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Ltd., Mumbai.

Process for those shareholders whose email ids are not registered with the depositories for

procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to .i.e. smccorp011@gmail.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to smccorp011@gmail.com.
25. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at smccorp011@gmail.com.
26. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at smccorp011@gmail.com. The same will be replied by the company suitably.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 READ WITH THE SECRETARIAL STANDARD (SS-2) ON GENERAL MEETINGS AND SEBI (LODR) REGULATIONS, 2015

Item No.: 3

On the recommendation of the Nomination & Remuneration Committee, Mr. Rajesh Ramnani (DIN: 00533679) was appointed as an Additional Director by the Board with effect from July 18, 2022, pursuant to Section 161 of the Companies Act, 2013, read with Articles of Association of the Company. Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Rajesh Ramnani (DIN: 00533679) will hold office upto the date of the ensuing Annual General Meeting. The Company has received a Notice in writing under the provisions of Section 160 of the Act, from a Member proposing the candidature of Mr. Rajesh Ramnani (DIN: 00533679) for the Office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

Section 149(10) of the Act provides that an Independent Director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report. Section 149(11) further provides that an Independent Director may hold office for up to two consecutive terms. Further Regulation 25 (2A) prescribes that The appointment, re-appointment or removal of an independent director of a listed entity, shall be subject to the approval of shareholders by way of a special resolution

A Brief resume of Mr. Rajesh Ramnani, nature of her expertise in specific functional areas and names of companies in which he holds directorships and memberships / chairmanships of Board Committees, are provided in the Note No.: 27 giving details pursuant to Regulation 36(3) of the Listing Regulations and Clause 1.2.5 of the Secretarial Standard-2 in respect of Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting, annexed to this Notice.

Mr. Ramnani, aged 53 years, has 32 years of experience in Company Secretarial Functions. Have previously worked in reputed Corporations of the country at Senior Management Level. Proficient in performing, managing and supervising overall secretarial functions. A Fellow Member of the Institute of Company Secretaries of India, MBA (Finance), a law graduate, an Insolvency Professional and Life time Independent Director. Have drafted various Applications filed with Honorable NCLT/NCLAT and is adept in preparing legal documents. Had drafted the application in the famous case of Oriental Bank of Commerce Vs. Sikka Papers Limited pursuant to which, the Ministry of Corporate affairs issued two circulars through which the Insolvency Professionals were entitled to digitally sign the MCA e-forms. Have appeared before Honorable NCLT for several matters.

Has a rich knowledge and expertise in the matters relating to Insolvency & Bankruptcy Code, 2016.

The area of expertise are Corporate & Legal Affairs, Meetings & Reviews, Project Management,

Finance and Banking operations, Corporate Restructuring, Administration Strategic Planning, Insolvency & Bankruptcy Code.

Considering the rich experience that Mr. Ramnani brings to bear, your Board considers that her appointment as a Director of the Company will be in its best interest.

Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribes that an independent director of a company shall meet the criteria of independence as provided in Section 149(6) of the Act. The Company has received a declaration from Mr. Rajesh Ramnani that hhe meets the criteria of independence as prescribed both under subsection (6) of Section 149 of the Act and under the Listing Regulations. He is also independent of the management

Mr. Rajesh Ramnani, is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as Director. He also confirmed that he is not disqualified/ debarred from being appointed to the office of Director by virtue of any order of SEBI or any such other authority.

None of the Directors or Key Managerial Personnel of the Company or their relatives, other than Mr. Rajesh Ramnani (to the extent of their shareholding interest if any, in the Company), are in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice. Your Directors recommend the resolution as at Item No. 3 for your approval.

Item No.: 4

The Securities and Exchange Board of India ('SEBI'), vide its notification dated November 09, 2021, has notified SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021 ('Amendments') introducing amendments to the provisions pertaining to the Related Party Transactions under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). Accordingly SEBI has mandated prior approval of members for material Related Party Transactions with the threshold of lower of INR 1000 crores (Rupees One thousand crores) or 10% (ten per cent) of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity. Pursuant to said provisions, approval of members is required for the transactions entered or to be entered with M/s Zeal Impex and Traders Private Limited which is a related party of the Company.

Further, SEBI introduced the circular numbered SEBI/HO/CFD/CMD1/CIR/P/2022/40 dated March 30, 2022 clarifying that in accordance with Regulation 23(8) of the Listing Regulations, any Related Party Transaction which had been approved by the Audit Committee of the company prior to April 1, 2022 and which becomes material in terms of the new threshold under Regulation 23(1) of the Listing Regulations, introduced through the Amendments, can be brought to the members for approval in the first general meeting post April 1, 2022. The above said matter has been duly approved by Audit Committee and Board of Directors of the Company in their meeting held on

August 17, 2022.

DETAILS OF MATERIAL RELATED PARTY TRANSACTIONS

The proposed transactions, being of operational and critical nature to the business of the Company, play a significant role in the Company's growth. Therefore, in order to secure continuity of operations and ensure smooth running of the operations of the Company, the Company is proposing to seek approval of the members for the potential quantum of the existing transactions with aforesaid related parties, as per the following details:

Details of the transactions and other particulars thereof as per the applicable provisions of the Companies Act, 2013 and the Rules issued thereunder (as applicable), as amended till date, and SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021:

S. No.	PARTICULARS	DETAILS
1.	Name of the Related Party	Zeal Impex and Traders Private Limited
2.	Nature of Relationship	Common Director
3.	Name of Director(s) or Key Managerial Personnel who is related, if any	Mr. Rajesh Goenka and Prasaresh Arya is a Common Directors. Their interest is limited only to the extent of their directorship
4.	Nature, duration/tenure, material terms monetary value and particulars of the contract or arrangement	long-term transaction for the financial year 2022-23 to the financial year 2024-25 with respect to the Inter-corporate Loan taken from Zeal Impex and Traders Private Limited. The aggregate value of the Related Party Transaction will not exceed INR 100 crores (Rupees Hundred Crores only) in a financial year.
5.	Transactions related to providing loan(s) / advance(s) / guarantee(s) or security(ies), if any	Yes and termed as Inter Corporate Deposits
6.	Percentage of the Company's annual consolidated turnover, for the financial year 2021-22, that is represented by the value of the transaction	13.89% The above percentage is based on the Company's standalone turnover for the FY 2021-2022 since, the company is not required to prepare consolidated financials.
7.	Details about valuation / arm's length and ordinary course of business	The Related Party Transaction will be in line with the Company's Policy on Dealing with Related Party Transactions. These transactions are on arm's length basis and in the ordinary course of business.

8.	Rationale / benefits of the transaction and why it is in the interests of the Company	Given the nature of NBFC, the Company works closely with its related parties to achieve its business objectives and enters into various operational transactions with its related parties, from time to time, in the ordinary course of business and on arm's length basis.
9.	Any other information that is relevant or important for the members to take a decision on the proposed resolution / Any other information that may be relevant	All relevant/ important information forms a part of this Explanatory Statement setting out material facts pursuant to Section 102(1) of the Companies Act, 2013.

None of the Directors/Key Managerial Personnel (KMP) of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the resolutions Item 4 except Mr. Prasahesh Arya and Mr. Rajesh Goenka. Also, the Directors/KMPs and their relatives are not eligible to vote on these items being related party transactions.

The Board recommends the **Ordinary Resolution** for approval by the Members.

The Members may note that in terms of the provisions of the Listing Regulations, no Related Party shall vote to approve the Ordinary Resolution, whether the entity is a Related Party to the particular transaction or not.

Item No. 6

Members are hereby informed that the Board of Directors in its meeting held on June 29, 2022 has approved the Right Issue amounting to INR 15,03,33,000 and pursuant to said corporate Action, it is required to increase the Authorised Share Capital of the Company.

The present authorized share capital of the Company is 11,00,00,000 (Rupees Eleven Crore) divided into 1,10,00,000 Shares (One Crore Ten Lakhs) equity shares of Rupees 10/- each.

The Board at its meeting held on August 17, 2022 has approved, subject to the members approval, an increase in the authorized share capital from the existing Rupees 11,00,00,000 (Eleven Crores) divided into 1,10,00,000 (one crore ten lakhs) Equity shares of Rs. 10/-each to Rupees 26,00,00,000 (Twenty-Six Crores) divided into 2,60,00,000 (Two Crores Sixty Lakhs) Equity shares of Rs.10/- (Rupees Ten Only) each.

Pursuant to the provisions of sections 13 and 61 and other applicable provisions of the Companies Act, 2013 an increase in authorized share capital needs consequent amendment to the Memorandum of Association of the Company. The approval of members is therefore sought to

increase the Authorized Share Capital of the Company from the existing Rupees 11,00,00,000 (Eleven Crores) divided into 1,10,00,000 (one crore ten lakhs) Equity shares of Rs. 10/-each to Rupees 26,00,00,000 (Twenty-Six Crores) divided into 2,60,00,000 (Two Crores Sixty Lakhs) Equity shares of Rs.10/- (Rupees Ten Only) each and consequent amendment in the Memorandum of Association of the Company by substitution of Clause V.

None of the Directors, Key Managerial Personnel and/or their relatives, is/are interested or concerned, financially or otherwise in the resolution except may be deemed to be concerned or interested in the proposed resolution to the extent of their shareholding in the Company, if any.

The Board of Directors of the Company recommends the Resolution(s) as set out in the accompanied Notice for approval of the shareholders.

New Delhi
August 17, 2022

By the Order of the Board
For SMC Credits Limited

Sd/-
(**Rajesh Goenka**)
Chairman & CFO
DIN: 00298227

27. Pursuant to regulation of 36 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, a brief profile and other details of Directors for reappointment vide item no. 2 as follows:

Particulars	Mr. Prasaresh Arya	Mr. Rajesh Ramnani
DIN	DIN : 00006507	00533679
Date of Birth	May 03, 1961	August 15, 1968
Date of appointment	08/09/2021	18/07/2022
Qualifications	B.COM	FCS, MBA(Finance), L.L.B., Insolvency Professional
Experience in specific functional areas	He has experience of more than 30 years in Finance. He possesses rich experience in the field of finance, Taxation, corporate laws and commercial disciplines	Mr. Ramnani, aged 53 years, has 32 years of experience in Company Secretarial Functions. Have previously worked in reputed Corporations of the country at Senior Management Level. Proficient in performing, managing and supervising overall secretarial functions. A Fellow Member of the Institute of Company Secretaries of India, MBA (Finance), a law graduate, an Insolvency Professional and Life time Independent Director. Have drafted various Applications filed with Honorable NCLT/NCLAT and is adept in preparing legal documents. Had drafted the application in the famous case of Oriental Bank of Commerce Vs. Sikka Papers Limited pursuant to which, the Ministry of Corporate affairs issued two circulars through which the Insolvency Professionals were entitled to digitally sign the MCA e-forms. Have appeared before Honorable NCLT for several matters. Has a rich knowledge and expertise in the matters relating

		to Insolvency & Bankruptcy Code, 2016. The area of expertise are Corporate & Legal Affairs, Meetings & Reviews, Project Management, Finance and Banking operations, Corporate Restructuring, Administration Strategic Planning, Insolvency & Bankruptcy Code.
Directorship held in other listed entities	Valour Construction Ltd. (listed on Calcutta Stock Exchange)	Fourth Dimension Solution Limited
Membership / Chairmanship of Committees of listed entities (includes only Audit Committee and Stakeholders' Relationship Committee)	NA	Audit Committee: Fourth Dimension Solution Limited: Chairman Stakeholder Relationship Committee: Fourth Dimension Solution Limited: Member
Listed Entities from which Director has resigned in the past 3 years	NIL	NIL
Number of Shares held in the Company including shareholding as a beneficial owner	NIL	NIL
Relationship with any Director(s) of the Company		

By the Order of the Board
For SMC Credits Limited

New Delhi
August 17, 2022

Sd/-
(**Rajesh Goenka**)
Chairman & CFO
DIN: 00298227

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):
Registered Address:
***DP Id:**

E mail id:
Folio No/ *Client Id:

I/We, being the member(s) of holding shares of SMC Credits Limited, hereby appoint:

1. _____ of _____ having e-mail ID _____ or failing him
2. _____ of _____ having e-mail ID _____ or failing him
3. _____ of _____ having e-mail ID _____ or failing him

and whose signature(s) are appended below as my/our proxy to attend and vote (on poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the Company, to be held 30th September, 2022 at 3:00 P.M. at 24, Ashoka Chambers, 5-B, Rajindra Park, Pusa Road, New Delhi-110060 and at any adjournment thereof in respect of such resolutions as are indicated below:

S.No.	Resolutions	For	Against
1	To consider and adopt the audited financial statement of the Company for the year ended 31st March, 2022, the Statement of Profit & Loss Account for the year ended & Report of the Board of Directors and Auditors thereon.		
2	To appoint the Director in place of Mr. Prasaresh Arya (DIN: 00006507) who retire by rotation and being eligible, offer himself for re-appointment.		
3	To appoint Mr. Rajesh Ramnani (DIN: 00533679) as an Independent Director for a period of 5 years with effect from July 18, 2022.		
4	To consider and approve existing and new material related party transactions of the Company with Zeal Impex and Traders Private Limited		
5	Increase in Authorised Share Capital of the Company and consequential amendment in Memorandum of Association of the Company.		

Signed this _____ day of _____ 2022

Affix Re.1/- Revenue Stamp

Signature of Shareholder

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

Notes:

(1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

(2) A Proxy need not be a member of the Company.

(3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

** (4) This is only optional. Please put a 'v' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

(5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

(6) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

Directors' Report

To
The Members,

Your Directors take pleasure in presenting the 30th Directors' Report together with the Audited Financial Statements of the company for the financial year ended 31st March, 2022.

1. FINANCIAL RESULTS

The highlights of the financial statement of your Company for the year ended 31st March, 2022 along with the previous year's figures are given as under:

Particulars	31st March, 2022	31st March, 2021
	(Amount in Rs.)	(Amount in Rs.)
Profit before depreciation and taxation	3,36,57,356	3,02,57,130
Less: Depreciation	3,47,408	3,47,408
Provision for Tax		
a) Current Tax	74,29,273	72,00,000
b) Deferred Tax	(27,400)	(2,22,57,644)
c) prior period tax	----	----
Profit after depreciation and taxation	2,59,08,075	4,49,67,366

The profit after tax for the financial year 2021-22 was Rs. 2,59,08,075 as compared to Rs. 4,49,67,366 in the previous year, showing a decrease of 42.38%.

2. COVID-19

The operating environment this year continued to remain volatile and challenging. India witnessed a devastating second wave of Covid-19 during the June quarter with a significant humanitarian and economic impact. Economic recovery was further impacted by the third wave of the Covid-19 pandemic and the Russian Invasion of Ukraine in the latter half of the year. This has rendered companies and economies more vulnerable to interest rate disruptions and inflation has emerged across several markets in the world.

As the pandemic prolonged another year, your company decided to turn more resilient and approached with utmost optimism and continued our endeavors to fight waves of the COVID-19 pandemic, our priority remains the safety and well-being of our employees, and business continuity for our customers.

3. DIVIDEND AND RESERVES

Considering the future requirements of the Company, your Board of Directors do not recommend

any dividend and have not transferred any amount to reserve for the financial year ended 31st March, 2022.

4. TRANSFER TO IEPF

During the year under review the company did not transfer any sums to unpaid or unclaimed dividend account of the Investor Education and Protection Fund (IEPF) Further, Pursuant to the provisions of the Act, read with the IEPF Rules, the shares on which dividends have not been claimed for seven consecutive years have to be transferred in favor of IEPF authority. During the year under review, the company has not transferred equity shares in the demat account of IEPF authority.

5. DIRECTORS & KEY MANAGERIAL PERSONNEL

- a) Change in designation of Mr. Prasahesh Arya (DIN: 00006507) from Executive Director to Non-Executive Non Independent Director on the terms and conditions as approved by the shareholders in their 29th Annual General Meeting held on 30th September 2021 by passing special resolution.
- b) Ms. Jyoti Rajshree (DIN: 09311715), was appointed as an Independent Director of the Company for a term of five (5) years w.e.f. September 08, 2021 to September 07, 2026 which was duly approved by the shareholders in their 29th Annual General Meeting held on 30th September, 2021
- c) Mr. Rajesh Goenka (DIN: 00298227), was appointed as a Whole-time Director & CFO of the Company for a term of three (3) years w.e.f, September 08, 2021 to September 07, 2024 which was duly approved by the shareholders in their 29th Annual General Meeting held on 30th September, 2021
- d) In accordance with the provisions of the Companies Act, 2013 and based on the recommendations of the nomination and remuneration committee of the Board, the Board of Directors in its meeting held on 18th July, 2022 has approved the appointment of Mr. Rajesh Ramnani (DIN: 00533679) as an Additional Director (Non-Executive, Independent Director) of the Company with effect from 18th July, 2022 for a period of five consecutive years subject to the shareholders' approval at the ensuing General Meeting of the Company. Detailed terms of appointment along with explanatory statement and brief profile of director has been given in the Notice of AGM.
- e) Further it is also informed that Mr. Harsh Priya Arya, the director of the Company had tendered his resignation from the Non-Executive, Independent directorship of the Company w.e.f. the closure of business hours of 18th July, 2022. The Board of Directors of the Company noted his communication and appreciated the services rendered by him during his tenure.
- f) Mr. Prasahesh Arya (DIN: 00006507) will retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Board of Directors

recommend his re-appointment.

The Board is of the opinion that Mr. Prasaresh Arya possess the requisite knowledge, skills, expertise and experience to contribute to the growth of the Company. Brief profile of Directors proposed to be appointed/reappointed along with other details as required under Regulation 36 of Listing Regulations are provided in the Notice of 30th Annual General Meeting of the Company.

Key Managerial Personnel

Ms. Suma Ashish Parikh resigned and ceased to be the Company Secretary & Compliance Officer of the Company with effect from January 31, 2022 and in her place Ms. Kaira Dewani has been appointed as the Company Secretary and Compliance officer of the Company w.e.f. February 01, 2022.

Further, Mr. Rajesh Goenka has been appointed as a Whole-time Director & CFO of the Company with effect from September 08, 2021.

6. DIRECTORS' RESPONSIBILITY STATEMENT

Your Company's Directors make the following statement in terms of sub-section (5) of Section 134 of the Act, which is to the best of their knowledge and belief and according to the information and explanations obtained by them:

(a) In the preparation of the annual accounts for the year ended 31st March, 2022, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

(b) Such accounting policies have been selected and applied consistently and judgments and estimates are made which were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2022 and of the profit or loss of the Company for the year ended on that date;

(c) Proper and sufficient care has been taken for the 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 fraud and other irregularities;

(d) The financial statements for the financial year ended 31st March, 2022 have been prepared on a 'going concern' basis;

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

(f) The systems to ensure compliance with the provisions of all applicable laws were in place and

that such systems were adequate and operating effectively.

7. INTERNAL FINANCIAL CONTROL

Though the various risks associated with the business cannot be eliminated completely, all efforts are made to minimize the impact of such risks on the operations of the Company. Necessary internal control systems are also put in place by the Company on various activities across the board to ensure that business operations are directed towards attaining the stated organizational objectives with optimum utilization of the resources. The audit committee reviews reports submitted by the management and audit reports submitted by internal auditors and statutory auditor. Suggestions for improvement are considered and the audit committee follows up on corrective action. The audit committee also meets the statutory auditors of the Company to ascertain, inter alia, their views on the adequacy of internal control systems and keeps the board of directors informed of its major observations periodically. Based on its evaluation (as defined in section 177 of Companies Act 2013), our audit committee has concluded that, as of March 31, 2022, our internal financial controls were adequate and operating effectively.

8. BOARD MEETINGS, COMMITTEES MEETINGS AND ANNUAL GENERAL MEETING

During the financial year 2021-2022, 6 (Six) Board meetings were held on the following dates 07.06.2021, 28.06.2021, 12.08.2021, 08.09.2021, 13.11.2021 & 14.02.2022. 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 particulars of meeting of all Committees held during the financial year ended 31st March, 2022 are also disclosed in the Corporate Governance Report. In reference to relaxation given by Ministry of Corporate Affairs and SEBI, the intervening gap between two Board Meetings were as per timelines stipulated in such relaxation.

The 29th Annual General Meeting (AGM) of the Company was held on 30th September, 2021.

9. AUDITORS AND AUDITORS' REPORT

i) Statutory Auditors

M/s AVP & Co., (Firm Registration No. 025193N), Chartered Accountants, New Delhi were appointed as the Statutory Auditors of the Company at the Twenty Seventh (27th) Annual General Meeting of the Company held on 30th September, 2019, for a period of five years i.e. until the conclusion of the Thirty Second Annual General Meeting of the Company.

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.

Further, there were no frauds reported by the Statutory Auditors to the Audit Committee or the Board under Section 143(12) of the Act.

ii) Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act read with the rules made thereunder, the Company has appointed Neeraj Arora (M. No. 10781 & CP No. 16186), Company Secretaries in practice, as its Secretarial Auditors, to conduct the secretarial audit of the Company, for the financial year 2021-22. The Report of Secretarial Auditors for the FY 2021-22, is annexed as “**Annexure II**”, forming part of this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

iii) Cost Records

The Company is not required to prepare and maintain cost records pursuant to Section 148(1) of the Companies Act, 2013.

10. SUBSIDIARY, ASSOCIATES COMPANIES & JOINT VENTURES

Name of Companies which have become or ceased to be its subsidiaries, Joint Ventures or associate companies during the year: Not Applicable

11. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All Related Party Transactions entered during the year were in the ordinary course of business and on arm's length basis. Further, there were no materially significant related party transactions that may have potential conflict of interests of the Company at large.

Prior Omnibus approval is obtained from the Audit Committee in its meeting held on February 14, 2022 for the related party transactions which are foreseen and repetitive in nature. A statement of all related party transactions are placed before the Audit Committee on quarterly basis for review.

The Company has a policy on related party transactions which is available on the Company's website at www.smccredits.com In terms of Section 134(3) (h) of the Act read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Form AOC -2 is annexed in Annexure-I.

12. DISCLOSURES

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

The Company, being an NBFC registered with the RBI and engaged in the business of giving loans in ordinary course of its business, is exempt from complying with the provisions of section 186 of the Act with respect to loans and guarantees. Accordingly, the disclosures of the loans given as required under the aforesaid section have not been made in this Report.

Details of investments, if any, covered under the provisions of Section 186 of the Act are given in the notes forming part of the financial statements.

b. RIGHT ISSUE

Members are hereby informed that the Board of Directors in its meeting held on August 08, 2022, has discussed and decided to issue 1,50,33,300 equity shares of face value of ₹ 10 each of our Company for cash at a price of ₹ 10 per equity share aggregating to ₹ 1,503 lakhs on a rights basis to the eligible equity shareholders of our company in the ratio of 3 (three) equity shares for every 2 (two) fully paid-up equity shares held by the eligible equity on record date to be decided for this purpose, for an aggregate amount not exceeding Rs. 15,03,33,000 (Rupees Fifteen Crores Three Lakhs and Thirty Three Thousand only), subject to applicable regulatory and statutory provisions.

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

Information under Section 134(3)(m) of the Companies Act, 2013, read with rule 8(3) of the Companies (Accounts) Rules, 2014 is given below:

A. Conservation of Energy

Steps taken for Conservation of Energy	The operations of the Company are not energy-intensive. However, wherever possible, the Company endeavour to look for ways and means to achieve energy conservation in every possible way
Steps taken for utilizing alternate sources of energy	
Capital investment on energy conservation equipment	

B. Technology Absorption

Efforts in brief made towards technology absorption	The Company always follows a practice of upgrading equipment on an ongoing basis.
Benefits derived	NIL
Expenditure incurred on Research and Development	
Details of technology imported, if any	
Year of import	
Whether imported technology fully absorbed	
Areas where absorption of imported technology has not taken place, if any	

C. Foreign Exchange Earnings and Outgo – NIL

d. PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are form part of the Annual Report.

Having regard to the provisions of the first proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection on all working days, during business hours, at the Registered Office of the Company. Any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

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

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. All women associates (permanent, temporary, contractual and trainees) as well as any women visiting the Company's office premises or women service providers are covered under this Policy. All employees are treated with dignity with a view to maintain a work environment free of sexual harassment whether physical, verbal or psychological.

The Company has also complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

f. COMMITTEES OF THE BOARD

The details of Board and its Committees, including number of Meetings are given in the Corporate Governance Report..

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

During the year under review, there has been no change in the nature of the business of the Company and no material changes have occurred and commitments made, affecting the financial position of the Company during the year and between the end of the year till the date of this report.

13. CORPORATE GOVERNANCE

As per 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 Practicing Company Secretary confirming compliance of the conditions of corporate governance is attached to the said report. As per the new clause inserted in SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the certificate from Company Secretary in practice also forms part of

Corporate Governance Report regarding none of the directors on the board of the company have 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. The same is annexed to this report as **Annexure IV**.

14. 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 as **Annexure III**.

15. PERFORMANCE EVALUATION

Pursuant to the applicable provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Guidance Note on Board Evaluation issued by the SEBI dated January 05, 2017, performance evaluation of the board, its committees and individual

directors has been duly done. The performance of the individual directors was evaluated on parameters, such as meeting attendance, participation and contribution, responsibility towards stakeholders and independent judgment.

The statement including the manner in which the evaluation exercise was conducted, the observations of the Board and the proposed action to be taken based on the observation of the Board is included in the Corporate Governance report forming part of this annual report.

Further, the Committees were evaluated in terms of receipt of appropriate material for agenda topics in advance with right information and insights to enable them to perform their duties effectively, review of committee charter, updation to the Board on key developments, major recommendations & action plans, stakeholder engagement, devoting sufficient time & attention on its key focus areas with open, impartial & meaningful participation and adequate deliberations before approving important transactions & decisions.

The performance evaluation of the respective Committees and that of Independent and Non-Independent Directors was done by the Board excluding the Director being evaluated.

16. NOMINATION & REMUNERATION POLICY

Pursuant to provisions of the Act and SEBI Regulations, the Nomination and Remuneration Committee of your Board has already formulated a remuneration and Board Diversity Policy for the appointment and determination of remuneration of the Directors, Key Managerial Personnel ('KMP'), senior management and other employees of your Company and to ensure diversity at the Board level. The NRC has also developed the criteria for determining the qualifications, positive attributes and independence of Directors and for making payments to Executive and Non-Executive Directors of the Company.

The NRC takes into consideration the best remuneration practices in the industry while fixing appropriate remuneration packages and for administering the incentive plans.

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

The policy for selection of Directors and determining Directors independence may be accessed from Company's website at the link [www.smccredits.com](http://www.smccredits.com/details.aspx?cat=Policies) (<http://www.smccredits.com/details.aspx?cat=Policies>) and may be accessed from Company's website.

17. CORPORATE SOCIAL RESPONSIBILITY

Since the Company is not falling under any of the criteria provided under Section 135 of the Companies Act, 2013 and rules made thereunder. Hence, the provisions of Corporate Social Responsibility are not applicable to the Company.

18. CHANGES IN SHARE CAPITAL

Members are hereby informed that the Board of Directors in its meeting held on June 29, 2022 has approved the Right Issue amounting to INR 15,03,33,000 and pursuant to said corporate Action, it is required to increase the Authorised Share Capital of the Company.

The Board at its meeting held on August 17, 2022 has approved, subject to the members approval in the ensuing Annual general Meeting, an increase in the authorized share capital from the existing Rupees 11,00,00,000 (Eleven Crores) divided into 1,10,00,000 (one crore ten lakhs) Equity shares of Rs. 10/-each to Rupees 26,00,00,000 (Twenty-Six Crores) divided into 2,60,00,000 (Two Crores Sixty Lakhs) Equity shares of Rs.10/- (Rupees Ten Only) each and consequent amendment in the Memorandum of Association of the Company by substitution of Clause V .

19. PREVENTION OF INSIDER TRADING

The Company has formulated the Code of Practice for Fair Disclosure of Un-Published Price Sensitive Information and the Code of Conduct for regulating, monitoring and to protect the interest of shareholders at large, prevent misuse of any unpublished price sensitive information and prevent any insider trading activity by dealing in shares of the Company by its Designated Persons and their immediate relatives in terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time ("Regulation"). The said Code is uploaded on the website of the Company. The objective of the Code is to protect the interest of shareholders at large, to prevent misuse of any unpublished price sensitive information and to prevent any insider trading activity by dealing in shares of the Company by its Directors, Designated Persons, other employees and their immediate relatives.

20. CODE OF CONDUCT

In compliance with Regulation 26(3) of Listing Regulations and the Companies Act, 2013, the Company has framed and adopted Code of Conduct ('the Code'). The code is applicable inter-alia to all Directors, Independent Directors and Senior Management of the Company. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The code is available on the Company's website All the Board Members and the Senior Management personnel have confirmed compliance with the Code as on 31st March, 2022. A declaration to this effect, signed by the Chairman in terms of Listing Regulations form part of the Corporate Governance

Report.

21. ANNUAL RETURN

In accordance with Section 92(3) of the Act, the annual return in Form No. MGT-7, is available on the Company's website at www.smccredits.com.

22. SUSPENSION OF TRADING

In accordance with the schedule V of the Listing Regulations the trading in Equity Shares of the Company has been suspended due to non-payment of listing fees and now the suspension has been revoked w.e.f. 02 September, 2020.

23. COMPLIANCE WITH SECRETARIAL STANDARDS:

Your Company is in Compliance with the Secretarial Standards on Meeting of the Board of Directors (SS-1) and Secretarial Standards on General Meeting (SS-2) for the financial year ended March 31, 2022.

24. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company promotes ethical behavior in all its business activities and has put in place a vigil mechanism for Directors, Employee and other person dealing with the Company for reporting illegal or unethical behavior, actual or suspected fraud or violation of the company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of Directors, employees or other persons who avail of the mechanism. In exceptional cases, Directors and employees have direct access to the Chairman of the Audit Committee.

The Company has formulated Vigil Mechanism/ Whistle Blower Policy to deal with instances of fraud and mismanagement, if any and the Company is adhering to the same.

The Whistle Blower Policy is available on the Company's website, which may be accessed at the link: www.smccredits.com

25. DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY

Pursuant to section 134(3)(n) of the Companies Act, 2013 the Company has framed Risk Management Policy which lays down the framework to define, assess, monitor and mitigate the business, operational, financial and other risks associated with the business of the Company.

During the year under review, the Company has not identified any element of risk which may threaten the existence of the Company.

26. LISTING FEES

The Company's shares are listed on BSE Limited.

The Company affirms that the annual listing fees for the year 2022-23 to BSE Limited (Bombay Stock Exchange) has been paid.

27. GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these items during the year under review:

- Your Company had not accepted Deposits from the public any time and hence no opening balances of Deposits. Further, your Company has also not accepted any Deposits during the financial year 2021-22 and as such no principal or interest were outstanding as on March 31, 2022 as per the provisions of the Companies Act, 2013 (hereinafter referred to as "Act") and the Rules framed thereunder.
- The Company had not issued equity shares with differential rights as to dividend, voting or otherwise.
- The Company had not issued shares (including sweat equity shares) to employees of the Company under any scheme or Employees' Stock Options Plan.
- The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- There were no outstanding material litigations as on March 31, 2022. Details of Statutory dues/tax matters are disclosed in the financial statements.
- As on the date of the Report any application is not pending under the Insolvency and Bankruptcy Code, 2016 and the Company did not file any application under (IBC) during the Financial Year 2021-22.
- During the year under review, the Company has not entered in any one time settlement with any of the Banks/Financial Institutions and therefore, the relevant disclosures are not applicable to the Company.
- The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Cost Audit under Companies (Cost Records and Audit) Rules, 2014 is not applicable on the Company.
- The Company follows the financial year commence from 01 April and ends on 31 March of subsequent year.

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 shareholders for their valuable and un-stinted support extended to the company throughout the year.

For and on behalf of the Board

New Delhi
August 17, 2022

Sd/-
(Rajesh Goenka)
Chairman & CFO
DIN: 00298227

Form No. AOC-2

Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.: NIL

2. Details of Material contracts or arrangements or transactions at Arm's length basis.

Sl. No.	Name (s) of the related party	Nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date of approval by the Board / Audit Committee	Amount paid as advances, if any
1	Zeal Impex and Traders Private Limited	Private Company having Common Directors	ICD Taken	3 years	In ordinary Course of Business and at arms' length basis – at Market Rate Total Transaction Value – Rs. 12 crore	February 14, 2022	NIL

For and on behalf of the Board

New Delhi
August 17, 2022

(Rajesh Goenka)
Chairman & CFO
DIN: 00298227

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2022

[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 Members,
SMC CREDITS LIMITED
(CIN: L65910DL1992PLC049566)
24, Ashoka Chambers, 5-B, Rajindra Park,
Pusa Road, New Delhi-110060.

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.

We report that-

- a) Maintenance of secretarial records are the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of the financial statements of the Company.
- d) Wherever required, we have obtained the management representation about the compliances of laws, rules and regulations and happening of events etc.
- e) The compliance of the provisions of the corporate and other applicable laws, rules, regulations, standards etc. are the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- f) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information(s) 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, 2022 ("Audit Period") 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, 2022 according to the provisions of:

- (i)** The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii)** The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii)** The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv)** Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, which has been generally complied with.
- (v)** The following Regulations 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 (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d)** *The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (e)** *The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f)** The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
 - (g)** *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

- (h)** *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- (i)** The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.

* No event took place under these regulations during the audit period.

We have also examined compliance with the applicable clauses of the Secretarial Standard on Meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India which has been generally complied with.

During the Audit Period, the Company has generally complied with the provisions of the Act, Rules, Regulations and Guidelines to the extent applicable, as mentioned above.

- (vi)** The Company is engaged in the business of carrying NBFC activities. As informed by the Management, the Reserve Bank of India Act, 1934 and rules/regulations made thereunder as applicable to the NBFC are applicable to the Company. We have also examined on test check basis the relevant documents and records maintained by the Company and the Returns filed by the Company with the Reserve Bank of India ('RBI'). The Company is generally regular in filing the Returns etc. with the RBI.

We have checked the compliance management system of the Company to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. We believe that the Audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion. In our opinion and to the best of our information and according to explanations given to us, we believe that the compliance management system of the Company seems adequate to ensure compliance of laws specifically applicable to it, which could be further strengthened.

We further report that the Board of Directors of the Company was duly constituted as on March 31, 2022 with proper balance of Executive Directors, Non-Executive Directors and Independent Director. The changes in the composition of the Board of Directors and KMP's that took place during the audit period were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent to all the directors and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

Board decisions are carried out with majority consent and therefore, no dissenting views were captured and recorded as part of the minutes.

For **Neeraj Arora & Associates**
Company Secretaries
Firm Registration No. S2019DE706400
Firm Peer Review No. - 1189/2021

Nsew Delhi
August 17, 2022

Neeraj Arora
Proprietor
CP No.: 16186
UDIN: F010781D000805828

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Economic Review Global Economy

The Financial Year 2021-22 was fairly a year of recovery from the adverse impacts of COVID-19 pandemic. The Indian economy successfully faced the challenges posed by the second and third waves of the pandemic, thanks to successful implementation of vaccination program, untiring services of the front line warriors, fiscal and monetary policies, stimulus measures of Reserve Bank of India, central and state governments which gave a much-needed cushion for the stability of the economy.

According to the second advance estimates of India's Gross Domestic Product (GDP) published by the National Statistical Office for the financial year 2021-22, GDP growth in the first and second quarter was 20.1% and 8.4% respectively. In the third quarter, the GDP growth slowed down to 5.4%. In the fourth quarter, India witnessed third wave of infection but remained largely unaffected owing to vaccination of large proportion of population. India's GDP growth in Financial Year 2021-22 is estimated at 8.7%, compared to a contraction of 6.6% in Financial Year 2020-21. The Index of Industrial Production grew 11.3% against an 8.4% contraction in Financial Year 2020-21. The consumer and business confidence was resilient with improvement in general economic situation, household incomes, and spending. The economic recovery continued its positive momentum throughout the festive season.

The Economic Survey 2021-22 stated that the total consumption is estimated to have increased by 7.0% in Financial Year 2021-22 with Government consumption contributing the larger pie. Private consumption, on the other hand, is also expected to have improved significantly to its pre-pandemic output levels. The macro-economic indicators suggest that the Indian economy is well on its way to achieve its pre-pandemic growth levels in the current Financial Year 2023.

By mid FY22, inflation started to rise across most countries. Major global central banks initially deemed rising inflation as transitory, largely attributing it to temporary supply chain disruptions. Global markets remained awash with liquidity, inflating most asset classes. For most of FY22, major central banks continued with their accommodative monetary policy stance in order to support growth. In addition, governments and financial regulators provided a slew of measures to alleviate the impact of the pandemic and cushion the shock to various sectors of the economy.

As a part of rehabilitation measure to reduce the stress caused by COVID-19 pandemic, the government has extended the Emergency Credit Line Guarantee Scheme till March 31, 2023 to provide credit support to small and micro organizations with expansion of guarantee cover by Rs. 50,000 crores to total cover of Rs. 5 lakh crores. It also provisioned additional credit of Rs. 2 lakh crores for Micro and Small Enterprises to be facilitated under the Credit Guarantee Trust for Micro

and Small Enterprises. It further accelerated the MSME performance with an outlay of Rs.6000 crores over five years.

The headline CPI inflation edged up to 6.0 per cent in January 2022 and 6.1 per cent in February, 2022 breaching the upper tolerance threshold. Pick-up in food inflation contributed the most in headline inflation. The geopolitical crisis of Russia-Ukraine war, which started in the last week of February 2022, is casting uncertainty over the global economy, with increased volatility in crude prices and inflationary trends across commodities. The consequential financial sanctions and political pressure from the war are causing unpredictable and undesired implications on the global financial system and our economy due to rising crude oil and other commodity prices leading to higher inflation.

Impact of Covid-19

The IMF now expects the inflation rate to remain elevated for a longer period of time than previously anticipated. Inflation has been anticipated to be 6.1% for developed nations and 6.8% for emerging and developing economies in 2022. This has resulted in a downward revision of the April WEO (World Economic Outlook) prediction to a growth rate of 3.6% in 2022 and 2023, with both Russia and Ukraine anticipated undergoing significant GDP declines in 2022. The IMF has revised downward the medium-term outlooks for all groups, with the exception of commodity exporters, who have benefited from the rise in oil and food prices. It would take longer for the aggregate output of advanced economies to return to pre-pandemic levels.

Moreover, the disparity between advanced countries and Emerging Markets and Developing Economies (EMDEs) that arose in 2021 has been predicted to persist, revealing some long-term scarring from the pandemic. As a result of the crisis, EMDEs may be able to acquire vacated Russian and Ukrainian markets. In consequence, their GDP growth rate has been anticipated to increase and stabilise at 4.4% in 2023, following a decline to 3.8% in 2022. In the near future, many governments would need to diversify their energy sources and increase efficiency wherever possible in order to mitigate the impact of growing energy prices. The countries most hurt by an interruption in supply from Russia and Ukraine would profit from an increase in OECD output, the absence of protectionism, and multilateral logistics help.

FINANCIAL SERVICES - NBFC SECTOR

Over the past few years, Non-Banking Financial Companies (NBFCs) have played a prominent role in the Indian financial system. They provide financial inclusion to the underserved section of the society that does not have easy access to credit. NBFCs have revolutionized the Indian lending system and have efficiently leveraged digitization to drive efficiency and provide customers with a quick and convenient financing experience. The plethora of services include vehicle financing, MSME financing, home financing, microfinance and other retail segments. The Government has consistently worked on the governance measures to strengthen the systemic importance of the NBFCs. As of January 31, 2022 there were approximately 9,495 NBFCs registered with Reserve Bank of India (RBI), of which 49 deposit accepting NBFCs.

The pandemic impacted the NBFCs operations, leading to decline in disbursements across the sectors. However, the support and focus of the Government through various liquidity measures such as repo rate cut, targeted long-term repo operations, special liquidity scheme and partial credit guarantee scheme, kept the sector afloat. The total credit outstanding from the NBFCs for Financial Year 2020-21 stood at Rs.23.75 trillion and is expected to grow more in the Financial Year 2021-22. This growth was mainly led by growth in the housing, auto, gold and other retail segments which stood resilient even in the previous fiscal year. While the disbursement and AUM trends improved in the second and third quarters of Financial Year 2021-22 due to the limited impact of the third wave of the pandemic. The disbursement growth would have to remain healthier for a sustained AUM growth. Besides, bank credit growth to the NBFC sector improved significantly to 14.6% in February 2022 from 7% a year ago.

Impact of Covid-19 on Housing Finance and Non-Bank Finance Companies

Housing Finance companies [HFCs] and Non-Bank Finance Companies [NBFCs] have been impacted by COVID-19 by way of operational disruptions, subdued collections, and requirement of creating additional provisions to meet the post-COVID uncertainties. The financial year saw equity fund raise by all major players in the financial sector, including private sector banks, to keep up the capital adequacy cushion in the post COVID scenario. However, since opening up of the economy from August 2020 onwards, all major players have seen their collection efficiencies gradually returning to pre-COVID levels. Adapting to the restrictions of the imposed lockdowns, Banks, NBFCs and HFCs are ramping up their digital initiatives in order to keep up the loan book growth and to attend to the customer requirements.

INDIAN ECONOMIC OVERVIEW

The Indian economy consolidated its recovery, with the majority of its components surpassing pre-pandemic activity levels. Imminent obstacles include heightened global risks resulting from slowing growth, increased inflation, supply disruptions due to geopolitical spill overs, and financial market volatility resulting from synchronised monetary tightening. The Provisional Estimates of Annual National Income report predicted India's real GDP growth for FY 2022 at 8.7%. On the supply side, real gross value added (GVA) rose by 8.3% in FY 2022, with its key components, notably services, exceeding pre-pandemic levels.

With the fast ebbing of the third wave of the Covid-19 pandemic in Q4FY 2022, high frequency indicators showed mixed signs of recovery. Urban demand reflected in domestic air traffic rebounded, while passenger vehicle sales, rural demand for two-wheelers & tractors slowed by the end of the year FY 2022. Merchandise exports grew double-digits for the thirteenth consecutive month in March 2022 and reached US\$ 417.8 billion in FY 2022, surpassing the target of US\$ 400 billion. All import categories have risen faster, resulting in a goods trade deficit of US\$ 192 billion in FY 2022, or 6.1% of GDP.

It is anticipated that the nation has produced a record 314.51 million tonnes of food grains in FY 2022, which is 3.77 million tonnes more than the amount produced in FY 2021. The production of

food grains in FY 2022 has been 23.80 million tonnes greater than the average of the preceding five years. This record output of so many crops is the consequence of the farmer-friendly policies of the government as well as the tireless hard work of the farmers and the dedication of the scientists.

In CY 2021, the Indian equity market outperformed not only its Asian peers but also the developed market. In the fourth quarter of FY 2022, however, Indian stocks have remained under pressure, echoing unfavourable global trends. In terms of increased volatility, Indian equities followed global markets, but significantly outpaced their developing and developed market peers. The Nifty 50 Index and the NIFTY 500 Index both increased by 18.9% and 21% in FY 2022. In FY 2022, the Nifty Midcap 50 and Nifty Small cap 50 Indexes increased by 20.9% and 18.4%, respectively. Inflation climbed up to 7% in March, hitting the maximum tolerance threshold. The majority of the inflation was caused by a significant increase in food and energy prices. The RBI increased the policy repo rate by 50 basis points to 4.90% to combat inflation. The Reserve Bank of India anticipated that the Consumer Price Index (CPI) inflation rate will be 5.7% in FY 2022 and 5.5% in FY 2023 (new base 2012=100).

The average daily absorption (via fixed and variable rate reverse repos) under the LAF (liquidity adjustment facility) was Rupees 7.5 lakh crore in March, down from Rupees 7.8 lakh crore in January-February 2022. Reserve money grew by 10.9% (y-o-y) on April 1, 2022 (adjusted for the cash reserve ratio adjustment). As of March 25, 2022, M3 and bank credit by commercial banks climbed 8.7% and 9.6%, respectively. In FY 2022, India's foreign exchange reserves rose by US\$ 30.3.

OUTLOOK

Elevated worldwide price pressures on important food commodities, such as edible oils, and in animal and poultry feed as a result of global supply constraints create a significant degree of uncertainty over the future of food prices, necessitating continual monitoring. International hurdles have slowed India's economic progress, yet the country has remained resilient in the face of such obstacles. The Reserve Bank of India projected that the headline Consumer Price Index (CPI) inflation rate has been expected to be 6.7% in FY 2023. The majority of the inflation was attributable to a substantial increase in food and energy prices. To combat inflation, the RBI lifted the policy repo rate under the liquidity adjustment facility (LAF) by 50 basis points to 4.90% with immediate effect. The future course of the pandemic and the uncertainties about the pace of monetary policy normalisation in major advanced economies also weigh on the outlook. Taking all these factors into consideration, RBI has been projecting the real GDP growth for FY 2023 at 7.2%, with Q1 at 16.2%; Q2 at 6.2%; Q3 at 4.1%; and Q4 at 4.0%, with risks broadly balanced.

With the broad-based surge in prices of key industrial inputs and global supply chain disruptions, input cost push pressures appear likely to persist for longer than expected earlier. Manufacturing sector firms polled in the Reserve Bank's industrial outlook survey expect higher input and output price pressures going forward. With the waning effect of the third wave and expanding vaccination coverage, the pick-up in contact-intensive services and urban demand has been expected to be sustained.

The government's emphasis on capital expenditure coupled with initiatives such as the production linked incentive (PLI) scheme would stimulate private investment activity in the context of improving capacity utilisation, deleveraged corporate balance sheets, increased bank credit consumption, and favourable financial conditions. Moreover, the escalation of the geopolitical situation and the accompanying increase in international crude oil and other commodity prices, the tightening of global financial conditions, the continuation of supply-side disruptions and significantly weaker external demand pose downside risks to the outlook.

Industry Structure and Developments

NBFC INDUSTRY

The Non-Banking Financial Companies (NBFCs) constitute a significant host of institutions that offer almost all banking services except for issuing self-drawn checks and demand drafts. As financial intermediaries, they are able to solicit funds from the public, whether directly or indirectly, and execute loans to parties having repayment capacity. This segment to which NBFCs provide services includes wholesale/retail merchants, small and medium-sized businesses, and sole proprietors. NBFCs are considered as an extension of banks, frequently offering financial help with a customer-centric focus. The pandemic has tested the resilience of NBFCs, but so far, the sector has emerged stronger with reasonable balance sheet growth, increased credit intermediation, higher capital, lower delinquency ratio and enlarged liquidity cushions. After the pandemic, initiatives such as a moratorium and asset categorization pause improved financial conditions and provided NBFCs time to weather the shock and channel loans to productive sectors to recover growth. Many NBFCs use strong credit risk assessment frameworks to assure credit quality. The Reserve Bank of India (RBI) has introduced scale-based regulation to enhance the regulatory oversight over the sector effective October 2022. To further strengthen the supervisory tools applicable to NBFCs, the Reserve Bank issued Prompt Corrective Action Framework for NBFCs effective October 2022. The PCA Framework's purpose is to allow Supervisory intervention at the appropriate time and to require the Supervised Entity to initiate and implement corrective measures in a timely manner in order to restore its financial health. This recent amendment of the Factoring Regulation Act can incentivise all NBFCs to boost the MSME sector. Many NBFCs have used the pandemic to reinvent their business models, realising the power of data analytics and big data in business applications. In this regard, many have tied up with FinTech firms to leverage on technological innovations. The recent action has been taken by the RBI to supersede the boards of NBFCs that have failed to repay their debts. This action demonstrates the vigilance with which RBI monitors the sector in order to safeguard the interests of stakeholders and prevent negative consequences on the financial system. As per RBI report NBFC's credit growth grew from 7.2% YoY in FY 2020 to 9.7% in FY 2021. Moreover, NBFCs credit to GDP ratio also improved from 50.6% in FY 2020 to 54.8% in FY 2021.

NBFC balance sheet growth remained healthy in FY 2022 (up to September) due to increased investments. NBFCs' income growth slowed as both NBFCs-ND-SI (Systemically important non-deposit taking non-banking financial company) and NBFCs-D (NBFCs accepting public deposit) reported decreased incomes in FY 2021. The sector has used technology to rationalise spending

and mitigate pandemic concerns. Net profits of NBFCs-ND-SI improved after the first wave of COVID-19, and their cost-to income ratios declined. NBFCs-D saw a moderation in income due to minor growth in fund-based income. Increasing interest payments, cost-to-income ratio, and other expenses led to a drop in profitability. Net profits of NBFCs during H1FY 2022 fell due to lower fund-based income.

The NBFC sector has been anticipated to stay healthy due to the accelerated rate of immunizations and the broader economic recovery. The financial system has been transitioning from a realm dominated by banks to one in which non-bank intermediaries are gaining significance. The sector's developments in FY 2022 indicate even higher potential in the years to come.

Strong development potential exist for NBFC-IFCs as demand for infrastructure loans is anticipated to increase in tandem with the government's determination to revitalise economic growth by focusing on the infrastructure and rural sector. In the first nine months of FY 2022, both non-banking financing firms (NBFCs) and banks experienced moderate annualised growth in infrastructure-focused loan books, according to ratings agency ICRA Ltd. It further anticipates that the asset under management (AUM) of non-banking financial companies (retail) would increase by 5% to 7% in FY 2022 and by 8% to 10% in FY 2023. Personal credit, microfinance, and gold loans are projected to be the key growth drivers within the NBFC-retail market, as other traditional asset segments, such as car finance and commercial credit, continue to face challenges due to supply shortages and asset quality concerns. While disbursement and AUM trends returned in Q2 and Q3 of FY 2022, the trend has been projected to continue in Q4 of FY 2022, as the third pandemic wave had little influence. In line with the trend observed over the past two years, the sector's liquidity has remained adequate, with most businesses retaining a three-month repayment buffer. ICRA further anticipates that the NBFC and HFC return on managed assets (RoMA) would approach the COVID-19 levels of 2.7% to 2.9% and 1.8% to 2% in FY 2023.

India's Ratings and Research (Ind-Ra) anticipates an increase in systemic interest rates and asset quality difficulties in certain areas due to the lagging impact of the pandemic, which would have a negative influence on the operating performance of NBFCs. The secured asset business for NBFCs may experience resurgence in FY 2023, with loan growth of 14%, compared to 7-8% in FY 2022. In the meantime, it was stated that NBFCs would need to reassess their funding options in light of imminent interest rate hikes. Even if the headline asset quality numbers may appear to be excessive, it has been anticipated that credit costs would normalise in FY 2023.

Industry Insights:

Non-banking financial companies (NBFCs) are used to enhance the mainstream banking system in the financial intermediation process and financial inclusion. NBFCs play a significant role in promoting inclusive growth by providing financial services to the less-banked customers as well as unorganised sector such as the micro, small and medium enterprises (MSMEs) through efficiency and diversity. Since a large chunk of India's population did not even have bank accounts a decade ago, the government has been encouraging financial inclusion. And one of the vital components of

financial inclusion is adequate access to credit, which has created enormous prospects for the NBFC sector. This

is a key factor that many NBFCs have been constantly focusing on improving their services through diversified offerings, technology adoption, strategic partnership, robust operational model, and regulatory compliance.

Diversified offerings:

NBFCs offer a wide range of financial products and services including personal loans, commercial vehicle finance, housing loans, infrastructure finance, gold loans, microfinance, money transfer, insurance, education funding, and many more customized finance solutions. Their strong focus on the unorganised and under-served population of the economy, helped them to create a niche market for themselves by identifying the needs of targeted customer segment.

Robust operational model and regulatory compliance:

Since NBFCs are focusing on lending to the unorganized segment, a robust risk management strategy is critical for short-term as well as long-term business sustainability. Even though technology has offered significant benefits in terms of operational efficiency, customer experience and cost savings, it's crucial to implement strategies to manage various risks such as credit risk, liquidity risk, operational risk and interest rate risk. Additionally, NBFCs need to comply with the regulatory policies based on their targeted segment and geographical location of operation.

NBFCs have become important constituents of the financial sector and have been recording higher credit growth than scheduled commercial banks (SCBs) over the past few years. NBFCs grew at a slower pace as the economy continued to weather the headwinds of COVID-19 pandemic and muted credit demand. However, NBFCs continued to disburse credit despite disruptions caused by the pandemic, albeit at a slower pace. Sequential easing of spread of NBFCs debentures over the corresponding G-sec yield along with increased retail participation in the NBFC debenture market augured well for the market and public perception regarding the sector. The retail sector benefitted from incremental credit disbursed by the sector, aided by their low GNPA ratios and by staying tuned to customer preferences. The profitability of the NBFCs improved compared to the corresponding quarter of the previous year on account of steeper fall in expenditure than in income. Given the persistence of infections, the full effects of the lockdown and suspension of business on the asset quality of NBFCs will be evident gradually.

SEEKING LONG-TERM GROWTH OPPORTUNITIES

NBFCs have played a vital role in bringing the economically underprivileged sections of society to the nation's financial lifeline. FY 2021-22 was a year of 'repair and transition' for all NBFCs.

Despite significant hardship in our macro environment owing to the COVID-19 impact, we are confident of a faster rural rebound, which will augur well for our business, going forward. The government's sector-specific support measures, strong fiscal stimulus by the Reserve Bank of India (RBI), prospects of a good monsoon and harvest is expected to help revive the rural economy.

Another landmark policy initiative by the Government of India that is the 'Atmanirbhar Bharat' mission, designed to strengthen our indigenous skills, reduce dependence on imports and put more emphasis on local supply channels.

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.

SWOT ANALYSIS:-

Strengths

- Simplified and prompt loan request appraisals and disbursements.
- Innovative resource mobilisation techniques and prudent fund management practices.

Weakness

- Regulatory restrictions – continuously evolving government regulations may impact operations.
- Uncertain economic and political environment.

Opportunities

- Use of digital solutions for business/collections.

Threats

- High cost of funds.
- Rising Non-Performing Assets (NPAs).
- Restrictions on deposit-taking NBFCs.
- Competition from other NBFCs and banks.

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.

Your Company has a well-defined risk governance structure which includes periodic reviews and close monitoring to enable building a sustainable business that takes care of the interests of all stakeholders.

ENVIRONMENT, HEALTH, AND SAFETY (EHS):

Your Company strives hard to maintain the highest standards to preserve and protect the environment and Safety, with the able support of its suppliers, customers, and stakeholders. The focus of the Company hinges around Environmental protection and occupational health and safety, as it strives for continuous improvement in all these parameters.

In recent times, The Company is going through COVID situation as witnessed globally. Many actions have been taken within organisation to align with expectations of management in following guidelines issued by Ministry of Home Affairs and Ministry of Health and Family Welfare.

We are committed to follow all guidelines of government in letter and spirit.

Segment wise Performance

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

The highlights of the financial statement of your Company for the year ended 31st March, 2022 along with the previous year's figures are given as under:

<u>Particulars</u>	31st March, 2022	31st March, 2021
	(Amount in Rs.)	(Amount in Rs.)
Profit before depreciation and taxation	3,36,57,356	3,02,57,130
Less: Depreciation	3,47,408	3,47,408
Provision for Tax		
a) Current Tax	74,29,273	72,00,000
b) Deferred Tax	(27,400)	(2,22,57,644)
c) prior period tax	----	----
Profit after depreciation and taxation	2,59, 08,075	4,49,67,366

During the year under review your company achieved a profit of Rs. 2,59,08,075 as against Rs. 4,49,67,366 for the same period last year, showing a decrease of 42.39%.

Operations

During the year under review the company had a total revenue of Rs 3,36,57,356/- and earned a profit (after tax for the year) of Rs. 2,59, 08,075/-

Internal Control Systems

We have instituted the three lines of defence model, viz. (i) management and internal control measures, (ii) financial controls, risk management practices, security measures and compliance oversight, and (iii) a robust internal audit function providing the third level of defence.

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.

The Company has an independent internal management assurance function which is commensurate with its size and scale. It evaluates the adequacy of all internal controls and processes; and ensures strict adherence to clearly laid down processes and procedures as well as to the prescribed regulatory and legal framework

Human Resources Policies

The Company has a friendly HR policy and taking care and redressing their all concern. For this Company the stakeholders are the biggest assets and for all-round development of all at 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.

Cautionary statements

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning of applicable laws and regulations. Important developments that could affect the Company's operations include a downtrend in the financial services industry, global or domestic or both, significant changes in the political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest and other factors. Actual results might differ substantially or materially from those expressed or implied. This report should be read in conjunction with the financial statements included herein and the notes thereto.

Corporate Governance Report**Company's philosophy on code of Corporate Governance.**

The Company believes that good corporate governance emerges from the application of best and sound management practices and compliances with the laws coupled with adherence to the highest standards of transparency and business ethics. An effective Corporate Governance practices constitute the strong foundation on which successful commercial enterprises are built to last.

The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders. The Company strongly believes that sound, robust and unambiguous system of Corporate Governance practices go a long way in retaining investor trust and preserving the interest of all existing as well as prospective Stakeholder.

The governance principles ingrained in the value system of the Company are based on conscience, openness, fairness and professionalism, which have built strong foundation of trust and confidence in the minds of our stakeholders. The governance structure at SMC is based on the principles of providing adequate authority to the executive management within a given framework to ensure that the powers vested in the executive management are exercised with due care and utmost responsibility so as to meet the expectation of all the stakeholders.

I. BOARD OF DIRECTORS

At SMC, we believe that a diversified, active and well-informed Board is necessary to ensure highest standards of corporate governance. The statutory and other significant and material information is placed before the Board to enable it to discharge its fiduciary duties keeping in mind the interests of all its stakeholders and the Company's corporate governance philosophy

As on March 31, 2022, the Company has an optimum combination of Executive, Non-Executive Directors, representing a blend of professionalism, knowledge and experience. The size and composition of the Board meet the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Companies Act, 2013 ('the Act').

As on 31st March, 2022, The Company's Board comprises of one Executive Director who is also the Chairman, one Non-Executive Director and two Non-Executive Independent Directors, including one woman Director i.e. 75% of total strength of Board comprises Non-Executive Directors

During the year under review, following changes has been made in the Composition of Board:

- a) Change in designation of Mr. Prasahesh Arya (DIN: 00006507) from Executive Director to Non-executive Director on the terms and conditions as approved by the shareholders in their 29th Annual General Meeting held on 30th September, 2021 by passing a Special Resolution.
- b) Ms. Jyoti Rajshree (DIN: 09311715), was appointed as an Independent Director of the Company for a term of five (5) years w.e.f. 8th September, 2021 to 7th September, 2026 and her appointment was duly regularized and approved by the shareholders in their 29th Annual General Meeting held on 30th September, 2021
- c) Mr. Rajesh Goenka (DIN: 00298227), was appointed as a Whole-time Director & CFO of the Company for a term of three (3) years w,e,f, September 08, 2021 to September 07, 2024 which was duly approved by the shareholders in their 29th Annual General Meeting held on 30th September, 2021
- d) Ms. Sukreeti Arya, Non-executive and Independent Director and Mr. Yashpriya Devpriya Arya, Non-executive and Non Independent Director resigned to be a Director w.e.f September 08, 2021.

The details of appointment/re-appointment of Directors are provided in the “Re-appointment of Directors” section of this report.

Composition of Board as on March 31, 2022 is given in Table 1:

Table1: Company’s Board

Name of Directors	Category of Directorship	Details of Directorship(s)		Committee(s)* Membership (excluding Private, Foreign and Section 8 Companies)		Number of Share & convertible instruments held
		Public Companies	Other(including foreign Companies)	Number of Committee Membership held	Number of Committee Chairmanships held	
Mr. Rajesh Goenka @	Chairman, Whole-time Director & CFO	5	4	0	0	Nil
Mr. Prasahesh Arya	Non-Executive	6	4	2	2	Nil
Ms. Jyoti Rajshree #	Non-Executive & Independent	1	0	2	2	Nil

Mr. Harsh Priya Arya^	Non-Executive & Independent	1	0	2	2	Nil
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*As required by Regulation 26 of Listing Regulations, the disclosure includes memberships/chairmanships of the Audit Committee and Stakeholders' Relationship Committee

None of the Directors on the Board is a Director in more than 10 public companies or is a member in more than 10 Committees or Chairperson of more than 5 Committees.

Ms. Suma Ashish Parikh, the Company Secretary & Compliance officer of the Company resigned from her position w.e.f. 31st January, 2022. Ms. Kaira Dewani was appointed as the Company Secretary of the Company w.e.f. 01st February, 2022.

@ Appointed as Whole-time Director & CFO of the Company w.e.f. September 08, 2021

Appointed as Independent Director of the Company w.e.f. September 08, 2021

^ Mr. Harsh Priya Arya resigned from the Non-Executive, Independent directorship and all the Committees thereof of the Company in which he was a member(s) w.e.f. 18th July, 2022.

Further, Your Board of Directors in their Board Meeting held on 18th July, 2022 have appointed Mr. Rajesh Ramnani (DIN: 00533679) has been appointed as a Non-executive-Independent Director of the Company. The said appointments of Directors is placed for regularization and approval of members in the ensuing Annual General Meeting of the Company. A brief profile and other details of Director pursuant to Regulation 36 of the Listing Regulations is given in Notice to the Annual General Meeting.

Table 2: Directorship in other listed Companies

S.No.	Name of Directors	Names of companies & categories of Directorship
1.	Mr. Rajesh Goenka	✓ Valour Construction Limited- Additional Director
2.	Mr. Prasahesh Arya	✓ Valour Construction Limited- Director
3.	Ms. Jyoti Rajshree	NIL
4.	Mr. Harsh Priya Arya (resigned w.e.f. 18 th July, 2022)	NIL

There is no inter-se relationship among other Directors.

No Non-Executive Director is holding shares or convertible instrument of the Company.

Fifty percent of Directors on the Board of the Company are Independent Directors. None of the Directors of the Company is serving as an Independent Director or as a Director in more than 7 listed companies. Further, no Independent Director of the Company is a Whole-time Director in another listed company

All Independent Directors have confirmed in accordance with applicable Listing Regulations and Section 149(6) of the Companies Act, 2013 and the rules framed thereunder that they meet the independence criteria. The Independent Directors have further stated that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective, independent judgement and without any external influence. Based on the disclosure received from all the Independent Directors, the Board is of the opinion that the Independent Directors fulfill the conditions of independence as specified in the Companies Act, 2013 and Listing Regulations.

The Board comprises qualified members who bring in the required skills, competence and expertise that allow them to make effective contribution to the Board and its Committees. In the context of Company's business and the industry in which the Company operates, the Board members have the appropriate experience and have the following skills/ area of expertise/ competencies.

a. Board meeting held during the year

During FY 2021-2022, the Board met (Six) times viz. on June 07, 2021, June 28, 2021, August 12, 2021, September 08, 2021, November 13, 2021 and February 14, 2022. The Board met at least once in a quarter with a time gap of not more than one hundred and twenty days between two consecutive meetings.

Directors' attendance at Board meetings and the annual general meeting (AGM) of the Company held during the year ended March 31, 2022 is given in Table 3

Table 3: Directors' attendance record during FY 2021-2022 at Board meetings and previous annual general meeting

Name of Directors	Number of Board Meetings		Attendance at Previous AGM
	Held	Attended	
Mr. Rajesh Goenka [^]	6	3	<input checked="" type="checkbox"/>
Mr. Prasahesh Arya	6	6	<input checked="" type="checkbox"/>
Ms. Jyoti Rajshree ^{\$}	6	3	<input checked="" type="checkbox"/>
Mr. Harsh Priya Arya [*]	6	6	<input checked="" type="checkbox"/>
Ms. Sukreeti Arya [@]	6	4	NA

Mr. Yashpriya Devpriya Arya#	6	4	NA
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^Appointed as a Director w.e.f. September 08, 2021

\$ Appointed as a Director w.e.f. September 08, 2021

* resigned to be a Director w.e.f. July 18, 2022

@resigned to be a Director w.e.f. September 08, 2021

resigned to be a Director w.e.f. September 08, 2021

b. Independent Directors

Eminent people having an independent standing in their respective field /profession and who can effectively contribute to the Company's business and policy decisions are considered for appointment as Independent Directors. They are expected to be independent from management and to act as trustees of shareholders, this implies that they should actively participate in Board/ Committee meetings, seek answers to questions, evaluate proposals from the perspective of small shareholders, review current information flow and suggest necessary changes wherever required. The Nomination and Remuneration Committee ('NRC'), inter alia, considers various metrics and adheres to defined processes for selection of Independent Directors. The Board considers the NRC's recommendation and takes appropriate decisions in appointment of the Independent Directors. None of the Independent Directors hold more directorships than the permissible limits under the Companies Act, 2013 and Listing Regulations.

During FY 2021-22 Ms. Sukeerti Arya, Non-Executive and Independent Director and Mr. Yashpriya Devpriya Arya, Non-executive and Non Independent Director resigned on September 08, 2021, due to their pre-occupations and Ms. Jyoti has been appointed as an Independent Director w.e.f. September 08,2021. Further, Ms. Sukeerti Arya have provided a confirmation that there are no other material reasons other than the above mentioned reason for her resignations.

Mr. Rajesh Ramnani was appointed as Non-Executive & Independent Director w.e.f. 18th July, 2022 and Mr. Harsh Priya Arya resigned from the Non-Executive & Independent Directorship w.e.f. 18th July, 2022 due to his pre-occupations. Further, Mr. Harsh Priya Arya has provided a confirmation that there are no other material reasons other than the above mentioned reason for his resignation.

c. Familiarization Programmes for Independent Directors:

In accordance with the requirements of Schedule IV of the Companies Act, 2013 and Regulation 25(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, meetings have been conducted by the Company to make the Independent Directors understand about the business of the Company. Through these meetings and interaction, the Company has made its best effort to ensure that the Independent Directors understand their roles, rights, responsibilities. etc. in the Company etc. The Familiarisation Program for Independent Directors of the Company is available on the website of the Company i.e. www.smccredits.com.

d. Separate meeting of Independent Directors

Pursuant to Schedule IV of the Act and the Rules made thereunder and Regulation 25 of the Listing Regulations, a meeting of the Independent Directors without the presence of Non-Independent Directors and members of the Management of the Company was held on September 08, , 2021 under the guidance of Ms. Jyoti Rajshree, Independent Director as the Chairman of the meeting. The Independent Directors, inter-alia, reviewed the performance of Non- Independent Directors, Board as a whole and Chairman of the company, taking in to account of views of Executive Directors and Non- Executive Directors. All Independent Directors were present in the meeting.

The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and it's Committees which is necessary to effectively and reasonably perform and discharge their duties.

The Independent Directors found the performance of Non-Independent Directors (including Chairman) and the Board as well as flow of information between the Management and the Board to be satisfactory.

e. Skills/Expertise/Competencies of Board of Directors:

This Board skills matrix provides a guide as to the skills, knowledge, experience and other criteria identified by the Board as required for the Company's business. The Board of the Company is a skills-based Board comprising of Directors who collectively have the skills, knowledge and experience to effectively govern and direct the Company.

The skills and expertise of the Company's Board can be broadly categorized as follows:

- Governance skills (skills directly relevant to performing the Board's key functions);
- Business skills (skills relevant to the industry or section in which the Company predominantly operates)
- Personal attributes that are generally considered desirable to be an effective Director.

Nature of Skill/Competence /Experience	Mr. Rajesh Goenka	Mr. Yashpriya Devpriya Arya	Mr. Prasaresh Arya	Mr. Harsh Priya Arya	Mr. Rajesh Ramnani	Ms. Jyoti Rajshree
Knowledge - understand the Company's business, policies, and culture (including its mission, vision, values, goals, current strategic plan, governance structure, major risks and threats and potential opportunities) and knowledge of the industry in which the Company operates	√	√	√	√	√	√
Behavioral Skills - attributes and competencies to use their knowledge and skills to function well as team members and to interact with key stakeholders	√	√	√	√	√	√
Strategic thinking and decision Making	√	√	√	√	√	√
Financial Skills/Understanding of regulatory environment/ Economic knowhow	√	√	√	√	√	√

Professional skills and knowledge to assist the ongoing aspects of the business	√	√	√	√	√	√
Professional skills and knowledge to assist the ongoing aspects of the business	√	√	√	√	√	√

f. Declaration by Independent Directors:

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 as well as Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As required under Regulation 25(8) of the Listing Regulations, the Independent Directors have also confirmed that they meet the criteria of independence as provided in Regulation 16(1)(b) and are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

The Board is of the opinion that the independent directors have the necessary experience, expertise and integrity and are independent of the Management of the Company.

II. Audit Committee:

Your Company has a duly constituted an Audit Committee and its composition as well as charter are in line with the requirements of the Act and Listing Regulations.

As on March 31, 2022, the Audit Committee, comprises of three Directors viz. Ms. Jyoti, Mr. Prasahesh Arya and Mr. Harsh Priya Arya.

Effective September 08, 2021, Ms. Jyoti Rajshree and Mr. Prasahesh Arya was co-opted as chairman and Member of the Audit Committee respectively. At present Ms. Jyoti is the Chairperson of the Committee. All members of the Audit Committee are financially literate and have accounting or related financial management expertise as mandated by the Listing Regulations.

The Audit Committee has the following terms of reference:

- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Review and monitor the auditors' independence and performance and effectiveness of audit process;
- Examination of the financial statements and the auditors' report thereon;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters;
- Operate the vigil mechanism in the Company.

Apart from above, following are the terms of reference in accordance with the Listing Regulations:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement forming part of the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgement by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions;
 - Qualifications in the draft audit report.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval;

- Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
- Approval of any subsequent modification of transactions of the Company with related parties;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems; • Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the whistle-blower mechanism;
- Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- To review the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding ` 100 crore or 10% including existing loans/ advances/ investments; of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments;
- To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders

The Audit Committee also mandatorily reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters/ letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. Appointment, removal and terms of remuneration of the Internal Auditor shall be subject to review by the Audit Committee; and
6. To review, statement of deviation(s), if any, in terms of SEBI Listing Regulations.

A total of 5 (Five) Audit Committee Meetings were held during the financial year 2021-2022 on 07.06.2021, 28.06.2021, 12.08.2021, 13.11.2021 & 14.02.2022. All the committee members were present at all the meetings.

The Composition of the Audit Committee and attendance details of members are given below in Table 4.

Table 4: Details of Audit Committee Members and Number of Meetings Attended

Names of Committee Members	Position held	No. of meetings held during FY 2021-22	No. of meetings attended
Ms. Jyoti Rajshree [^]	Chairperson	5	2
Mr. Prasahesh Arya [§]	Member	5	2
Mr. Harsh Priya Arya [*]	Member	5	5
Ms. Sukreeti Arya [@]	Chairperson	5	3
Mr. Yashpriya Devpriya Arya [#]	Member	5	3

^{*}ceased to be a member of the Audit Committee w.e.f. July 18, 2022

[@] ceased to be the Chairperson & Member of the Audit Committee w.e.f. September 08, 2021

[#] ceased to be a member of the Audit Committee w.e.f. September 08, 2021

[^] Appointed as a Chairperson-Member of the Audit Committee w.e.f. September 08, 2021

[§] Appointed as a Member of Audit Committee w.e.f. September 08, 2021

III. Nomination & Remuneration committee:

The Board has framed the Nomination and Remuneration policy for its Directors, Key Managerial Personnel and other employees which ensures that level and composition of remuneration is reasonable and meets the performance benchmarks.

The Nomination and Remuneration Committee has the following terms of reference in accordance

with Listing Regulations:

- to formulate and recommend to the Board of Directors the Company's policies, relating to the remuneration for the Directors, Key Managerial Personnel and other employees, criteria for determining qualifications, positive attributes and independence of a Director;
- to formulate criteria for evaluation of Independent Directors and the Board;
- to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- to carry out evaluation of every Director's performance;
- to devise a policy on Board diversity;
- to administer and superintend the ESOP including but not limited to the formulation of detailed terms and conditions of the ESOS
- to allot shares and issue share certificates against the options exercised in terms of Employees Incentive Scheme of the Company as approved by shareholders from time-to-time;
- to recommend to the Board, all remuneration, in whatever form, payable to senior management.

Effective September 08, 2021, Ms. Jyoti Rajshree and Mr. Prasahesh Arya was co-opted as chairman and Member of the Nomination and Remuneration Committee respectively. As on March 31, 2022, the Nomination and Remuneration Committee, comprises of three Directors viz. Ms. Jyoti Rajshree, Mr. Prasahesh Arya and Mr. Harsh Priya Arya. At present Ms. Jyoti Rajshree is the Chairperson of the Committee.

During the FY 2021- 2022, one of the NRC were held on September 08, 2021. The composition of NRC and attendance details of members are given below in Table 5.

Table 5: Details of Nomination and Remuneration Committee Members and Number of Meetings Attended

Names of Committee Members	Position held	No. of meetings held during FY 2021-22	No. of meetings attended
Ms. Jyoti Rajshree [^]	Chairperson	1	NA
Mr. Prasahesh Arya [§]	Member	1	NA
Mr. Harsh Priya Arya [*]	Member	1	1
Ms. Sukreeti Arya [@]	Chairperson	1	1
Mr. Yashpriya Devpriya Arya [#]	Member	1	1

* ceased to be the Member of the NRC Committee w.e.f. July 18, 2022

@ ceased to be the Chairperson & Member of the NRC Committee w.e.f. September 08, 2021

ceased to be the Member of the NRC Committee w.e.f. September 08, 2021

^ Appointed as the Chairperson & Member of the NRC Committee w.e.f. September 08, 2021

§ Appointed as the Member of the NRC Committee w.e.f. September 08, 2021

Performance evaluation of the Board, its committees and individual Directors:

Pursuant to the applicable provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Guidance Note on Board Evaluation issued by the SEBI dated January 05, 2017, performance evaluation of the board, its committees and individual directors has been duly done. The performance of the individual directors was evaluated on parameters, such as meeting attendance, participation and contribution, responsibility towards stakeholders and independent judgment.

A structured questionnaire including the new criteria has been prepared, covering various aspects of the functioning of the Board and its Committees, such as, adequacy of the constitution and composition of the Board and its Committees, discharge of roles and responsibilities by the Board and its Committees, succession plan for Board Members and Senior Management, frequency of the meetings, regulatory compliances and Corporate Governance, etc. Similarly, for evaluation of individual director's performance including for independent directors, the questionnaire covers various aspects like his/ her attendance at the meetings of Board and its Committees, contribution in Board and Committee meetings, execution and performance of specific duties, obligations, regulatory compliances and governance, adequate and timely disclosures, etc. The said questionnaires are reviewed by the NRC & Board members

Remuneration paid to Executive Directors

As per the remuneration policy, the remuneration paid to Executive Directors is recommended by the NRC and approved by the Board, subject to subsequent approval by shareholders at the general meeting and such other authorities, as the case may be. The terms and conditions of the employment of Executive Directors are governed by the shareholders' approval taken in that regard, wherein all the details are provided in the explanatory statement. The remuneration is arrived at after considering various factors such as qualification, experience, expertise, prevailing remuneration in the industry and the financial position of the Company.

The remuneration paid to Executive Directors is commensurate with their respective roles and responsibilities. Remuneration paid to Executive Directors, subject to limits prescribed under Part II, Section I of Schedule V to the Companies Act, 2013, generally consists of fixed salary and allowances

Table 6 gives details of remuneration paid to Executive Director.

Table 6: Remuneration to Executive Directors as on 31st March, 2022[#]

(in lakhs)

Name of Directors	Basic Salary	Perquisite Allowances	and	Total
Mr. Rajesh Goenka	4.50	6.30		10.80

Note: Mr. Rajesh Goenka (DIN: 00298227), was appointed as a Whole-time Director & CFO of the Company for a term of three (3) years w.e.f. September 08, 2021 to September 07, 2024 which was

duly approved by the shareholders in their 29th Annual General Meeting held on 30th September, 2021.

Remuneration paid to Non-Executive Directors as on 31st March 2022

The Non-Executive Directors of the Company are paid only sitting fees of twenty thousand for attending each meeting of the Board, Committees thereof and any other meetings of the Directors.

During FY 2021-22, the Company did not advance any loans to any of its Directors. Further, there are no pecuniary relationships or transactions between the Independent Directors and the Company, other than the details provided above and the sitting fees and commission drawn by the Non-Executive and Independent Directors.

IV. Stakeholders' Relationship Committee:

The Board of Directors of the Company has constituted a Stakeholder Relationship Committee which oversees and review all matters relating to transfer/transmission of shares, issue of duplicate share certificates (including transfer of Investor Education and Protection Fund) and also monitor redressal of the grievances of security holders of the Company including complaints related to transfer of shares, non-receipt of annual report etc.

The role and terms of reference of the Committee cover the areas as contemplated under Regulation 20 read with Part D of Schedule II.

Effective September 08, 2021, Ms. Jyoti Rajshree and Mr. Prasahesh Arya was co-opted as chairperson and Member of the Stakeholder Relationship Committee respectively. As on March 31, 2022, the Stakeholder Relationship Committee, comprises of three Directors viz. Ms. Jyoti Rajshree, Mr. Prasahesh Arya and Mr. Harsh Priya Arya. At present Ms. Jyoti Rajshree is the Chairperson of the Committee.

During the year, one meetings of the Stakeholders' Relationship Committee was held on February 14, 2022. The Company Secretary acts as the Secretary of the Stakeholders' Relationship Committee. Ms. Kaira Dewani act as the Company Secretary & Chief Compliance Officer of the Company.

The details of the Stakeholders' Relationship Committee are given in Table 8

Table 8: Details of Stakeholders' Relationship Committee Members and Number of Meetings Attended

Names of Stakeholders' Relationship Committee Members	Position held	No. of meetings held during FY 2021-22	No. of meetings attended
--------------------------------------------------------------	----------------------	-----------------------------------------------	---------------------------------

Ms. Jyoti Rajshree [^]	Chairperson	1	1
Mr. Prasahesh Arya [§]	Member	1	1
Mr. Harsh Priya Arya [*]	Member	1	1
Ms. Sukreeti Arya [@]	Chairperson	-	-
Mr. Yashpriya Devpriya Arya [#]	Member	-	-

* ceased to be the Member of the SRC Committee w.e.f. July 18, 2022

@ ceased to be the Chairperson & Member of the SRC Committee w.e.f. September 08, 2021

ceased to be the Member of the SRC Committee w.e.f. September 08, 2021

^ Appointed as the Chairperson & Member of the SRC Committee w.e.f. September 08, 2021

§ Appointed as the Member of the SRC Committee of SRC w.e.f. September 08, 2021

The role of the Committee include the following:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the company in respect of various services rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

Name & Address of Compliance Officer:

Name : Kaira Dewani

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

Email id: smccorp011@gmail.com

Ph: 011-45012880

Shareholders grievances / complaints received and resolved during the year:

- (i) Number of Shareholders complaints received during the year - Nil
- (ii) Number of complaints not resolved to the satisfaction of shareholders- Nil
- (iii) Number of complaints pending at the end of the year- Nil

V. General Body Meetings:

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

Year	Location	Date	Time	Special Resolutions passed
2019	24, Ashoka chambers, 5-B, Rajindra Park, Pusa Road, New Delhi-110060	30 th September, 2019	10.30 a.m	No special resolutions passed during the year
2020	24, Ashoka chambers, 5-B, Rajindra Park, Pusa Road, New Delhi-110060	28 th December, 2020	5.00 p.m	1. Authorise under Section 180(1)(a) of the Companies Act, 2013 the year. 2. Authorized to borrow in excess Section 180(1)(c) of the Companies Act, 2013. 3. Approved the limits for the Loans and Investment by the Company in terms of the provisions of the Section 186 of the Companies Act, 2013
2021	24, Ashoka chambers, 5-B, Rajindra Park, Pusa Road, New Delhi-110060	30 th September, 2021	5.00 p.m	1. Change in designation of Mr. Prasaresh Arya (DIN: 00006507) from Executive Director, Chairmanship to Non-Executive Non Independent Director of the Company. 2. Appointment of Mr. Rajesh Goenka (DIN: 00298227) as Whole Time Director of the Company

- a. No resolution was either required or passed through postal ballot in last year.
- b. As on date of this report, no resolution is proposed through postal ballot in this year;

VI. Means of Communication:

The Company publishes unaudited quarterly/half yearly financial results and audited annual financial results reviewed by auditor, in newspapers like Financial Express and Jansatta. The said

results are also informed to the Stock Exchanges where the shares of the Company are listed. The quarterly & half yearly results are not being sent separately to any of the shareholder. The Company also issues news releases on significant corporate decisions/ activities and posts them on the website.

The financial results of the Company are displayed on the website of the Company i.e., www.smccredits.com. The Company does not make presentations for institutional investors or to the analysts.

VII. SCORES (SEBI Complaints Redressal System)

SEBI commenced processing of investor complaints in a centralized web based complaints redressal system i.e. SCORES. The Company supported SCORES by using it as a platform for communication between SEBI and the Company.

Corporate Filing and Dissemination System (Corp-filing) All disclosures and communications to BSE Limited (BSE) are filed electronically through Corp-filing. The disclosures are also mailed to the exclusive e-mail IDs of these Stock Exchanges.

VIII. DISCLOSURES:

i. Disclosures on materially significant related party transactions that may have potential conflict with the interest of the Company at large

The Company has not entered into any transaction of material nature with the Directors or the management, subsidiaries or relatives of Directors during the year under review that have potential conflict with the interest of the Company. Statements in summary form of the transactions with related parties both under Companies Act, 2013 and under Indian Accounting Standards – 24 are placed periodically before the Audit Committee.

Further, the details of the related party transactions of the Company during the year ended 31st March, 2022 are given in Notes on Accounts forming part of Annual Report. All related party transactions entered are on arms' length basis and in the ordinary course of business unless specifically mentioned for which the necessary approvals were obtained by the Company and are intended to further the interest of the Company. During the year all recommendation by all committees which were mandatorily required were accepted.

ii. The Company do not have any subsidiary company.

iii. Policy on dealing with Related Party Transaction is available at web link: <http://www.smccredits.com/investors.aspx>

iv. Whistle Blower Policy :

In accordance with the requirement of Section 177 of the Companies Act, 2013 and the Rules made thereunder, Regulation 22 of the Listing Regulations and Regulation 9A (6) of the SEBI(Prohibition of Insider Trading) Regulations, 2015, the Company has formulated a 'Vigil Mechanism/ Whistle Blower Policy' which provides a tool to the Directors and Employees of the Company to report Genuine Concerns including unethical behavior, actual or suspected fraud or violation of the Code of Conduct or Policy. No personnel of the Company is denied access to the Audit Committee. The Audit Committee reviews the functioning of Whistle Blower Mechanism periodically. The policy is available on the website of the Company.

v. The Company does not deal in commodities hence exposure to Commodity Price risk and commodity hedging activities disclosure is not required to be given.

vi. Disclosure under Regulation 32 (7A) is not applicable for the year ended 31.03.2022.

vii. The Company has a Code of Conduct for its Board and Senior Management Personnel (as per Code of Corporate Governance), which is available on the Company's website. The Company has obtained a compliance certificate from all concerned

viii. Details of Compliance with mandatory requirements: The Company has fully complied with all applicable mandatory requirements of Listing Regulations

Details of Adoption of Discretionary requirements: The Company try to comply with the Discretionary requirements also, wherever applicable

ix. All recommendations of the various committees were accepted by the Board.

x. The Company is in compliance with the corporate governance requirements specified in Regulations 17 to 27 and clause (b) to (i) of Regulation 46(2) of Listing Regulations.

xi. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is as follows:

a. Number of complaints filed during the financial year : NIL

b. Number of complaints disposed of during the financial year : NIL

c. Number of complaints pending as on end of the financial year: NIL

xii. Company has obtained a certificate from a company secretary in practice that none of the directors on the board of the company have 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 (same forms part of this report)

xiii. The Fees paid to the statutory auditors for all services provided by them are detailed in the Financials.

General shareholder information

Annual General Meeting

Date and time : 30th, September, 2022 at 03:00 pm.
Venue : 24, Ashoka Chambers, 5-B Rajindra Park, Pusa Road, New Delhi – 110060
Financial year : 1st April- 31st March

The Company's financial year begins on April 1 and ends on March 31. Our tentative calendar for declaration of results for the financial year 2022-23 are as given below:

1st quarter ended 30 th June, 2022	on or before 14 th August, 2022
2 nd quarter ended 30 th September, 2022	on or before 14 th November, 2022
3 rd quarter ended 31 st December, 2022	on or before 14 th February, 2023
4 th quarter and year ended 31 st March, 2023	on or before 30 th May, 2023

Stock code : 532138
Book closure date : 24th September, 2022 to 30th September, 2022
Dividend payment date : No dividend paid during the year.
Equity Shares Listed on : Bombay Stock Exchange Limited
Address : Phiroz Jeejeebhoy Towers Dalal Street, Mumbai – 400001

Demat ISIN in NSDL : INE440E01012

Market price data- high, low during : Trading was suspended hence no data available each month in last financial year

performance in comparison to broad-based indices such as BSE sensex : Trading was suspended hence no data available

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-demat facility for the convenience of the investors.

Distribution of Shareholding as on 31st March, 2022 :

Category	%
Financial Institution/Banks/Mutual Funds	-
NRI/OCBs	-
Bodies Corporate	80.01%
Others	19.99%
Total	100%

SHAREHOLDING PATTERN AS ON 31ST MARCH, 2022

Category code	Category of Shareholder	Number of Shares	Percentage (%)
(A)	Shareholding of Promoter and Promoter Group		
1	Indian	1401200	13.98
2	Foreign	-	-
Sub Total(A):		1401200	13.98
(B)	Public shareholding		
1	Institutions		
(a)	Mutual Funds/ UTI	-	-
(b)	Financial Institutions / Banks	-	-
(c)	Insurance Companies	-	-
(d)	Foreign Portfolio Investors	-	-
Sub-Total (B)(1):		-	-
2	Central Government/ State Government(s)	-	-
Sub-Total (B)(2):		-	-
3	Non-institutions		
(a)	Bodies Corporate	6617900	66.03

(b)	Individual shareholders holding nominal share capital up to Rs 2 lakh	1897600	18.93
(c)	Individual shareholders holding nominal share capital in excess of Rs. 2 lakh.	105500	1.05
(d)	NRI with & without REPAT	-	-
(e)	Trust	-	-
(f)	IEPF	-	-
Sub-Total (B)(3):		8621000	86.02
Total Public Shareholding (B)(1)+(B)(2) +(B)(3):		8621000	86.02
Grand Total: (A+B)		10022200	100.00

IX. DEMATERIALIZATION OF SHARES & LIQUIDITY

The shares of the Company are in compulsory demat segment and are available for trading on BSE. As at 31st March, 2022, 57,86,600 equity shares out of 100,222,00 equity shares of the company, representing 57.74% of the Company's paid up capital are held in dematerialized form.

During the year there are no outstanding global depository receipts or american depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity.

Registered Address : 24, Ashoka Chambers, 5-B, Rajindra Park,
Pusa Road, New Delhi-110 060

Address for correspondence : Secretarial Department 24, Ashoka Chambers,
5-B, Rajindra Park, Pusa Road, New Delhi-110 060

During the year no credit ratings obtained by the Company in India or abroad.

By Order of the Board
For SMC Credits Limited

New Delhi
August 17, 2022

Sd/-
(Rajesh Goenka)
Chairman & CFO
DIN: 00298227

CORPORATE GOVERNANCE CERTIFICATE

To,
The Members,
SMC CREDITS LIMITED
(CIN: L65910DL1992PLC049566)
24, Ashoka Chambers, 5-B, Rajindra Park,
Pusa Road, New Delhi-110060

We have examined the compliance of conditions of Corporate Governance by SMC Credits Limited (“the Company”), for the financial year ended March 31, 2022, as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the Listing Regulations.

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

For Neeraj Arora & Associates
Company Secretaries
Firm Registration No. S2019DE706400
Firm Peer Review No.- 1189/2021

New Delhi
August 17, 2022

Neeraj Arora
Proprietor
CP No.- 16186
UDIN- F010781D000805817

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members,

SMC Credits Limited

(CIN: L65910DL1992PLC049566)

24, Ashoka Chambers, 5-B, Rajindra Park,

Pusa Road, New Delhi-110060

1. The SMC Credits Limited (CIN: L65910DL1992PLC049566) is having registered office at 24, Ashoka Chambers, 5-B, Rajindra Park, Pusa Road, New Delhi-110060 (hereinafter referred as “the Company”). The equity shares of the Company are listed on BSE Limited.
2. We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of the Company, produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. As on 31st March, 2022, the Board of Directors of the Company comprises of the following directors:

Sr. No.	Name of Directors	Director Identification Number (DIN)
1	Mr. Prasahesh Arya	00006507
2	Mr. Rajesh Goenka	00298227
3	Mr. Harsh Priya Arya	02771786
4	Ms. Jyoti Rajshree	09311715

4. Based on verification and examination of the disclosures/ register under section 184/ 189, 170, 164, 149 of the Companies Act, 2013 (the Act) and DIN based search on MCA Portal (<http://www.mca.gov.in/mcafoportal/showEnquireDIN.do>), We certify that none of the above named Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India /Ministry of Corporate Affairs or any such statutory authority for the Financial Year ending 31st March, 2022.

5. Ensuring the eligibility of the appointment/ continuity of every director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
6. This certificate is based on the information and records available up to date of this certificate and we have no responsibility to update this certificate for the events and circumstances occurring after the date of the certificate.

For Neeraj Arora & Associates
Company Secretaries
Firm Registration No. S2019DE706400
Firm Peer Review No. - 1189/2021

New Delhi
August 17, 2022

Neeraj Arora
Proprietor
CP No.- 16186
UDIN- F010781D000805839

CODE OF CONDUCT COMPLIANCE CERTIFICATE FOR FINANCIAL YEAR 2021-22

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 2021-22 (as applicable on them).

**New Delhi
April 30, 2022**

For SMC Credits Limited

**Sd/-
(Rajesh Goenka)
Chairman & CFO
DIN: 00298227**

CEO AND CFO CERTIFICATE

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

30th April, 2022

Sub: Annual Certificate of Compliance for FY 2021-22

Sir(s),

We, Rajesh Goenka, Whole-time Director & CFO and Prasahesh Arya, Non-Executive Director of the Company hereby states that:

- a) We have reviewed financial statement and the cash flow statement for the year ended 31st March, 2022 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.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit committee:
 - i. significant changes in such internal control during the year, if any;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system for financial reporting.

Thanking You,

S/d-
(Prasahesh Arya)
Non-Executive Director
DIN: 00006507

S/d-
(Rajesh Goenka)
Chairman & CFO
DIN: 00298227

INDEPENDENT AUDITORS' REPORT
To The Members of SMC CREDITS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of SMC CREDITS LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March 2022, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and profit/(loss) (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the Key Audit Matters to be communicated:

SN	Key audit matter	Auditor's response
1.	Impairment of Loan Assets The company is having outstanding loan asset to corporates under its NBFC business. The company has classified such loan asset as standard asset and doubtful asset and provision thereof as per the RBI Prudential Norms on Asset Classification.	Our procedure includes: Review of loan agreements and management representation on recoverability of these loans. Our Results: We did not find any material risk in recoverability of the loans.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the Financial Statements and our auditors' report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the state of affairs, profit / loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government in terms of Section 143(11) of the Act, we give in the "Annexure – A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. A 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 purpose of our audit;
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) in our opinion, the aforesaid financial statement comply with the Indian Accounting Standards specified in section 133 of the Act;
 - (e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 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".
- B. With respect to the other matters to be included in the Auditors' 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:
 - (a) The Company does not have any pending litigations which would impact its financial position as on March 31, 2022.
 - (b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - (d)
 - (i) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (ii) The management has represented, that, to the best of it's knowledge and belief, other than

as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- (iii) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
 - (e) The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.
3. With respect to the matter to be included in the Auditors' Report under section 197(16):
In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For AVP & Co
F. R. N.: 025193N
Chartered Accountants

Arvind Sharma
M. No. : FCA 525962
Partner
Date : 28-05-2022
Place : New Delhi
ICAI UDIN: 22525962AJUQFA7776

SMC CREDITS LIMITED

ANNEXURE – A

to the independent auditors' report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of the Property, plant and equipments of the Company:
 - (a) (A) The company is maintaining proper records, showing full particulars including quantitative details and situation of property, plant and equipment.
 - (B) The Company has no intangible asset and therefore clause (i)(a)(B) of paragraph 3 of the Order is not applicable.
 - (b) All the Fixed Assets have been physically verified by the Management during the year based on a phased program of verifying the assets which in our opinion is reasonable having regard to the size of the company and the nature of its Fixed Assets. No discrepancy has 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, title deeds of immovable properties are held in the name of the Company.
 - (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.
 - (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) In our opinion and according to the information and explanations given to us, the nature of the Company's business/activities during the year has been such that clause (ii)(a) of paragraph 3 of the Order is not applicable to the Company for the year.
 - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no working capital loan has been taken by the Company. Therefore, reporting under clause (ii)(b) of paragraph 3 is not applicable.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year, in the ordinary course of its business, the Company has made investments in, provided guarantee / security to and granted loans and advances in the nature of loans, secured and unsecured, to companies, firms, limited liability partnerships and other parties. With respect to such investments, guarantees / security and loans and advances:
 - (a) The principal business of the Company is to give loans and hence reporting under clause (iii)(a) of the Order is not applicable;
 - (b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of the guarantee given are, prima facie, not prejudicial to the interest of the Company.
 - (c) The Company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its customers as stipulated. In our opinion and according to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and in cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic

regulatory reporting. Refer notes 4 and 26 to the Financial Statements for summarized details of such loans/advances which are not repaid by borrowers as per stipulations. According to the information and explanation made available to us, reasonable steps are taken by the Company for recovery thereof.

- (d) The Company, being a NBFC, registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors and report total amount overdue including principal and/or payment of interest by its customers for more than 90 days. In cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer notes 12 and 63 to the Financial Statements for summarized details of such loans/advances which are not repaid by borrowers as per stipulations. According to the information and explanation made available to us, reasonable steps are taken by the Company for recovery thereof.
- (e) The principal business of the Company is to give loans and hence reporting under clause (iii)(e) of the Order is not applicable;
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities.
- (v) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause (v) of paragraph 3 of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products manufactured by it (and/or services provided by it). Accordingly, clause (vi) of paragraph 3 of the Order is not applicable.
- (vii) In respect of statutory dues:
- (a) According to the records of the Company, undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and any other material statutory dues have been *generally* regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2022 for a period of more than six months from the date of becoming payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company did not have dues which have not been deposited as on March 31, 2022, except for the following:

Name of the statute	Nature of disputed dues	Amount under dispute *	Amount paid	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	2580861	Nil	FY 2017-18	Commissioner of Income-tax (Appeals)
Income Tax Act, 1961	Income Tax	1086375	Nil	FY 2016-17	-do-

* amount as appearing online in the income tax portal.

- (viii) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, we confirm that we have not come across any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

- (ix) (a) In our opinion, the Company has not defaulted in repayment of loans or other borrowings to financial institutions, banks, government and dues to debenture holders or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us, the Company has utilized the money obtained by way of term loans from financial institution during the year for the purposes for which they were obtained, other than temporary parking in current account for a few days, pending utilization towards purpose for which the same are obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds have been raised on short-term basis by the Company. Accordingly, clause (ix)(d) of paragraph 3 of the Order is not applicable.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company does not have any subsidiary, associate or joint venture as defined under the Companies Act, 2013. Accordingly, clause (ix)(e) of paragraph 3 of the Order is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company does not have any subsidiary. Accordingly, clause (ix)(f) of paragraph 3 of the Order is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause (x)(a) of paragraph 3 of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of 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 or optionally convertible debentures during the year. Accordingly, clause (x)(b) of paragraph 3 of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to the information and explanations given to us, there were no whistle blower complaints received during the year by the Company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of paragraph 3 of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company's transactions with its related party are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and details of related party transactions have been disclosed in the financial statements etc. as required by the applicable Indian Accounting Standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have taken into consideration, the reports of the Internal Auditors received by the Company during the year and provided to us while determining the nature, timing and extent of audit

procedures.

- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and the Company has obtained the required registration.
- (b) According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid CoR from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For AVP & Co
F. R. N.: 025193N
Chartered Accountants

Arvind Sharma
M. N.: FCA 525962
Partner

Date : 28-05-2022
Place : New Delhi
ICAI UDIN: 22525962AJUQFA7776

SMC CREDITS LIMITED

ANNEXURE – B

to the independent auditors' report

Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date

Report on the Internal Financial Controls Over Financial Reporting 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 CREDITS LIMITED ('the Company') as of 31st March, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended and as 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 (the 'Guidance Note'). 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 Act.

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 Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with the 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 auditors' judgment, including the assessment of the risks of material misstatement of the standalone 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 controls 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, to the best of our information and according to the explanations given to us, 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, 2022, 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.

For AVP & Co

F. R. N.: 025193N

Chartered Accountants

Arvind Sharma

M. N.: FCA 525962

Partner

Date : 28-05-2022

Place : New Delhi

ICAI UDIN: 22525962AJUQFA7776

Particulars	Note No	As at 31 March 2022	As at 31 March 2021
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	2	1,37,23,546	29,98,362
(b) Receivables	3		
(I) Trade Receivables		46,50,030	14,49,360
(c) Loans	4	41,89,45,703	38,56,16,116
(d) Investments	5	4,74,02,49,623	4,68,43,46,961
(e) Other Financial assets	6	3,95,366	17,97,382
		5,17,79,64,268	5,07,62,08,181
(2) Non-financial Assets			
(a) Current tax assets (Net)	7	23,84,235	20,64,816
(b) Deferred tax Assets (Net)	8	2,36,90,277	2,36,62,877
(c) Property, Plant and Equipment	9	2,10,37,970	2,13,85,376
(d) Other non-financial assets	10	-	-
		4,71,12,482	4,71,13,069
TOTAL ASSETS		5,22,50,76,750	5,12,33,21,250
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a) Payables	10		
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		4,72,152	1,36,832
(b) Borrowings (Other than Debt Securities)	11	21,64,56,701	21,08,78,341
(c) Other financial liabilities	12	-	-
		21,69,28,853	21,10,15,173
(2) Non-Financial Liabilities			
(a) Current tax liabilities (Net)	12	-	9,54,699
(b) Other non-financial liabilities	13	28,85,858	19,40,432
		28,85,858	28,95,131
(3) Equity			
(a) Equity share capital	14	10,02,22,000	10,02,22,000
(b) Other equity	15	4,90,50,40,039	4,80,91,88,946
		5,00,52,62,039	4,90,94,10,946
TOTAL EQUITY AND LIABILITIES		5,22,50,76,750	5,12,33,21,250
Significant accounting policies	1		
Notes to the financial statements	2 - 36		

In terms of our Audit Report

For AVP & Co
FRN. 025193N
Chartered Accountants

Arvind Sharma
MN. FCA 525962
Partner

Date: 28-05-2022
Place: New Delhi

For and on behalf of the Board

Prasahesh Arya
DIN 00006507
Director

Rajesh Goenka
DIN 00298227
Director

Kaira Dewani
Company Secretary

Particulars	Note No	For the year ended 31 March 2022	For the year ended 31 March 2021
REVENUE FROM OPERATIONS			
Interest Income	16	2,16,58,203	2,25,96,990
Dividend Income	17	2,01,97,814	1,45,77,557
Net gain on fair value changes	18	7,55,860	47,64,814
Other income	19	97,72,875	96,93,939
Total income		5,23,84,752	5,16,33,300
Expenses			
Employee benefit expense	20	7,90,343	6,10,666
Financing expenses	21	1,53,87,523	1,48,85,044
Depreciation and amortization expense	22	3,47,408	3,47,408
Other expenses	23	25,49,530	58,80,460
Total expenses		1,90,74,804	2,17,23,578
Profit before tax		3,33,09,948	2,99,09,722
Tax expense:			
Current tax		74,29,273	72,00,000
Deferred tax		(27,400)	(2,22,57,644)
Total tax expense		74,01,873	(1,50,57,644)
Profit after tax for the year		2,59,08,075	4,49,67,366
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Fair value changes on equity instruments through OCI		6,95,58,303	2,28,82,14,472
Income tax impact thereon		(70,727)	-
Items that will be reclassified to profit or loss			
Fair value changes on debt instruments through OCI		43,282	14,790
Income tax impact thereon		-	-
Total other comprehensive income		6,95,30,858	2,28,82,29,262
Total Comprehensive Income for the year		9,54,38,933	2,33,31,96,628
Earnings per equity share:			
Basic	24	2.59	4.49
Diluted		2.59	4.49
Significant accounting policies	1		
Notes to the financial statements	2 - 36		

In terms of our Audit Report

For AVP & Co
FRN. 025193N
Chartered Accountants

Arvind Sharma
MN. FCA 525962
Partner

Date: 28-05-2022
Place: New Delhi

For and on behalf of the Board

Prasahesh Arya
DIN 00006507
Director

Rajesh Goenka
DIN 00298227
Director

Kaira Dewani
Company Secretary

Particulars	Note No	For the year ended 31 March 2022	For the year ended 31 March 2021
A Cash flows from operating activities			
Profit before tax		3,33,09,948	2,99,09,722
Adjustment to reconcile profit before tax to net cash flows			
Depreciation		3,47,406	3,47,408
Operating profit before working capital changes		3,36,57,354	3,02,57,130
Movements in working capital:			
Other bank balance		-	-
Receivables		(32,00,670)	(11,74,348)
Loans		(3,33,29,587)	(1,32,36,327)
Other financial assets		14,02,016	(10,72,869)
Other non-financial assets		-	-
Trade Payable		3,35,320	5,297
Financial liabilities		55,78,360	(4,58,33,099)
Other financial liabilities		-	-
Other non-financial liabilities		9,45,426	3,60,115
Cash generated from operations		53,88,219	(3,06,94,101)
Direct taxes paid (net of refunds)		(87,74,118)	(62,65,551)
Net cash flow from operating activities		(33,85,899)	(3,69,59,652)
B Cash flows from investing activities			
Proceed from Sale/Redemption of Investments		1,66,36,976	-
Purchase of Investments (Net)		(25,25,893)	(1,70,22,234)
Net cash flow (used in) investing activities		1,41,11,083	(1,70,22,234)
C Cash flows from financing activities			
Net cash flow from financing activities		-	-
Net increase in cash and cash equivalents		1,07,25,184	(5,39,81,886)
Cash and cash equivalents at the beginning of the year		29,98,362	5,69,80,248
Cash and cash equivalents at the end of the year		1,37,23,546	29,98,362

In terms of our Audit Report

For AVP & Co
FRN. 025193N
Chartered Accountants

Arvind Sharma
MN. FCA 525962
Partner

Date: 28-05-2022
Place: New Delhi

For and on behalf of the Board

Prasahesh Arya
DIN 00006507
Director

Rajesh Goenka
DIN 00298227
Director

Kaira Dewani
Company Secretary

SMC Credits Limited
CIN L65910DL1992PLC049566
Statement of Change in Equity for the year ended 31 March 2022

Amount in ₹

Particulars	Note No	A. Equity	B. Other Equity					Total
			Reserves and Surplus			Other Comprehensive Income		
			Retained Earnings	Statutory Reserves	Impairment Reserve	Equity instruments through OCI	Debt instruments through OCI	
Balance as at 31 March 2020		10,02,22,000	25,56,31,959	5,62,68,312	60,18,884	2,15,83,48,019	(2,74,856)	2,47,59,92,318
Changes in Equity Share Capital due to prior period errors		-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period		10,02,22,000	25,56,31,959	5,62,68,312	60,18,884	2,15,83,48,019	(2,74,856)	2,47,59,92,318
Profit for the year			4,49,67,366	-	-	-	-	4,49,67,366
Transfer to Statutory Reserve			(89,93,473)	89,93,473	-	-	-	-
Transfer to Impairment Reserve			(9,72,95,733)	-	9,72,95,733	-	-	-
Gain on sale/redmption of Investment			-	-	-	-	-	-
OCI for the year before income tax			-	-	-	2,28,82,14,472	14,790	2,28,82,29,262
Balance as at 31 March 2021		10,02,22,000	19,43,10,119	6,52,61,785	10,33,14,617	4,44,65,62,491	(2,60,066)	4,80,91,88,946
Changes in Equity Share Capital due to prior period errors		-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period		10,02,22,000	19,43,10,119	6,52,61,785	10,33,14,617	4,44,65,62,491	(2,60,066)	4,80,91,88,946
Profit for the year			2,59,08,075	-	-	-	-	2,59,08,075
Transfer to Statutory Reserve			(51,81,606)	51,81,606	-	-	-	-
Transfer to Impairment Reserve			(1,33,318)	-	1,33,318	-	-	-
Gain on sale/redmption of Investment			-	-	-	4,12,160	-	4,12,160
Income tax impact on gain			-	-	-	(70,727)	-	(70,727)
OCI for the year before income tax			-	-	-	6,95,58,303	43,282	6,96,01,585
Balance as at 31 March 2022		10,02,22,000	21,49,03,270	7,04,43,391	10,34,47,935	4,51,64,62,227	(2,16,784)	4,90,50,40,039
Significant accounting policies	1							
Notes to the financial statements	2 - 36							

In terms of our Audit Report

For AVP & Co
FRN. 025193N
Chartered Accountants

Arvind Sharma
MN. FCA 525962
Partner

Date: 28-05-2022
Place: New Delhi

For and on behalf of the Board

Prasahesh Arya
DIN 00006507
Director

Rajesh Goenka
DIN 00298227
Director

Kaira Dewani
Company Secretary

General Information

SMC Credits Limited (the 'Company') is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Company is primarily engaged in the business of non-banking financial services. The Company's registered office is at 24 Ashoka Chambers, 5B Rajinder Park, Pusa Road, New Delhi - 110060. Its shares are listed on Bombay stock exchanges in India.

The Company has been recognised as a Non-banking Financial Company as Investment Company by the Reserve Bank of India (RBI) in terms of the regulations governing Non-Banking Financial Companies and is registered thereunder.

1. SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

A. BASIS OF PREPARATION OF FINANCIAL STATEMENT

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ('the Act') read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, Schedule III of the Act and other relevant provisions of the Act read with the RBI guidelines/regulations to the extent applicable.

The financial statements have been prepared on a historical cost basis, except for following assets and liabilities which have been measured at fair value:

- i) fair value through other comprehensive income (FVOCI) instruments,
- ii) derivative financial instruments,
- iii) other financial assets held for trading,
- iv) financial assets and liabilities designated at fair value through profit or loss (FVTPL)

The financial statements are presented in Indian Rupees (INR) which is also its functional currency and all values are rounded to the nearest rupee.

B. PRESENTATION OF FINANCIAL STATEMENTS

The Company presents its Balance Sheet in order of liquidity.

The Company generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only when Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event. Similarly, the Company offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS specifically unless they are material in nature.

The financial statements are presented in Indian Rupees (INR) which is also its functional currency and all values are rounded to the nearest rupee.

C. SIGNIFICANT AREAS OF ESTIMATION UNCERTAINTY, CRITICAL JUDGEMENTS AND ASSUMPTIONS IN APPLYING ACCOUNTING POLICIES

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities and assets) as on the date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

D. REVENUE RECOGNITION AND EXPENSES

Interest Income: The Company recognises interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortised cost or fair value through other comprehensive income (FVOCI). EIR is calculated by considering all costs and incomes attributable to acquisition of a financial asset or assumption of a financial liability and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset/financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability. Interest on financial assets subsequently measured at fair value through profit or loss (FVTPL) is recognised at the contractual rate of interest.

Dividend Income: Dividend income on equity shares is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Net gain on fair value changes: Financial assets are subsequently measured at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI), as applicable. The Company recognises gains/losses on fair value change of financial assets measured as FVTPL and realised gains/losses on derecognition of financial asset measured at FVTPL and FVOCI.

Recoveries of financial assets written off: The Company recognises income on recoveries of financial assets written off on realisation or when the right to receive the same without any uncertainties of recovery is established.

Taxes: Incomes are recognised net of the Goods and Services Tax, wherever applicable. Expenses are recognised net of the Goods and Services Tax, except where credit for the input tax is not statutorily permitted.

Other Income: All other items of income are accounted for on accrual basis.

E. FINANCIAL INSTRUMENTS

I. Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

II. Classifications

Financial assets

A financial asset is classified as subsequently measured at either amortised cost or fair value through other comprehensive income ('FVTOCI') or fair value through profit and loss (FVTPL), depending on the contractual cash flow characteristics of the financial assets and the Company's business model for managing the financial assets.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

Financial instruments at Amortised Cost

A financial asset is measured at amortised cost only if both of the following conditions are met:

- It is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- The contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest (SPPI test).

Financial assets at Fair Value through Other Comprehensive Income ('FVTOCI')

A financial asset is measured at FVTOCI only if both of the following conditions are met:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest (SPPI test).

Financial assets at Fair Value through Profit and Loss (FVTPL)

Any financial instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVTPL.

Equity Investments

All equity investments other than equity investments in subsidiaries / associates / joint ventures are measured at FVTOCI. These include all equity investments in scope of Ind AS 109.

Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities are classified, at initial recognition, as financial liabilities at amortised cost or fair value through profit or loss, as appropriate.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

III) Subsequent measurement

Amortised cost

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the EIR method of discount or premium on acquisition and fees or costs that are an integral part of the EIR and, for financial assets, adjusted for any loss allowance.

Fair Valuation

Fair value is the price that is expected to be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date or, in its absence, the most advantageous market to which the Company has access at that date.

In the absence of quoted price in an active market, the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

IV) De-recognition of financial assets and financial liabilities

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has

transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. The Company continues to recognise the assets on finance on books which has been securitized under pass through arrangement and does not meet the de-recognition criteria.

On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset de-recognised) and the sum of the consideration received (including the value of any new asset obtained less any new liability assumed).

Financial liabilities

The Company de-recognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

V) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when the Company has a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

VI) Impairment of Financial Assets

The Company recognises impairment allowances for Expected Credit Loss (ECL) on all the financial assets that are not measured at FVTPL:

ECL are probability weighted estimate of future credit losses based on the staging of the financial asset to reflect its credit risk. They are measured as follows:

- Stage 1: financial assets that are not credit impaired – as the present value of all cash shortfalls that are possible within 12 months after the reporting date.
- Stage 2: financial assets with significant increase in credit risk but not credit impaired – as the present value of all cash shortfalls that result from all possible default events over the expected life of the financial asset.
- Stage 3: financial assets that are credit impaired – as the difference between the gross carrying amount and the present value of estimated cash flows.

Financial assets are fully provided for or written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. However, financial assets that are written off could still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised as income in profit or loss.

F. FINANCIAL INSTRUMENTS

Investment in subsidiaries, associates and joint ventures The Company accounts for its investments in subsidiaries, associates and joint ventures at cost less accumulated impairment, if any.

G. LEASES

Leases are recognised as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Company as a Lessee

Assets used under finance leases are recognised as property, plant and equipment in the balance sheet for an amount that corresponds to the lower of fair value and the present value of minimum lease payments determined at the inception of the lease and a liability is recognised for an equivalent amount. The minimum lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the Statement of Profit and Loss.

Rentals payable under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the Company is a lessor under an operating lease, the asset is capitalized within property, plant and equipment and depreciated over its useful economic life. Payments received under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the term of the lease.

H. TAXATION

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively

enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and incurred tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are also recognised in other comprehensive income or directly in equity respectively.

I. PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment (PPE) is recognised at cost of acquisition. PPE not ready for the intended use on the date of the Balance Sheet are disclosed as “capital work-in-progress”.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Transition to Ind AS

The Company has elected to continue with the carrying value of all of its property, plant and equipment and investment property recognised as of 1 April, 2018 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.

J. INTANGIBLE ASSETS

Intangible assets acquired separately are measured on initial recognition at cost of acquisition and are stated net of accumulated amortization and accumulated impairment losses, if any.

The cost of an intangible asset includes purchase cost (net of rebates and discounts), including any import duties and non-refundable taxes, and any directly attributable costs on making the asset ready for its intended use.

K. IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

At the end of each reporting period, the Company reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

L. FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency are translated into the functional currency of the Company at the exchange rates prevailing on the date of the transaction. The foreign currency borrowing being a monetary liability is restated to INR (being the functional currency of the Company) at the prevailing rates of exchange at the end of every reporting period with the corresponding exchange gain/loss being recognised in profit or loss.

M. PROVISIONS AND CONTINGENCIES

Provisions: Provisions are recognized when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

Provisions are determined based on best management estimate required to settle the obligation at balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent asset: Contingent asset being a possible asset that arises from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, is not recognized but disclosed in the financial statements.

N. CASH AND CASH EQUIVALENT

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

O. CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

P. EARNINGS PER SHARE

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for the effects of dividend, interest and other charges relating to the dilutive potential equity shares by weighted average number of shares plus dilutive potential equity shares.

Q. ROUNDING OF AMOUNTS

All amounts disclosed in the financial statements and the accompanying notes have been rounded off to the nearest rupee as per the requirement of Schedule III of the Companies Act 2013, unless otherwise stated.

Note No	Particulars	As at 31 March 2022	As at 31 March 2021
2	Cash and cash equivalents		
	Cash in hand	21,662	21,862
	Balances with banks		
	In current accounts	7,01,884	29,76,500
	In deposits with original maturity of 3 months or less	1,30,00,000	-
		1,37,23,546	29,98,362
3	Receivables		
	(Unsecured, considered good, unless stated otherwise)		
	Trade Receivables	46,50,030	14,49,360
		46,50,030	14,49,360
	* also refer Note No 33		
4	Loans (at amortised cost)		
A	Term loan	41,89,45,703	38,56,16,116
		41,89,45,703	38,56,16,116
B	Unsecured Loan	41,89,45,703	38,56,16,116
C	Loans in India		
	Public Sector	-	-
	Others	41,89,45,703	38,56,16,116
5	Investments (other than Subsidiaries and Joint-ventures)		
A.	Investment in equity instruments (at FVTOCI)		
	Quoted		
	Fully paid up of face value ₹ 10 each		
	43 shares of Reliance Power Ltd	581	187
	Fully paid up of face value ₹ 5 each		
	822800 shares of Jay Bharat Maruti Ltd.	11,66,73,040	18,74,33,840
	7734861 shares of JBM Auto Ltd.	3,38,24,54,715	3,25,13,48,821
		3,49,91,28,336	3,43,87,82,848
	Unquoted		
	Fully paid up of face value ₹ 10 each		
	840000 shares of A to Z securities Ltd	2,86,52,400	3,58,93,200
	233000 shares of Shuklamber Exports Ltd	3,80,34,920	3,62,05,870
	3200 shares of Gurera Udyog Ltd.	35,136	35,296
	495200 shares of Focal Leasing & Credits Ltd	2,87,66,168	2,93,60,408
	1930000 shares of Neel Metal Products Ltd.	93,35,21,700	92,88,89,700
	30000 shares of Prasha Technologies Ltd	3,00,000	3,00,000
	85000 shares of Neel Industries Pvt Ltd	1,67,90,900	1,64,57,700
	217633 shares of JBM Industries Ltd.	15,55,55,363	14,79,96,969
	89300 shares of Shreeamji Infrastructure & Projects Pvt. Ltd.	52,60,663	38,11,324
	Fully paid up of face value ₹ 100 each		
	3808 shares of NAP Investment & Leasing Pvt. Ltd	3,50,907	3,01,632
		1,20,72,68,157	1,19,92,52,099
		4,70,63,96,493	4,63,80,34,947
B.	Investment in preference shares (at FVTOCI)		
	1% non cummulative redeemable preference shares of ₹ 10 each		
	1287900 shares of Shreeamji Infrastructure & Projects Pvt. Ltd.	78,90,785	76,10,126
	16469 shares of JBM Corporate Services Pvt. Ltd.	92,304	89,278
	2500000 shares of Faridabad Presswell Pvt. Ltd.	1,40,11,805	1,35,52,406
	1% compulsory convertible non-cumulative redeemable preference shares of ₹ 10 each		
	250000 shares of JBM Projects & Infrastructure Pvt. Ltd	14,01,180	13,55,241
		2,33,96,074	2,26,07,051

Note No	Particulars	As at 31 March 2022	As at 31 March 2021
C.	Investment in debentures (at FVTOCI)		
	0.001% compulsory convertible debentures of ₹ 10 each		
	100000 debentures of Satish Buildwell Private Limited	7,83,216	7,39,934
		7,83,216	7,39,934
D.	Investment in units of Mutual Fund (at FVTPL)		
	48.387 (PY 46.920) units of Nippon India Liquid Fund	73,971	71,747
	146.423 (PY 140.036) units of Nippon India Low Duration Fund	1,47,750	1,41,526
	Investment in units of Mutual Fund (at FVTOCI)		
	Nil (PY 11402.589) units of HDFC Focused 30 Fund-Growth	-	10,26,347
	Nil (PY 127617.893) units of Mirae Assets Focused Fund-Growth	-	20,26,572
	9557.682 units of UTI Flexi Cap Fund-Growth	23,41,374	20,43,719
	6846.14 units of UTI Mid Cap Fund-Growth	12,39,006	10,10,353
	Nil (PY 2948.343) units of UTI Ultra Short Term Fund-Growth	-	1,00,65,655
		38,02,101	1,63,85,919
E.	Investment through PMS (at FVTPL)		
	In Equity Shares	58,71,739	65,79,110
		58,71,739	65,79,110
		4,74,02,49,623	4,68,43,46,961
	Investment at FVTOCI	4,73,07,97,504	4,66,15,95,205
	Investment at FVTPL	94,52,119	2,27,51,756
6	Other Financial assets		
	Interest receivable on loans	-	3,68,099
	Security deposits	5,280	5,280
	Inventories of Stock of Shares (at FVTPL)	2,300	2,300
	Other balance with PMS	3,87,786	14,21,703
		3,95,366	17,97,382
7	Current tax assets (Net)		
	Non-Current tax assets (Net)	21,67,967	20,64,816
		23,84,235	20,64,816
8	Deferred tax assets (net)		
	On account of timing difference in		
	Property, plant and equipment	21,389	24,493
	Impairment reserve	2,36,68,888	2,36,38,384
		2,36,90,277	2,36,62,877
	Movement in deferred tax		
	Charged to Profit and Loss Statement	(27,400)	(2,22,57,644)
		(27,400)	(2,22,57,644)
10	Trade payables		
	Due to micro enterprises and small enterprises (also refer Note 33)	-	-
	Due to others	4,72,152	1,36,832
		4,72,152	1,36,832
11	Borrowings (Other than Debt Securities)		
	Loans repayable on demand (at amortised cost)		
	From bank and financial institution	5,73,35,442	4,60,71,112
	From Others	15,91,21,259	16,48,07,229
		21,64,56,701	21,08,78,341
12	Current tax liabilities (Net)		
	Current tax liabilities (Net)	-	9,54,699
		-	9,54,699
13	Other non-financial liabilities		
	Security Deposit	7,00,000	7,00,000
	Payable to statutory authorities	21,85,858	12,40,432
		28,85,858	19,40,432

Note No	Particulars	As at 31 March 2022	As at 31 March 2021
14	Equity Share capital		
a	Authorised		
	1,10,00,000 Equity Shares of ₹ 10 each	11,00,00,000	11,00,00,000
b	Issues, subscribed and fully paid-up in cash:		
	1,00,22,200 Equity Shares of ₹ 10 each	10,02,22,000	10,02,22,000
		10,02,22,000	10,02,22,000
c	Reconciliation of Shares Outstanding		
	Particulars	Number of Shares	Amount in ₹
	As at 31 March 2021	1,00,22,200	10,02,22,000
	Issued during the financial year 2021-2022	-	-
	As at 31 March 2022	1,00,22,200	10,02,22,000
d	Equity Shares held by shareholders holding more than 5% shares		
	Name of Shareholder	No. of Shares held	%age of Holding
	As at 31 March 2022		
	Shuklamber Exports Limited	14,93,300	14.90%
	Focal Leasing & Credits Limited	14,01,200	13.98%
	A To Z Securities Ltd.	14,03,100	14.00%
	Amity Infotech Pvt. Ltd.	14,03,100	14.00%
	Zeal Impex & Traders Private Limited	13,59,900	13.57%
	JBM International Ltd.	9,52,100	9.50%
	There is no change in shareholders and their shareholding during the financial year.		
e	Terms/Rights attached to Equity Shares		
	The Company has only one class of Equity Shares having a par Value of ₹ 10 per Share. In the event of Liquidation of the company, the holders of Equity Shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		
g	Shareholding of Promoters		
	Promoter name	No. of Shares	% of total shares
			% Change during the year
	As at 31 March 2022		
	Focal Leasing & Credits Limited	14,01,200	13.98%
			Nil
	As at 31 March 2021		
	Focal Leasing & Credits Limited	14,01,200	13.98%
			Nil
15	Other equity		
a	Retained Earnings/(Deficit)		
	Opening Balance	19,43,10,119	25,56,31,959
	Add: Profit for the year	2,59,08,075	4,49,67,366
	Less: Transfer to Impairment Reserve	(1,33,318)	(9,72,95,733)
	Less: Transfer to Statutory Reserve	(51,81,606)	(89,93,473)
	Closing Balance	21,49,03,270	19,43,10,119
		-	-
b	Statutory reserve u/s 45-IC of RBI Act		
	Opening Balance	6,52,61,785	5,62,68,312
	Addition during the Year	51,81,606	89,93,473
	Closing Balance	7,04,43,391	6,52,61,785
		-	-
c	Impairment Reserve *		
	Opening Balance	10,33,14,617	60,18,884
	Addition during the Year	1,33,318	9,72,95,733
	Closing Balance	10,34,47,935	10,33,14,617

* also refer Note No. 26

Note No	Particulars	As at 31 March 2022	As at 31 March 2021
d	Other reserves		
	Debt Instrument FVTOCI		
	Opening Balance	(2,60,066)	(2,74,856)
	OCI for the year before income tax	43,282	14,790
	Closing Balance	(2,16,784)	(2,60,066)
		-	-
	Equity Instrument FVTOCI		
	Opening Balance	4,44,65,62,491	2,15,83,48,019
	OCI for the year before income tax	6,95,58,303	2,28,82,14,472
	Gain on sale/redmption of Investment	4,12,160	-
	Income tax impact on gain	(70,727)	-
	Closing Balance	4,51,64,62,227	4,44,65,62,491
		-	-
		4,90,50,40,039	4,80,91,88,946

Note No. 9: Property, plant and equipment

Amount in ₹

Current Year										
Particulars	Gross Block				Depreciaton				Net Block	
	As at 01 April 2021	Addition	Sale	As at 31 March 2022	As at 01 April 2021	for the year	adjustment	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Tangible Assets										
Land	56,38,400	-	-	56,38,400	-	-	-	-	56,38,400	56,38,400
Building	2,18,15,378	-	-	2,18,15,378	61,23,878	3,43,264	-	64,67,142	1,53,48,236	1,56,91,500
Furniture & Fixture	5,63,195	-	-	5,63,195	5,23,550	4,144	-	5,27,694	35,501	39,645
Office Equipment	3,16,605	-	-	3,16,605	3,00,774	-	-	3,00,774	15,831	15,831
Total	2,83,33,578	-	-	2,83,33,578	69,48,202	3,47,408	-	72,95,610	2,10,37,968	2,13,85,376
Previous Year	2,83,33,578	-	-	2,83,33,578	66,00,794	3,47,408	-	69,48,202	2,13,85,376	2,17,32,784

Note	Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
16	Interest Income		
	Interest on loans (at amortised cost)	2,16,36,958	2,23,33,185
	Interest on deposits with banks (at amortised cost)	21,245	2,63,805
		2,16,58,203	2,25,96,990
17	Dividend Income		
	Dividend Income	2,01,97,814	1,45,77,557
		2,01,97,814	1,45,77,557
18	Net gain/(loss) on fair value changes		
	Net gain/(loss) on financial instruments at fair value through profit or loss		
	On trading portfolio	-	11,257
	On financial instruments designated at FVTPL	7,55,860	47,53,557
		7,55,860	47,64,814
	Fair Value changes:		
	Realised	32,51,629	18,47,125
	Unrealised	(24,95,769)	29,17,689
		7,55,860	47,64,814
19	Other Income		
	Rent Received	97,72,875	96,93,939
	Interest on Income Tax Refund	-	-
		97,72,875	96,93,939
20	Employee benefit expense		
	Salaries and wages	6,44,375	6,09,954
	Staff welfare	4,368	712
	Directors sitting fees	1,41,600	-
		7,90,343	6,10,666
21	Financing expenses		
	Interest on loans	1,53,87,523	1,48,85,044
		1,53,87,523	1,48,85,044
22	Depreciation and amortization expense		
	Depreciation on tangible assets	3,47,408	3,47,408
		3,47,408	3,47,408
23	Other expenses		
	Travelling and conveyance	5,39,087	67,798
	Printing and stationery	1,207	-
	Rent	1,08,000	1,08,000
	Rates and taxes	1,77,508	1,99,239
	Property Tax	1,43,986	1,02,361
	Advertisement	19,908	28,728
	Legal and professional	8,96,602	12,16,780
	Computer & data processing expenses	4,012	4,000
	Office Repairs and maintenance	1,89,549	1,77,232
	Depository charges	-	25,546
	Listing Fee	3,54,000	38,94,000
	Bank charges	2,261	6,280
	Miscellaneous	14,638	10,140
	Website expenses	14,160	14,160
	Auditors remuneration		
	As audit fee	64,900	26,196
		25,49,530	58,80,460

Note	Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
24	Earning Per Share		
	Net profits attributable to Equity Shareholders (₹)	2,59,08,075	4,49,67,366
	Weighted Average No. of Equity Shares		
	For Basic EPS	1,00,22,200	1,00,22,200
	For Diluted EPS	1,00,22,200	1,00,22,200
	Nominal Value per share (₹)	10	10
	Basic EPS (₹)	2.59	4.49
	Diluted EPS (₹)	2.59	4.49

- 25 (A) **Statement in pursuance of NBFC Auditor's Report (Reserve Bank) Directions, 2016:**
- a) The Company has obtained a Certificate of Registration (CoR) from the Reserve Bank of India.
- b) The Company has financial assets and financial income more than 50% of total assets and total income respectively and therefore it is entitled to continue to hold CoR.
- c) The Company has meet the requirement of minimum Net Owned Fund (NFO) of Rs. 2 crore.
- d)(i) The Board of Directors has passed a resolution for the non-acceptance of any public deposits.
- (ii) The Company has not accepted any public deposit during the year and
- (iii) The Company has complied with the prudential norms relating to income recognition, accounting standard, assets classification and provisioning for bad and doubtful debts as applicable to it.
- (B) **Schedule in terms of paragraph 13 of Non-Banking Financial (Non - Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007**

Particulars		Amount in ₹	
Liabilities Side;		Amount Outstanding	Amount Overdue
(1)	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid :		
a)	Debtentures		
	: Secured	Nil	Nil
	: Unsecured	Nil	Nil
	(other than falling within the meaning of public deposits)		
b)	Deferred credits	Nil	Nil
c)	Term loans	Nil	Nil
d)	Inter-corporate loans & borrowings	21,64,56,701	Nil
e)	Commercial paper	Nil	Nil
f)	Public deposits	Nil	Nil
g)	Other loans –		
	i) Working capital loans from banks	Nil	Nil
	ii) Security deposit for corporate guarantee	Nil	Nil
	iii) Unsecured loans	5,73,35,442	Nil
(2)	Break-up of (1)(f) above (outstanding public deposits inclusive of interest accrued thereon but not paid) :		
a)	In the form of unsecured debtentures :	Nil	Nil
b)	In the form of partly secured debtentures i.e., debtentures where there is a shortfall in the value of security	Nil	Nil
c)	Other public deposits	Nil	Nil
Assets Side;		Amount Outstanding	
(3)	Break-up of Loans and advances including bills receivables [other than those included in (4) below :]		
	a) Secured	Nil	
	b) Unsecured	41,89,45,703	
(4)	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
i)	Lease assets including lease rentals under sundry debtors		
	a) Financial lease	Nil	
	b) Operating lease	Nil	
ii)	Stock on hire including hire charges under sundry debtors :		
	a) Assets on hire	Nil	
	b) Repossessed assets	Nil	
iii)	Hypothecation loans counting towards EL / HP activities		
	a) Loans where assets have been repossessed	Nil	
	b) Loans other than (a) above	Nil	

Assets Side;		Amount Outstanding	
(5) Break-up of Investments :			
1.	Quoted:		
i)	Shares:		
	a) Equity	3,49,91,28,336	
	b) Preference	Nil	
ii)	Debentures and Bonds	Nil	
iii)	Units of mutual funds	38,02,101	
iv)	Government Securities	Nil	
v)	Others (please specify)		
	PMS	58,71,739	
2.	Unquoted		
i)	Shares:		
	a) Equity	1,20,72,68,157	
	b) Preference	2,33,96,074	
ii)	Debentures and Bonds	7,83,216	
iii)	Units of mutual funds	Nil	
iv)	Government Securities	Nil	
v)	Others (please specify)	Nil	
(6) Borrower group-wise classification of all leased assets, stock-on hire and loans and advances			
Category	Secured	Unsecured	Amount net of provisions Total
1.	Related Parties		
a)	Subsidiaries	Nil	Nil
b)	Companies in the same group	Nil	Nil
c)	Other related parties	Nil	Nil
2.	Other than related parties	41,89,45,703	41,89,45,703
Total	Nil	41,89,45,703	41,89,45,703
(7) Investor group-wise classification of all investments in shares and securities (both quoted and unquoted)			
Category	Market Value / Break up or fair value or NAV	Book value (net of provision)	
1.	Related Parties		
a)	Subsidiaries	Nil	Nil
b)	Companies in the same group	Nil	Nil
c)	Other related parties	Nil	Nil
2.	Other than related parties	4,74,02,49,623	4,74,02,49,623
Total	4,74,02,49,623	4,74,02,49,623	
(8) Other Information			
Particulars	Amount		
i)	Gross Non-Performing Assets		
	a) Related parties		Nil
	b) Other than related parties		10,21,80,876
ii)	Net Non-Performing Assets		
	a) Related parties		Nil
	b) Other than related parties		10,21,80,876
iii)	Assets acquired in satisfaction of debt		Nil

- 26 The Company has recognised impairment loss on loans and other financial assets based on the expected credit loss (ECL) model as required by Ind AS 109 read with notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/ 2019-20 Dated 13 March 2020 issued by Reserve Bank of India on Implementation of Indian Accounting Standards. Vide para 2(b) of annexure to the notification, where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning), NBFCs/ARCs shall appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'. Consequently, loans and other financial assets have been stated at fair value adjusted with impairment loss, if any, and short/excess amount has been debited/credited to

Comparison between provisions required under Income recognition, asset classification and provisioning (IRACP) and impairment allowances as per Ind AS 109 'Financial Instruments' as of 31 March 2022

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowance (Provisions) as required under Ind AS 109	Net carrying amount	Provision required as per IRACP norms	Difference between Ind AS 109 provision and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3) - (4)	(6)	(7) = (4) - (6)
(a) Performing Assets						
Standard	Stage 1	31,67,64,827	-	31,67,64,827	12,67,059	(12,67,059)
(b) Non Performing Assets (NPA)						
Doubtful upto 1 year	Stage 1	10,21,80,876	-	10,21,80,876	10,21,80,876	(10,21,80,876)
Total (a+b)		41,89,45,703	-	41,89,45,703	10,34,47,935	(10,34,47,935)

- 27 Contingent liabilities and commitments (to the extent not provided for):-

Particulars	As at 31 March 2022	As at 31 March 2021
Income Tax matters	42,14,184	42,14,184

- 28 Fair values

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The management assessed that investments, cash and cash equivalents, trade receivables, short term borrowings, trade payables and short term financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

- 29 Financial risk management objectives and policies

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include cash and cash equivalents that derive directly from its operations.

The Company is exposed to various financial risk such as market risk, credit risk and liquidity risk. The Company's senior management has assigned the responsibility to oversee the management of these risks to its treasury team. The treasury team assesses the financial risks and takes appropriate action to mitigate those risks. The treasury team provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

a. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings and security deposits.

The sensitivity analyses in the following sections relate to the position as at 31 March 2022 and 31 March 2021.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity, other post-retirement obligations and other provisions.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2022 and 31 March 2021.

b. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any obligations with floating rate of interest. Accordingly, the Company is not exposed to interest

c. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). The Company do not have any significant exposure to foreign currency risks as there are no significant foreign currency denominated assets / liabilities.

d. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its financing activities, including deposits with banks and financial institutions and other financial instruments.

Balances with banks

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2022 and 31 March 2021 is the carrying amounts of balances with banks.

e. Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of long term bank loans, short term borrowings and finance leases etc. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Trade payables						
Year ended 31 Mar 2022	-	4,72,152	-	-	-	4,72,152
Year ended 31 Mar 2021	-	1,36,832	-	-	-	1,36,832
Borrowings						
Year ended 31 Mar 2022	21,64,56,701	-	-	-	-	21,64,56,701
Year ended 31 Mar 2021	21,08,78,341	-	-	-	-	21,08,78,341

30 Capital management

A. Objectives, policies and processes of capital management

For the purpose of the Company's capital management, capital includes issued equity capital and other equity attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a debt-equity ratio, which is net debt divided by total equity. The Company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March

B. Analytical Ratios

The Company is a Non Core Investment Company (CIC), not accepting deposit from public and is a non-systemically important NBFC. The company is not exposed to any regulatory imposed capital requirements. Thus, the following analytical ratios are not applicable to the Company:

- i) Capital to risk-weighted assets ratio (CRAR)
- ii) Tier I CRAR
- iii) Tier II CRAR
- iv) Liquidity Coverage Ratio

31 Related Party Transactions

A. List of Related Parties

Name of Related Parties	Nature of Relationship
Prasahesh Arya	Director
Rajesh Goenka	Director
Harsh Priya Arya	Director
Jyoti Rajshree	Director
Kaira Dewani	Company Secretary

B. Significant Transactions with Related Parties:

Nature of Transaction	For the year ended 31 March 2022	For the year ended 31 March 2021
Salary Expenses		
Rajesh Goenka	5,90,519	-
Sitting Fees		
Jyoti Rajshree	1,20,000	-
Legal and Professional Fees		
Kaira Dewani	30,000	-

C. Balance Outstanding:

Nature of Transaction	As at 31 March 2022	As at 31 March 2021
Trade Payable (also refer Note No 10)	12,000	-

32 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 31 March 2022.

33 Ageing for trade receivables and trade payables

A Trade Receivables as on 31 March 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered	46,50,030	-	-	-	-	46,50,030
(ii) Undisputed Trade Receivables – which have significant increase in credit	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	46,50,030	-	-	-	-	46,50,030

Trade Receivables as on 31 March 2021

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered	14,49,360	-	-	-	-	14,49,360
(ii) Undisputed Trade Receivables – which have significant increase in credit	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	14,49,360	-	-	-	-	14,49,360

B Trade Payable as on 31 March 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Amount not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	-	4,64,402	7,750	-	-	4,72,152
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	-	4,64,402	7,750	-	-	4,72,152

Trade Payable as on 31 March 2021

Particulars	Outstanding for following periods from due date of payment					Total
	Amount not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	-	1,36,832	-	-	-	1,36,832
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	-	1,36,832	-	-	-	1,36,832

34 Additional Regulatory Information

- i) All the title deeds of the immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) is held in the name of the company.
- ii) The Company has not granted Loans or Advances in the nature of loans are granted to promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.
- iii) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- iv) The company does not have any borrowings from banks or financial institutions on the basis of security of current assets or otherwise.
- v) The Company is not declared as a willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.
- vi) The Company does not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.
- vii) The Company does not have any charges or satisfaction which is yet to be registered with The Registrar of Companies (ROC) beyond the statutory period.

- viii) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- ix) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- x) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- xi) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

35 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. These include recognition and measurement of financial instruments, estimates of useful lives and residual value of Property, Plant and Equipment and intangible assets, valuation of inventories, measurement of recoverable amounts of cash-generating units, measurement of employee benefits, actuarial assumptions, provisions etc.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The Company continually evaluates these estimates and assumptions based on the most recently available information. Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

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

In terms of our Audit Report

For AVP & Co
FRN. 025193N
Chartered Accountants

Arvind Sharma
MN. FCA 525962
Partner

Date: 28-05-2022
Place: New Delhi

For and on behalf of the Board

Prasahesh Arya
DIN 00006507
Director

Rajesh Goenka
DIN 00298227
Director

Kaira Dewani
Company Secretary