

# 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

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Date 24<sup>th</sup> August, 2018

To,

**BSE Limited**

Phiroze Jejeebhoy Towers

Dalal Street,

Mumbai – 400001

**Scrip code: 532138**

**Sub: Submission of Annual Report for the F Y 2017-18 under Regulation 34(1) of LODR, 2015**

Dear Sir,

This has reference to the compliance of Regulation 34(1) of LODR, 2015, We hereby attached the Annual Report of the Company for the Financial Year 2017-18. Kindly take the same on your records.

Thanking you

**For SMC Credits Limited**



**(Shraboni Chatterjee)  
Company Secretary**

Encl : As above

**ANNUAL REPORT**  
**2017-2018**

**SMC CREDITS LIMITED**

**BOARD OF DIRECTORS**

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

**COMPANY SECRETARY  
& COMPLIANCE OFFICER**

Shraboni Chatterjee

**STATUTORY AUDITORS**

AVP & CO.  
(Chartered Accountants)

**REGISTRAR & SHARE TRANSFER AGENTS**

Beetal Financial & Computer Services (P) Ltd

**BANKERS**

Canara Bank  
HDFC Bank Ltd

**REGISTERED OFFICE**

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

**SMC CREDITS LIMITED**

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

**CIN: L65910DL1992PLC049566**

**Directors' Report**

To  
The Members,

Your Directors have pleasure in presenting the 26<sup>th</sup> Annual Reports together with the Audited Accounts of the company for the year ended 31st March, 2018.

**FINANCIAL RESULTS:-**

	<b>31st March, 2018</b>	<b>31st March, 2017</b>
	<u>(Amount in Rs.)</u>	<u>(Amount in Rs.)</u>
Profit before depreciation and taxation	<b>2,95,07,992</b>	<b>2,65,37,733</b>
Less: Depreciation	3,94,990	3,94,990
Provision for Tax		
a)Current Tax	30,00,000	35,00,000
b)Deferred Tax	(56,981)	(31,449)
c)prior period tax	(92,646)	-----
Profit after depreciation and taxation	2,62,62,629	2,26,74,192

**DIVIDEND:**

Your Directors do not consider it desirable to recommend any dividend.

**DIRECTORS :**

During the year under review Mr. Harshpriya Arya (DIN :02771786), Director of the Company retires by rotation and is eligible for re-appointment.

**DIRECTORS RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement:—

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

(b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

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

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

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

## **DEPOSITS**

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

## **AUDITORS & AUDITORS REPORT**

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

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

## **DISCLOSURES**

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

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

### **b. NUMBER OF MEETINGS OF THE BOARD**

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

**c. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

There were no contract or arrangements made as per provisions of Section 188 of the Companies Act, 2013 , with related parties during the year under review.

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

There are no material changes and commitments, affecting the financial position which has occurred between the end of the financial year of the Company i.e. 31<sup>st</sup> March, 2018 and the date of the Directors' Report.

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

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

**f. PARTICULARS OF EMPLOYEES**

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

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

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

**i. EXTRACT OF ANNUAL RETURN**

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

**j. Particulars of loans, guarantees or investment**

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

**CORPORATE GOVERNANCE**

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

**ACKNOWLEDGEMENT**

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

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

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

BY ORDER OF THE BOARD

Place : New Delhi  
Dated : 30.05.2018

CHAIRMAN  
(Prasahesh Arya)  
DIN:00006507

## SECRETARIAL AUDIT REPORT

For the financial year ended on 31st March, 2018

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

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

Dear Sir(s),

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

Based on our verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives, during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 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, 2018, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made there under;
- ii) Secretarial Standards issued by the Institute of Company Secretaries of India;
- iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iv) The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
  - A. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - B. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - C. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

- A. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- B. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; .



- C. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- D. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- E. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- F. The Securities and Exchange Board of India (Registrars to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

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

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

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

**We further report that: -**

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

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**FOR KHANDELWAL & ASSOCIATES  
COMPANY SECRETARIES**

Sd/-

**DHRUV KHANDELWAL  
PROPRIETOR  
ACS- 48749  
CP No.- 19005**

**Place: DELHI  
Date: May 30, 2018**

## **ANNEXURE - 1**

### **List of documents verified**

1. Annual Report for the financial year ended 31<sup>st</sup> March 2018
2. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee and CSR Committee along with Attendance Register held during the financial year
3. Minutes of General Meetings held during the financial year
4. Statutory Registers viz.
  - Register of Members
  - Register of Directors & KMP and their shareholding
  - Register of loans, guarantees and security and acquisition made by the Company
5. Agenda papers submitted to all the directors/members for the Board Meetings and Committee Meetings.
6. Intimations received from employees and directors under the prohibition of Insider Trading Code.
7. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.
8. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Obligations and Disclosure Requirements during the financial year under report.

### **Registered Office:**

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

**FOR KHANDELWAL & ASSOCIATES**  
**COMPANY SECRETARIES**

Sd/-

**DHRUV KHANDELWAL**  
**PROPRIETOR**  
**ACS- 48749**  
**CP No.- 19005**

**Place: DELHI**  
**Date: May 30, 2018**

**SMC CREDITS LIMITED**

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

CIN: L65910DL1992PLC049566

**ANNEXURE - I**

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN**

As on the financial year ended 31<sup>st</sup> March, 2018

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

**I. REGISTRATION & OTHER DETAILS:**

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

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

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

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

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

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

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

##### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF			-				-		
b) Central Govt			-				-		
c) State Govt(s)			-				-		
d) Bodies Corp.	950000	451200	1401200	13.98%	950000	451200	1401200	13.98%	0.00%
e) Banks / FI			-						
f) Any other			-						
<b>Sub Total (A) (1)</b>	950000	451200	1401200	13.98%	950000	451200	1401200	13.98%	0.00%
(2) Foreign									
a) NRI Individuals			-						
b) Other Individuals			-						
c) Bodies Corp.			-						
d) Any other			-						
<b>Sub Total (A) (2)</b>	-	-	-						
<b>TOTAL (A)</b>	950000	451200	1401200	13.98%	950000	451200	1401200	13.98%	0.00%
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds			-						
b) Banks / FI			-						
c) Central Govt			-						
d) State Govt(s)			-						
e) Venture Capital Funds			-						
f) Insurance Companies			-						
g) FIs			-						
h) Foreign Venture Capital Funds			-						

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

**(ii) Shareholding of Promoter-**

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
	Focal Leasing & Credits Ltd	1401200	13.98	----	1401200	13.98	----	--

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

Sl.No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
-----THERE HAS BEEN NO CHANGE IN THE SHAREHOLDING-----					

**(ii) Shareholding Pattern of top ten Shareholders:**

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

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>Name</b>				
1	Shuklamber Exports Ltd	1493300	14.90	1493300	14.90
2	Zeal Impex & Traders Pvt Ltd	1359900	13.57	1359900	13.57
3	Amity Infotech Pvt ltd	1403100	14.00	1403100	14.00
4	Jbm International ltd	952100	9.50	952100	9.50
5	Atoz Securities Ltd	1403100	14.00	1403100	14.00
6	Ashish Singh	105500	1.05	105500	1.05
7	Globe Industrial finance ltd	6400	0.064	6400	0.064
8	Om Prakash Sharma	3600	0.036	3600	0.036
9	Bimla Agarwal	1000	0.010	1000	0.010
10	Deen Dayal Gaur	1000	0.010	1000	0.010

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

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year				
	At the end of the year	-	-	-	-

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

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

**V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

**NOT APPLICABLE**

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		----	----	----	---	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961					
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961					
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961					
2	Stock Option					
3	Sweat Equity					
4	Commission					
	- as % of profit - others, specify...					
5	Others, please specify					
	Total (A)					
	Ceiling as per the Act					

**B. REMUNERATION TO OTHER DIRECTORS-NOT APPLICABLE**

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



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

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit others, specify...				
5	Others, please specify				
	Total				

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

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

## Corporate Governance Report

### **Company's philosophy on code of governance.**

The Board has adopted the principles of good Corporate Governance in line with the requirements of the corporate practices enumerated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges. The Company aims to achieve greater transparency by making adequate disclosures.

### **Board of Directors**

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

Other relevant Details of Directors (Directorship as at 31<sup>st</sup> March, 2018 unless otherwise stated)

S no	Name of Directors	Category	No of Directorship(s)		No of Other committee(s)*	
			Public	Private	Member	Chairman
1.	Prasahesh Arya	Chairman	2	13	3	2
2.	Yashpriya Dev Priya Arya	NED	1	2	1	-
3	Harsh Priya.Arya	Independent	1	2	1	-
4	Sukeerti Arya	Independent	1	2	-	-

\* Excludes directorships of private limited companies, foreign companies and companies under Section 25 of the Companies Act, 1956 and alternate directorships.  
Committee means Audit committee and stakeholders Relationship committee including membership held in said committee of the Company.

### **Board Meeting held during the year**

Five Board Meetings were held during the financial year 2017-2018 on , 30.05.2017, 12.08.2017, 25.08.2017, 14.11.2017 and 14.02.2018 . The last Annual General Meeting was held on 29<sup>th</sup> September, 2017.

S No.	Name of Directors	No. of meeting attend Total meeting held 4	Whether attended last AGM
1.	Prasahesh Arya	5	Yes
2.	Yashpriya Dev Priya Arya	5	Yes
3	Harsh Priya.Arya	5	Yes
4	Sukeerti Arya	5	Yes

**Audit Committee:**

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

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

The Audit Committee met Four times during the financial year 2017-18 (30<sup>th</sup> May, 2017, 12<sup>th</sup> August, 2017, 14<sup>th</sup> November, 2017 and 14<sup>th</sup> February 2018). All the committee members were present at all the meetings.

**Remuneration committee:**

The need of remuneration committee has not arisen since no managerial remuneration is paid.

**Shareholders'/Investors' Grievance Committee:**

Mr. Prasaresh Arya is chairman and Mr. Yash Priya Devpriya Arya & Mr. H.P.Arya are members of the committee. The committee approves and monitors transfers, transmission, splitting and consolidation of shares issued by the Company. The Committee also monitors redressal/replies to investors' complaints, queries and requests relating to transfer of shares, non-receipt of annual report etc.

The Company has authorised Sh.Prasaresh Arya and Sh. H.P.Arya severally to approve the share transfers.

**General'Body Meetings:**

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

Year	Location	Date	Time
2014-2015	24, Ashoka chambers, 5-B, Rajindra Park, Pusa Road, New Delhi- 110060	30 <sup>th</sup> September, 2015	9.30 a.m.
2015-2016	24, Ashoka chambers, 5-B, Rajindra Park, Pusa Road, New Delhi- 110060	29 <sup>th</sup> September, 2016	10.00 a.m.
2016-2017	24, Ashoka chambers, 5-B, Rajindra Park, Pusa Road, New Delhi- 110060	29 <sup>th</sup> September, 2017	10.00 a.m.

**Disclosures**

During 2017-2018, the Company had no materially significant related party transactions which are considered to have potential conflict with the interests of the Company at large.

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

**General shareholder information**

Annual General Meeting

Date and time : 29<sup>th</sup> September, 2018 at 10.00 A.M.

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

Financial Calendar

(tentative and subject to change):

First Quarter	-August 2018
Second Quarter	- November 2018
Third Quarter	- February 2019
Year ending on 31 <sup>st</sup> march, 2019	- May 2019

Book closure date : 29<sup>th</sup> September, 2018

Dividend date : Not Applicable

Equity Shares Listed on  
Stock Exchange at : BSE Limited

Demat ISIN in NSDL : INE440E01012

Registrar and Transfer Agents : M/s Beetal Financial & Computer Services (P) Ltd.,  
Beetal House, 3<sup>rd</sup> 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, 2018

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

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

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **Economic Review**

#### **Global Economy**

As per the IMF, the World growth strengthened in 2017-18 to 3.9 %, with a notable rebound in global trade as compared to 3.5% in 2016-17. The Growth was driven by an investment recovery in advanced economies, continued strong growth in emerging Asia, a notable upswing in emerging Europe, and signs of recovery in several commodity exporters.

Growth in advanced economies increased slightly to 2.5% in 2018 as compared to 2.0% in 2017, as central banks gradually remove their post-crisis accommodation and as an upturn in investment levels off. Growth in emerging market and developing economies as a whole stood to 4.9% in 2018 against 4.5% in 2017, as activity in commodity exporters continues to recover.

Global GDP growth reached to 4.5% in 2018 as against 3.5% in 2017, the strongest annual expansion since 2011. Growth is expected to remain strong in 2019 but moderate slightly to 3.0%.

The pickup in growth has been broad-based. World trade has grown strongly in the 4th quarter of 2017, well supported by a pick-up in investment in advanced economies and increased manufacturing output in Asia. For the year 2018 and 2019 forecast horizon, the upward revision to the global outlook results mainly from Advanced Economies where growth is now expected to exceed 2 percent.

The global economy is experiencing a cyclical recovery, reflecting a rebound in investment, manufacturing activity, and trade. This improvement comes against the backdrop of benign global financing conditions, generally accommodative policies, rising confidence, and firming commodity prices.

#### **Indian Economy**

The International Monetary Fund (IMF) is projecting an acceleration for the Indian economy, with the GDP growth of 7.11% in 2016 -17 scaling up to 7.36 % in 2017-18 and projected to reach 7.8% for 2018-19, potentially making India the world 's fastest growing large economy. The growth in 2016-17 was hampered by disruptions associated with the demonetisation introduced in November, 2016, while 2017-18 included the transition costs related to the launch of Goods and Services Tax (GST). With the structural reforms in place, the economy is expected to move to a higher growth trajectory for 2018-19 and beyond.

The second advance estimate of National Income released by the Central Statistical Organisation (CSO) of the Government of India on 28 February, 2018 has pegged India's real GDP growth for 2017-18 (or FY2018) at 6.6% — which represents a deceleration of 50 basis points compared to 7.1% of the previous year. The results are qualitatively similar when national income is measured in terms of gross value added (GVA) at constant prices. CSO estimates real GVA growth for FY2018 at 6.4% versus 7.1% in FY2017.

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organization (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10- 15 years, backed by its strong democracy and partnerships.

India's gross domestic product (GDP) at constant prices grew to 7.36 per cent in 2018 as per the Central Statistics Organization (CSO) as compared to 7.11percent in 2017.

India's foreign exchange reserves were US\$ 422.53 billion in the week up to March 23, 2018, according to data from the RBI. The tax collection figures between April 2017- February 2018 show an increase in net direct taxes by 19.5 per cent year-on-year and an increase in net direct taxes by 22.2 per cent year-on-year.

### **Industry Structure and Developments**

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

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

### **Capital Management**

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

### **Opportunities and Threats:**

#### **Opportunities**

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

#### **Threats**

NBFCs' are operating with high risk of lending and more often NBFCs' lend credit to Small and Medium size enterprises, which are categorized as high risk class of assets. They are exposed to

market risks (including liquidity risk) and also the factors that are associated with capital market, which inter alia includes economic/business cycle, fluctuations in the stock prices in the market, besides the interest rate volatility and credit risk.

### **Risks and Concerns**

The Company like any other Company is exposed to specific risks that are particular to its business and the environment within which it operates. The Company is confident of managing these risks by maintaining a conservative financial profile, and by following prudent business and risk management practices.

### **Outlook**

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

### **Segment wise Performance**

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

### **Operations:**

During the year under review the company had a turnover of Rs 32711851/- and earned a profit of Rs . 26262629/-

### **Internal Control Systems**

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

### **Human Resources Policies**

The Company has employee friendly HR policy.

### **Industrial Relations**

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

### **Acknowledgement**

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

## **Forward Looking Statement**

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



**INDEPENDENT AUDITOR'S CERTIFICATE ON  
CORPORATE GOVERNANCE**

To the Members of  
SMC Credits Limited

1. We, AVP & Co, Chartered Accountants, the Statutory Auditors of SMC Credits Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2018, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

**Management's Responsibility**

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

**Auditor's Responsibility**

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the "ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the Listing Regulations during the year ended 31st March, 2018.
8. We 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.

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

**Arvind Sharma**  
M. No. : FCA 525962  
Partner

Date : 30-05-2018  
Place : New Delhi

## INDEPENDENT AUDITORS' REPORT

**To The Members of  
SMC CREDITS LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of SMC Credits Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards 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 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 these financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2018;
- (b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ('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. 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statement comply with the Accounting Standards specified in section 133 of the Act;
  - (e) On the basis of written representations received from the Directors, as on 31<sup>st</sup> March, 2018, taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a Director in terms of section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure – B".
  - (g) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Company does not have any pending litigations which would impact its financial position as on March 31, 2018.
    - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

**Arvind Sharma**  
M. No. : FCA 525962  
Partner

Date : 30-05-2018  
Place : New Delhi

## **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 Fixed Assets of the Company:
  - (a) The company is maintaining proper records, showing full particulars including quantitative details and situation of fixed assets.
  - (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) As per the information and explanations provided to us, title deeds of immovable properties are generally in the name of the Company.
- (ii) In our opinion, the inventories being securities held as stock in trade have been physically verified during the year by the Management at reasonable intervals and as explained to us no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, 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, the Company has not accepted any deposit from the public. Therefore, the provisions of clause (v) of paragraph 3 of the Order is not applicable to the Company.
- (vi) The provisions of clause (vi) of paragraph 3 of the Order are not applicable to the Company as the Company is not covered by the Companies (Cost Records and Audit) Rules, 2014.
- (vii) In respect of statutory dues:
  - (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and 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 31<sup>st</sup> March, 2018 for a period of more than six months from the date of becoming payable.
  - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, sales-tax, service-tax, Goods and Service Tax, duty of customs, duty of excise and value added tax were in arrears, as at 31<sup>st</sup> March, 2018.
- (viii) The company has not taken any loan or borrowings from financial institution, bank and government or has not issued any debentures. Hence reporting under clause (viii) of paragraph 3 of the Order is not applicable.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of paragraph 3 of the Order is not applicable.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (xi) The Company has not paid any managerial remuneration and hence reporting under clause (xi) of paragraph 3 of the Order is not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of paragraph 3 of the Order is not applicable.

- (xiii) The Company has no related party transaction and hence reporting under clause (xiii) of paragraph 3 of the Order is not applicable.
  - (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of paragraph 3 of the Order is not applicable to the Company.
  - (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 Act are not applicable.
  - (xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.
- 

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

**Arvind Sharma**  
M. N.: FCA 525962  
Partner

Date : 30-05-2018  
Place : New Delhi

## **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 31<sup>st</sup> March, 2018 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 authorisations 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 31<sup>st</sup> March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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**For AVP & Co**

F. R. N.: 025193N

Chartered Accountants

**Arvind Sharma**

M. N.: FCA 525962

Partner

Date : 30-05-2018

Place : New Delhi

**SMC Credits Limited**  
**Balance Sheet as at 31st March, 2018**

Amount in `

Particulars	Note No.	As at	
		31st March, 2018	31st March, 2017
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2.01	100,222,000	100,222,000
Reserves and surplus	2.02	262,128,661	235,866,032
		<b>362,350,661</b>	<b>336,088,032</b>
<b>Current liabilities</b>			
Trade payables	2.03	31,492	34,965
Short term provisions	2.04	374,415	173,963
Other current liabilities	2.05	1,191,185	1,077,500
		<b>1,597,092</b>	<b>1,286,428</b>
		<b>363,947,753</b>	<b>337,374,460</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
- Tangible assets	2.06	22,506,590	22,901,580
Non - Current Investment	2.07	226,696,165	226,696,165
Deferred tax Assets (Net)	2.08	127,388	70,407
Long term loans and advances	2.09	5,280	5,280
		<b>249,335,423</b>	<b>249,673,432</b>
<b>Current assets</b>			
Current Investment	2.10	282,782	11,435,689
Inventories	2.11	195,140	273,216
Trade receivables	2.12	2,636,199	2,092,015
Cash and cash equivalents	2.13	17,455,793	4,217,234
Short term loans and advances	2.14	94,042,416	69,682,874
		<b>114,612,330</b>	<b>87,701,028</b>
		<b>363,947,753</b>	<b>337,374,460</b>
<b>Accounting policies and notes to the financial statements</b>	1 & 2		

**In terms of our Audit Report**

**For AVP & Co**  
FRN. 025193N  
Chartered Accountants

**For and on behalf of the Board**

**Arvind Sharma**  
M. No. FCA 525962  
Partner

**Prasahesh Arya**  
DIN 00006507  
Director

**Y P Arya**  
DIN 00505675  
Director

Place: New Delhi  
Date: 30-05-2018

**Shraboni Chatterjee**  
Company Secretary



**SMC Credits Limited**  
**Statement of Profit and Loss for the year ended 31st March, 2018**

Amount in `

Particulars	Note No.	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>REVENUE</b>			
Revenue from operations	2.15	23,509,711	21,726,062
Other income	2.16	9,202,140	8,947,808
<b>Total revenue</b>		<b>32,711,851</b>	<b>30,673,870</b>
<b>EXPENSES</b>			
Employee benefit expense	2.17	451,504	652,925
Depreciation and amortization expense	2.18	394,990	394,990
Other expenses	2.19	2,752,355	3,483,212
<b>Total expenses</b>		<b>3,598,849</b>	<b>4,531,127</b>
<b>Profit before tax</b>		<b>29,113,002</b>	<b>26,142,743</b>
<b>Tax expense:</b>			
Current tax		3,000,000	3,500,000
Deferred tax		(56,981)	(31,449)
Prior period tax		(92,646)	-
<b>Profit for the year</b>		<b>26,262,629</b>	<b>22,674,192</b>
<b>Earnings per share of ` 10 each:</b>			
Basic & Diluted	2.24	2.62	2.26
<b>Accounting policies and notes to the financial statements</b>	1 & 2		

**In terms of our Audit Report**

**For AVP & Co**  
FRN. 025193N  
Chartered Accountants

**For and on behalf of the Board**

**Arvind Sharma**  
M. No. FCA 525962  
Partner

**Prasahesh Arya**  
DIN 00006507  
Director

**Y P Arya**  
DIN 00505675  
Director

Place: New Delhi  
Date: 30-05-2018

**Shraboni Chatterjee**  
Company Secretary

**SMC Credits Limited**  
**Cash Flow Statement for the year ended 31st March, 2018**

Amount in `

Description	Note No.	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>A. CASH FLOW FROM OPERATIVE ACTIVITIES</b>			
Net profit before tax & extraordinary items		29,113,002	26,142,743
<b>Adjustment for :</b>			
Provision for standard assets		200,452	89,025
Depreciation		394,990	394,990
<b>Operating Profit before working capital change</b>		<b>29,708,444</b>	<b>26,626,758</b>
<b>Adjustment for :</b>			
Trade and other receivable		(544,184)	(803,589)
Inventories		78,076	53,559
Loans & advances		(24,359,542)	4,260,813
Trade Payable		(3,473)	7,690
Other current liabilities		113,685	77,500
<b>Cash generated from operations</b>		<b>4,993,006</b>	<b>30,222,731</b>
Direct Taxes paid		(2,907,354)	(3,500,000)
<b>Net cash from operating Activities</b>		<b>2,085,652</b>	<b>26,722,731</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Investment		-	(24,093,809)
Proceed from sale of Investment		11,152,907	-
<b>Net cash flow (used) from / in Investing Activities</b>		<b>11,152,907</b>	<b>(24,093,809)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
<b>Net cash flow (used) from / in Financing Activities</b>		<b>-</b>	<b>-</b>
Net increase in cash & cash equivalents ( A+B+C)		13,238,559	2,628,922
Cash & cash equivalents at the beginning of the year	2.13	4,217,234	1,588,312
<b>Cash &amp; cash equivalents at the close of the year</b>	2.13	<b>17,455,793</b>	<b>4,217,234</b>
<b>Accounting policies and notes to the financial statements</b>	1 & 2		

**In terms of our Audit Report**

**For AVP & Co**  
FRN. 025193N  
Chartered Accountants

**For and on behalf of the Board**

**Arvind Sharma**  
M. No. 525962  
Partner

**Prasahesh Arya**  
DIN 00006507  
Director

**Y P Arya**  
DIN 00505675  
Director

Place: New Delhi  
Date: 30-05-2018

**Shraboni Chatterjee**  
Company Secretary

## **SMC CREDITS LIMITED**

### **Significant Accounting Policies & Notes to the Financial Statements for the year ended March 31, 2018**

#### **1. SIGNIFICANT ACCOUNTING POLICIES**

##### **1.01 Basis of preparation**

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on accrual basis.

##### **1.02 Use of Estimates**

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

##### **1.03 Fixed Assets**

All Fixed assets are stated at historical cost less any accumulated depreciation. Cost includes original cost of acquisition including incidental expenses related to such acquisition.

##### **1.04 Depreciation**

Pursuant to Companies Act, 2013 ('the Act') being effective from 1 April 2014, the Company has revised depreciation rates on tangible fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act. In accordance with AS-6 "Depreciation", depreciation on tangible fixed assets is computed on straight line method basis considering useful life provided in the Schedule - II of the Companies Act, 2013. Prior to financial year 2014-2017, the company was providing depreciation on straight line method basis at the rate prescribed in Schedule XIV of the Companies Act, 1956.

Depreciation/amortization are on the pro-rata basis with respect to the date of addition/ installation/ deletion/ put to use.

##### **1.05 Inventories**

Inventories are in the nature of Short Term investments and are valued at cost or net realizable value whichever is lower and is on FIFO basis.

##### **1.06 Investments**

Investments are classified as non-current (long term) or current. Non-current investments are carried at cost, however, provision for diminution in the value of non-current investments is made to recognize a decline, other than temporary, in the value of investments, at lower of cost or market value, determined on the basis of the quoted prices of individual investment in case of quoted investments and as per the management's estimate of fair value in case of non-quoted investments. Current investments are carried at lower of cost or fair value.

##### **1.07 Prudential Norms:**

The company follows the prudential norms prescribed by the Reserve Bank of India Non-Banking Finance Companies Prudential Norms, 1998 for revenue recognition, Asset classification and provisioning. The Reserve Bank of India ("RBI") directions in respect of "Non-Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) directions, 2007 ("RBI Directions, 2007"), dated February 22, 2007, as amended, in respect of income recognition, income from investment, accounting of investment, asset classification, disclosures in the balance sheet and provisioning are followed by the company. Accounting Standards (AS) as specified under Section 133 of the Companies Act, 2013 and Guidance Notes issued by The Institute of Chartered Accountants of India ("ICAI") are followed insofar as they are not inconsistent with the RBI Directions, 2007.

##### **1.08 Revenue Recognition**

- a) Income from Interest on financing activities is recognized on accrual basis as per contractual terms and when there is no uncertainty in receiving the same.
- b) In respect of other heads of income & expenses, the Company follows the practice of recognizing income & expenses on an accrual basis.

**1.09 Impairment of Assets**

An asset is treated as impaired when carrying cost of the assets exceeds its recoverable amount. An impairment loss, if any is charged to the Statement of Profit & Loss in the year in which an asset is identified as impaired.

**1.10 Taxation**

Tax expense (tax saving) is the aggregate of current year tax based on assessable profits of the Company as determined under Income Tax Act, 1961, deferred tax charged (or credited) to the Statement of Profit & Loss for the year payable during the previous year as determined under Income Tax Act, 1961. Deferred tax calculation has been based on the tax effect of timing differences resulting from the recognition of items in the financial statements and in estimating its current income tax provision. The deferred tax is measured at the tax rates that have been enacted or substantially enacted by the Balance Sheet date.

Deferred Tax Assets are recognized only if there is reasonable certainty that these will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

**1.11 Provision, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes to the Accounts. Contingent Assets are neither recognized nor disclosed in the financial statements.

**1.12 Earnings per share**

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax (and include the post-tax effect of any extra ordinary items). The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year.

**1.13 Other Accounting Policies**

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

Note No.	Description	As at 31st March, 2018	As at 31st March, 2017
<b>2.01</b>	<b>Share Capital</b>		
<b>a</b>	<b>Authorised</b>		
	1,10,00,000 Equity Shares of ` 10 each	110,000,000	110,000,000
<b>b</b>	<b>Issued, subscribed and paid up</b>		
	1,00,22,200 Equity Shares of ` 10 each, fully paid up in cash	100,222,000	100,222,000
<b>c</b>	<b>Reconciliation of Number of Equity Shares Outstanding</b>		
	<b>Particulars</b>	<b>Number of Shares</b>	<b>Amount in `</b>
	<b>As At 31.03.2018</b>		
	At the beginning of the year	10,022,200	100,222,000
	Issued during the year	-	-
	<b>At the end of the year</b>	<b>10,022,200</b>	<b>100,222,000</b>
	<b>As At 31.03.2017</b>		
	At the beginning of the year	10,022,200	100,222,000
	Issued during the year	-	-
	<b>At the end of the year</b>	<b>10,022,200</b>	<b>100,222,000</b>
<b>d</b>	<b>Shares held by shareholders holding more than 5% shares</b>		
	<b>Name of Shareholder</b>	<b>No. of Shares held</b>	<b>%age of holding</b>
	<b>AS AT 31.03.2018</b>		
	Shuklamber Exports Limited	1,493,300	14.90%
	Focal Leasing & Credits Limited	1,401,200	13.98%
	A To Z Securities Ltd.	1,403,100	14.00%
	Amity Infotech Pvt. Ltd.	1,403,100	14.00%
	Zeal Impex & Traders Private Limited	1,359,900	13.57%
	JBM International Ltd.	952,100	9.50%
	There is no change in shareholders and their shareholding during the financial year.		
<b>e</b>	<b>Terms/Rights attached to Equity Shares</b>		
	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.		
<b>2.02</b>	<b>Reserves &amp; Surplus</b>		
	<b>Statutory reserve u/s 45-IC of RBI Act</b>		
	Opening Balance	39,892,480	35,357,642
	Addition during the Year	5,252,526	4,534,838
	Closing Balance	45,145,006	39,892,480
	<b>Surplus in Statement of Profit and Loss</b>		
	Opening Balance	195,973,552	177,834,198
	Add: Profit for the year	26,262,629	22,674,192
		222,236,181	200,508,390
	Less: Transfer to Statutory Reserve	(5,252,526)	(4,534,838)
	Closing Balance	216,983,655	195,973,552
	<b>Total</b>	<b>262,128,661</b>	<b>235,866,032</b>

Note No.	Description	As at 31st March, 2018	As at 31st March, 2017
<b>2.03</b>	<b>Trade Payable (Current)</b>		
	-Due to micro and small enterprises *	-	-
	-Others	31,492	34,965
	<b>Total</b>	<b>31,492</b>	<b>34,965</b>
	<p>* The company has initiated the process of identification of suppliers registered under Micro, Small and Medium Enterprise Development Act ,2006, by obtaining confirmations from all suppliers. Information has been collected only to the extent of information received as at balance sheet date. Based on the information available with the company, there are no suppliers who are registered as micro, small or medium enterprise under " The Micro, Small and Medium Enterprises Development Act 2006" as at 31st March, 2018.</p>		
<b>2.04</b>	<b>Short term provisions</b>		
	<b>Provision for Income Tax</b>		
	Income Tax	-	-
	(net of advance/self assessment tax & TDS ` 34,38,630; PY ` 61,47,642)		
	<b>Other Provisions</b>		
	Provision for standard assets	374,415	173,963
	<b>Total</b>	<b>374,415</b>	<b>173,963</b>
<b>2.05</b>	<b>Other current liabilities</b>		
	Security Deposit	1,000,000	1,000,000
	Advance rent from Tenant	77,500	77,500
	Payable to statutory authorities	113,685	-
	<b>Total</b>	<b>1,191,185</b>	<b>1,077,500</b>

SMC Credits Limited

Notes forming part of the financial statements

Note : 2.06 Fixed Asset

Amount in `

Particulars	Gross Block			Depreciaton				Net Block	
	As at 1st April, 2017	Addition	Sale As at 31st March, 2018	As at 1st April, 2017	for the year	adjustment	As at 31st March, 2018	As at 31st March, 2018	As at 31st March, 2017
<b>Tangible Assets</b>									
Land	5,638,400	-	5,638,400	-	-	-	-	5,638,400	5,638,400
Building	21,815,378	-	21,815,378	4,750,888	343,242	-	5,094,130	16,721,248	17,064,490
Furniture & Fixture	563,195	-	563,195	380,336	51,748	-	432,084	131,111	182,859
Office Equipment	316,605	-	316,605	300,774	-	-	300,774	15,831	15,831
<b>Total</b>	<b>28,333,578</b>	<b>-</b>	<b>28,333,578</b>	<b>5,431,998</b>	<b>394,990</b>	<b>-</b>	<b>5,826,988</b>	<b>22,506,590</b>	<b>22,901,580</b>
<b>Previous Year</b>	<b>28,333,578</b>	<b>-</b>	<b>28,333,578</b>	<b>5,037,008</b>	<b>394,990</b>	<b>-</b>	<b>5,431,998</b>	<b>22,901,580</b>	<b>23,296,570</b>

Note No.	Description	As at 31st March, 2018	As at 31st March, 2017
<b>2.07</b>	<b>Non-current investment (at cost)</b>		
	<b>Other investments</b>		
<b>A.</b>	<b>Investment in equity instruments</b>		
	<b>Quoted</b>		
	<b>Fully paid up of face value ` 10 each</b>		
	43 shares of Reliance Power Ltd	12,150	12,150
	<b>Fully paid up of face value ` 5 each</b>		
	822800 shares of Jay Bharat Maruti Ltd	3,918,585	3,918,585
	<b>Fully paid up of face value ` 5 each</b>		
	7570020 shares of JBM Auto Ltd	29,700,772	29,700,772
		<b>33,631,507</b>	<b>33,631,507</b>
	<b>Unquoted</b>		
	<b>Fully paid up of face value ` 10 each</b>		
	840000 shares of A to Z securities Ltd *	3,355,478	3,355,478
	233000 shares of Shuklamber Exports Ltd *	820,160	820,160
	3200 shares of Gurera Udyog Ltd.	6,400	6,400
	495200 shares of Focal Leasing & Credits Ltd	742,800	742,800
	1930000 shares of Neel Metal Products Ltd.	9,650,000	9,650,000
	30000 shares of Prasha Techonologies Ltd	300,000	300,000
	85000 shares of Neel Industries Pvt Ltd	10,625,000	10,625,000
	217633 shares of Jbm Ind Ltd	14,403,615	14,403,615
	89300 shares of Shreeaumji Infrastructure & Projects Pvt. Ltd.	11,162,500	11,162,500
	<b>Fully paid up of face value ` 100 each</b>		
	3808 shares of NAP Investment & Leasing Pvt. Ltd	76,160	76,160
		<b>51,142,113</b>	<b>51,142,113</b>
		<b>84,773,620</b>	<b>84,773,620</b>
<b>B.</b>	<b>Investment in preference shares</b>		
	<b>11% Non-Cumulative redeemable in :</b>		
	60000 shares of ` 10 each, of JBM International Ltd.	600,000	600,000
	25000 shares of ` 100 each. of JBM Builders Pvt Ltd	2,500,000	2,500,000
	<b>4% Non-Cumulative redeemable in :</b>		
	10690 shares of ` 100 each, of NAP Investment & Leasing Pvt. Ltd.	213,800	213,800
	<b>1% Non Cumulative redeemable preference shares of ` 10 each</b>		
	267900 shares of Shreeaumji Infrastructure & Projects Pvt. Ltd.	33,487,500	33,487,500
	1020000 shares of Shreeaumji Infrastructure & Projects Pvt. Ltd.	48,621,250	48,621,250
	<b>1% non cummulative redeemable preference shares of ` 10 each</b>		
	2250000 shares of JBM Projects & Infrastructure Pvt. Ltd	22,500,000	22,500,000
	16469 shares of JBM Corporate Services Pvt. Ltd.	2,499,995	2,499,995
	2500000 shares of Faridabad Presswell Pvt. Ltd.	25,000,000	25,000,000
	550000 shares of Radhika compusoft Pvt. Ltd.	5,500,000	5,500,000
<b>C.</b>	<b>Investment in 0.001% Compulsory convertible debentures</b>		
	1,00,000 debentures of Satish Buildwell Private Limited of ` 10 each	1,000,000	1,000,000
		<b>141,922,545</b>	<b>141,922,545</b>
	<b>Total</b>	<b>226,696,165</b>	<b>226,696,165</b>
	Aggregate market value of quoted investments	3,173,137,641	1,235,865,627
	Aggregate book value of quoted investments	33,631,507	33,631,507
	Aggregate book value of unquoted investments	193,064,658	193,064,658

\* also refer to Note No. 2.26



Note No.	Description	As at 31st March, 2018	As at 31st March, 2017
<b>2.08</b>	<b>Deferred tax Assets (net)</b>		
	On account of difference in WDV under Co. act & IT Act.	23,226	16,652
	On account of provision for standard assets	104,162	53,755
	<b>Deferred tax liability (net)</b>	<b>127,388</b>	<b>70,407</b>
<b>2.09</b>	<b>Long term loans and advances</b>		
	Unsecured, considered good		
	Security deposits	5,280	5,280
	<b>Total</b>	<b>5,280</b>	<b>5,280</b>
<b>2.10</b>	<b>Current Investment</b>		
	<b>Non trade (Fully Paid Up)</b>		
	<b>Investment in units of Mutual Fund</b>		
	119.636 (114.295 ) Units Reliance money manager fund	120,603	115,152
	106.027 (7405.142 ) Units Reliance Liquid fund cash plan	162,179	11,320,537
	<b>Total</b>	<b>282,782</b>	<b>11,435,689</b>
<b>2.11</b>	<b>Inventories</b>		
	Inventories (Stock of Shares)	195,140	273,216
	<b>Total</b>	<b>195,140</b>	<b>273,216</b>
<b>2.12</b>	<b>Trade receivables (Current)</b>		
	<b>Outstanding for less than six months</b>		
	Unsecured, considered good	2,636,199	2,092,015
	<b>Total</b>	<b>2,636,199</b>	<b>2,092,015</b>
<b>2.13</b>	<b>Cash &amp; Cash Equivalent:</b>		
	Cash-in-Hand	23,104	71,773
	Balance with Banks on current accounts	1,832,689	4,145,461
	FDRS with Canara Bank	15,600,000	-
	<b>Total</b>	<b>17,455,793</b>	<b>4,217,234</b>
<b>2.14</b>	<b>Short term loans and advances</b>		
	Unsecured, considered good		
	Loans and advances		
	- Standard Assets	93,603,786	69,585,232
	Income tax & TDS	438,630	97,642
	(net of provision for tax ` 30,00,000; PY ` 60,50,000)		
	<b>Total</b>	<b>94,042,416</b>	<b>69,682,874</b>

Note No.	Description	For the Year ended 31 March, 2018	For the Year ended 31 March, 2017
<b>2.15</b>	<b>Revenue from operations</b>		
	Dividend earned	17,544,613	15,487,364
	Interest earned	6,020,616	6,233,165
	Securities dealing	(55,518)	5,533
	<b>Total</b>	<b>23,509,711</b>	<b>21,726,062</b>
<b>2.16</b>	<b>Other income</b>		
	Rent Received	9,180,000	8,947,808
	Interest on Income Tax Refund	22,140	-
	<b>Total</b>	<b>9,202,140</b>	<b>8,947,808</b>
<b>2.17</b>	<b>Employee benefit expense</b>		
	Salaries and wages	441,667	606,330
	Staff welfare	9,837	46,595
	<b>Total</b>	<b>451,504</b>	<b>652,925</b>
<b>2.18</b>	<b>Depreciation and amortization expense</b>		
	Depreciation on tangible assets	394,990	394,990
	<b>Total</b>	<b>394,990</b>	<b>394,990</b>
<b>2.19</b>	<b>Other expenses</b>		
	Travelling and conveyance	32,925	51,680
	Printing and stationery	16,199	15,036
	Rent	108,000	108,000
	Rates and taxes	76,402	98,879
	Postage & telephone expenses	5,990	10,395
	Property Tax	67,560	67,560
	Advertisement	18,373	16,855
	Legal and professional	379,680	186,487
	Computer & data processing expenses	6,450	-
	Office Repairs and maintenance	141,367	262,772
	Depository charges	2,528	2,103
	Donation	1,335,000	2,140,000
	Listing Fee	317,000	235,000
	News paper, Books & periodicals	2,400	2,130
	Meeting expenses	855	1,950
	Bank charges	2,978	2,810
	Brokerage paid	-	155,000
	Miscellaneous	12,000	12,000
	Provision for standard assets	200,452	89,025
	<b>Remuneration to Auditor</b>		
	- Statutory Audit	21,240	20,700
	- Other services	4,956	4,830
	<b>Total</b>	<b>2,752,355</b>	<b>3,483,212</b>

**SMC CREDITS LIMITED****Notes to the financial statements**

2.20 Contingent Liabilities Nil (PY Nil)

2.21 In the opinion of the directors, the loans & advances (short term and long term) and current trade receivable have a value on realization in the ordinary course of business at least equal to the value at which they are stated in the Balance Sheet and provision for all known liabilities have been made.

2.22 Particular of Opening Stock and Closing Stock of shares

Particulars	31.03.2018		31.03.2017	
	Qty	Value	Qty	Value
Opening Stock	1900	273216	2100	326775
Purchases/Additions	12250	462391	19800	1521428
Sale	12350	484949	20000	1580520
Closing Stock	1800	195140	1900	273216

2.23 **Segment Reporting**

Based on the principle given in the Accounting Standard - 17 "Segment Reporting", the Company has considered business segment as primary segment for disclosure purposes and comprises of the following:

- Non banking financial services
- Others

Pertains to consultancy business and rental income on properties of the Company :

Particulars	Amount in `		
	NBFC	OTHERS	TOTAL
<b>Segment Revenue</b>			
External Revenue	23565229 (21720529)	9146622 (8953341)	32711851 (30673870)
<b>Segment Result (Before Tax)</b>	22029182 (19975204)	7083820 (6167539)	29113002 (26142743)
<b>Other Information</b>			
Segment Assets	341392965 (314398354)	22554788 (22976106)	363947753 (337374460)
Segment Liabilities	405907 (208928)	1191185 (1077500)	1597092 (1286428)

Note : Figures in brackets indicated previous year amount.

2.24 **Earning per share**

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax (and include the post tax effect of any extra ordinary items). The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

Particulars	For the year ended	For the year ended
	31st March 2018	31st March 2017
Net Profit attributable to Equity Shareholders ( ` )	2,62,62,629	2,26,74,192
Weighted Average No. of Equity Shares	1,00,22,200	1,00,22,200
Nominal Value per share ( ` )	10	10
<b>Basic &amp; Diluted EPS ( ` )</b>	<b>2.62</b>	<b>2.26</b>

2.25 **Related Party Disclosure**

There is no transaction done with related parties as defined in the Accounting Standard -18 of related party disclosure.

2.26 Pursuant to SEBI pronouncement on "Non-operational Stock Exchanges", Delhi Stock Exchange (DSE) vide letter dated May 18, 2015, companies listed with DSE has been transferred to BSE Dissemination Board and those

company has ceased to be listed company. Accordingly, investment in these companies has been re-grouped under "Unquoted Investment".

2.27

**(A) Statement in pursuance of NBFC Auditor's Report (Reserve Bank) Directions, 1998:**

- a) The Company has obtained a certificate of registration from the Reserve Bank of India
- b) (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 9BB of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998**

<b>Liabilities Side;</b>	<b>Amount Outstanding</b>	<b>Amount Overdue</b>
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid :		
a) Debentures : 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	Nil	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) Secured loans	Nil	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 debentures :	Nil	Nil
b) In the form of partly secured debentures i.e., debentures where there is a shortfall in the value of security	Nil	Nil
c) Other public deposits	Nil	Nil
<b>Assets Side;</b>	<b>Amount outstanding</b>	
(3) Break-up of Loans and advances including bills receivables [ other than those included in (4) below : ]		
a) Secured	Nil	
b) Unsecured (net of provisions)	93603786	
(4) <b>Break-up of Leased Assets</b> stock on hire and hypothecation loans counting towards EL / HP activities (net of provision)		
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	
(5) Break-up of Investments :		
Current Investments :		

1.	Quoted:			
	i)	Shares:	a) Equity	195140
			b) Preference	Nil
	ii)	Debentures and Bonds		Nil
	iii)	Units of mutual funds		Nil
	iv)	Government Securities		Nil
	v)	Others (please specify)		Nil
2.	Unquoted			
	i)	Shares:	a) Equity	Nil
			b) Preference	Nil
	ii)	Debentures and Bonds		Nil
	iii)	Units of mutual funds		282782
	iv)	Government Securities		Nil
	v)	Others (please specify)		Nil

Non-current investments

1.	Quoted:			
	i)	Shares:	a) Equity	33631507
			b) Preference	Nil
	ii)	Debentures and Bonds		Nil
	iii)	Units of mutual funds		Nil
	iv)	Government Securities		Nil
	v)	Others (please specify)		Nil
2.	Unquoted			
	i)	Shares:	a) Equity	51142113
			b) Preference	140922545
	ii)	Debentures and Bonds		1000000
	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	Amount net of provisions (₹)		
	Secured	Unsecured	Total
<b>1. Related Parties</b>			
a) Subsidiaries	Nil	Nil	Nil
b) Companies in the same group	Nil	Nil	Nil
c) Other related parties	Nil	Nil	Nil
<b>2. Other than related parties</b>	Nil	93603786	93603786
<b>Total</b>	<b>Nil</b>	<b>93603786</b>	<b>93603786</b>

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)

Category	Break-up value per share (₹)	Book value (net of provision) (₹)
<b>1. Related Parties</b>		
(a) Subsidiaries	Nil	Nil
(b) Companies in the same group	Nil	Nil
<b>2. Other than related parties</b>	-	
<b>Quoted</b>		
Equity Shares	10	13530
Equity Shares	5	33620277
Equity Shares	1	192840
Mutual fund		282782
<b>Unquoted</b>		
Equity Shares	10	51065953
Equity Shares	100	76160

Preference Shares	100	2713800
Preference Shares	10	138208745
Debentures	10	1000000
<b>TOTAL</b>		<b>227174087</b>

**Other Information**

<b>Particulars</b>	<b>Amount in `</b>
i) Gross Non-Performing Assets	
a) Related parties	Nil
b) Other than related parties	Nil
ii) Net Non-Performing Assets	
a) Related parties	Nil
b) Other than related parties	Nil
iii) Assets acquired in satisfaction of debt	Nil

2.28 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.

2.29 Other additional information pursuant to general instruction for preparation of statement of Profit & Loss of part II of Schedule III (Division I) of the Companies Act, 2013 are not given since these are not applicable.

**As per our report**

**For AVP &Co**

F. R. N.: 025193N  
Chartered Accountants

**For and on behalf of Board**

**Arvind Sharma**

M. N.: 525962  
Partner

**Prasahesh Arya**

DIN 00006507  
Director

**Y P Arya**

DIN 00505675  
Director

Date : 30-05-2018  
Place : New Delhi

**Shraboni Chatterjee**  
Company Secretary