



# SMIFS CAPITAL MARKETS LIMITED

August 29, 2016

The Secretary  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai 400 001

Dear Sir,

**Sub: Annual Report of the Company for the year ended 2015-2016 - AGM to be held on September 24, 2016**

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed please find a copy of the Annual Report of our Company for the year ended 2015-2016.

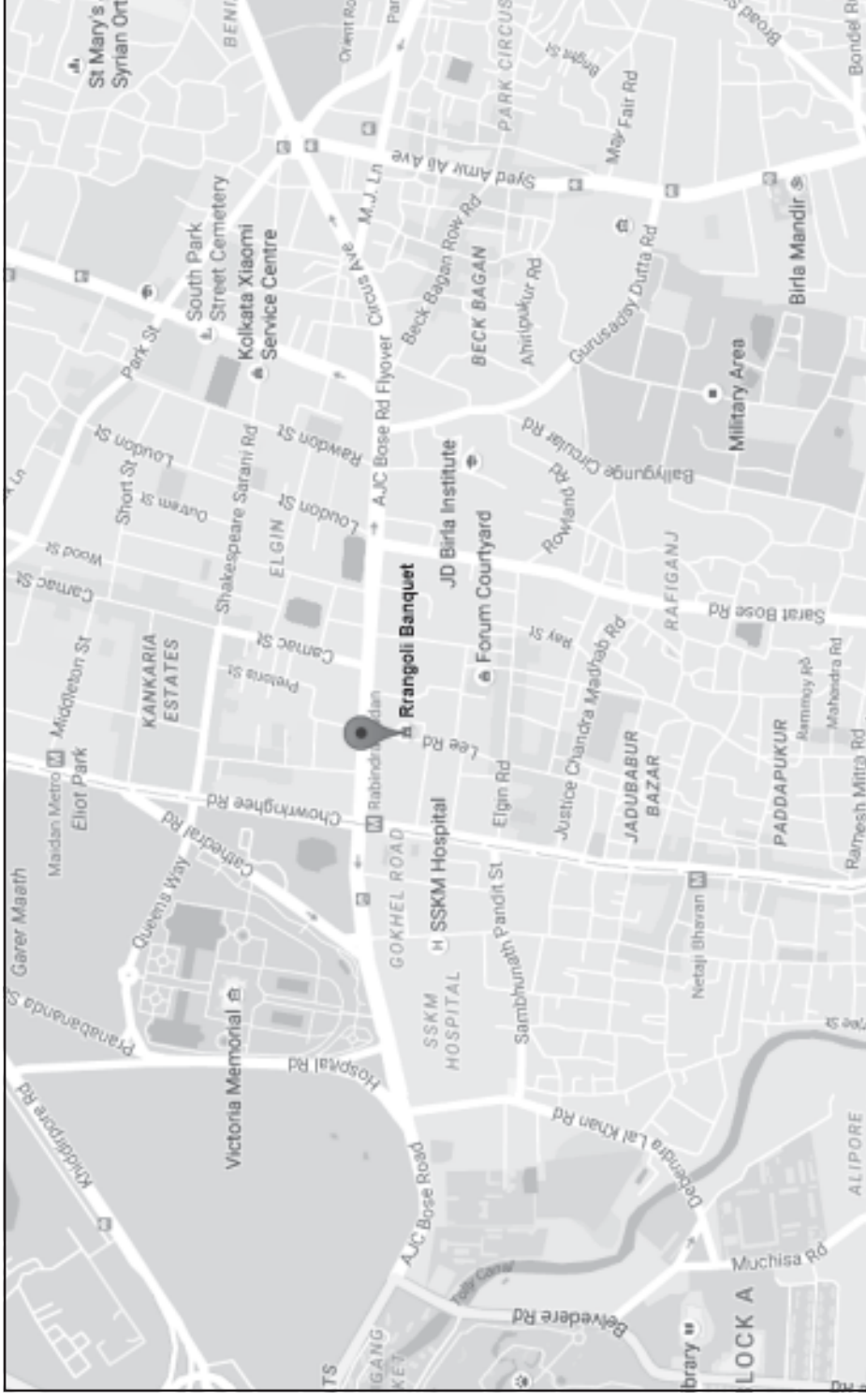
Yours faithfully,  
For SMIFS Capital Markets Limited

*Poonam Bhatia*

**(Poonam Bhatia)**  
**Company Secretary-cum- Senior Manager Legal**



ROUTE MAP TO THE VENUE OF THE THIRTY THIRD ANNUAL GENERAL MEETING



Rrangoli Banquet Hall, 'Vaibhav', 4, Lee Road, Ground Floor, Kolkata - 700 020



## **SMIFS CAPITAL MARKETS LIMITED**

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# **SMIFS CAPITAL MARKETS LIMITED**

(CIN: L74300WB1983PLC036342)

## **Board of Directors**

Mr. Utsav Parekh	–	Chairman
Mr. Ramesh Maheshwari	–	Director
Mr. Ajay Kumar Kayan	–	Director
Mr. Santosh Kumar Mukherjee	–	Director
Mrs. Ramya Hariharan	–	Director
Mr. Kishor Shah	–	Managing Director

## **Company Secretary**

Ms. Poonam Bhatia

## **Auditors**

M/s .J .S. Vanzara & Associates  
Chartered Accountants

## **Bankers**

HDFC Bank Ltd.  
State Bank of India  
Axis Bank  
The Federal Bank Ltd.

## **Registrar & Transfer Agents**

M/s Maheshwari Datamatics Pvt. Ltd.  
6, Mangoe Lane, 2nd Floor,  
Kolkata – 700 001  
Phone No.:(033) 2243-5029/5809, 2248-2248  
Fax No.:(033) 2248-4787  
Email: mdpldc@yahoo.com



## **SMIFS CAPITAL MARKETS LIMITED**

(CIN: L74300WB1983PLC036342)

Regd Office: 'Vaibhav' ,4F, 4, Lee Road, Kolkata – 700 020

Tel No. 033-2290-7400/7401/7402/0544, Fax No. 033-2287-4042, 2240-6884

E-mail: smifscap@vsnl.com, cs.smifs@gmail.com Website: www.smifscap.com

### **NOTICE**

**NOTICE** is hereby given that the Thirty Third Annual General Meeting of the members of **SMIFS CAPITAL MARKETS LIMITED** will be held on Saturday, September 24, 2016 at Rrangoli Banquet Hall, 'Vaibhav', 4, Lee Road, Ground Floor, Kolkata - 700 020 at 10.00 a.m. for transacting the following:

**Ordinary Business :**

1. To receive, consider and adopt the audited Balance Sheet of the Company as at March 31, 2016, the Statement of Profit & Loss and the Cash Flow Statements for the year ended on that date and the Reports of the Board of Directors' and Auditors' thereon.
2. To declare dividend for the year ended March 31, 2016.
3. To appoint Director in place of Mr. Ajay Kumar Kayan (DIN No. 00239123), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from conclusion of the Thirty Third Annual General Meeting until the conclusion of the Thirty Fourth Annual General Meeting and to authorize the Board to fix their remuneration.

**Regd. Office:**

'Vaibhav' (4F), 4 Lee Road,  
Kolkata - 700 020

The 30<sup>th</sup> day of May, 2016

**By Order of the Board of Directors**

Sd/-

**(Poonam Bhatia)**

*Company Secretary-cum-Senior Manager Legal*



**NOTES:**

- 1) **A Member entitled to attend and vote at this Annual General Meeting may appoint a proxy to attend and vote on a poll on his behalf. A proxy need not be a Member of the Company. Proxies, in order to be effective, must be received by the Company at its registered office at 'Vaibhav' (4F), 4, Lee Road, Kolkata - 700 020 not less than 48 (forty-eight) hours before the commencement of this Annual General Meeting.**
- 2) Additional information pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 with Stock Exchanges on appointment of Directors at the Annual General Meeting is appearing in the Corporate Governance Report.
- 3) Pursuant to the Circular of Ministry of Corporate Affairs No. 17/2011 dated 21-4-2011, members are requested to provide their email ids to the Company at its Registered Office at 'Vaibhav' (4F), 4, Lee Road, Kolkata - 700 020 (email id : smifscap@vsnl.com, cs.smifs@gmail.com ) or to Registrars, M/s. Maheshwari Datamatics Pvt. Ltd., 6, Mangoe Lane, Kolkata - 700 001 (e-mail id – mdpldc@yahoo.com).
- 4) Members are requested to notify any change in their address / mandate / bank details immediately to the Company at its Registered Office at 'Vaibhav' (4F), 4, Lee Road, Kolkata - 700 020 (email id : smifscap@vsnl.com, cs.smifs@gmail.com) or to the Registrars, M/s. Maheshwari Datamatics Pvt. Ltd., 6, Mangoe Lane, Kolkata - 700 001 (e-mail id: mdpldc@yahoo.com).
- 5) Members who have multiple accounts in identical names or joint accounts in the same order are requested to consolidate all such shareholdings into one account to facilitate better service.
- 6) Depository System – The Company, consequent to introduction of the Depository System, entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Members, therefore, now have the option of holding and dealing in shares of the Company in electronic form through NSDL or CDSL. With effect from 26-12-2000 trading in shares of the Company on any Stock Exchange is permitted only in dematerialized form.
- 7) Individual shareholders can avail the facility of nomination. The nominee shall be the person in whose name all rights of transfer and / or amount payable in respect of shares shall lie in the event of the death of the shareholder and the joint holder(s), if any. A minor can be a nominee provided the name of the guardian is given in the Nomination Form. Non-individual including Society, Trust, Body Corporate, Partnership Firm, Karta of Hindu Undivided Family, holder of Power of Attorney cannot nominate. For further details in this regard shareholders may contact M/s Maheshwari Datamatics Pvt. Ltd., Registrars and Transfer Agents.
- 8) Members are requested to quote their account / folio number and in case their shares are held in dematerialized form, they must quote their Client ID Number and DP ID Number.
- 9) The Register of Members and Share Transfer Books of the Company shall remain closed from September 17,2016 to September 24,2016 (both days inclusive).
- 10) Members / Proxies should bring attendance slip sent herewith duly filled in, for attending the meeting.
- 11) As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to bring their copies to the Meeting.



- 12) Unclaimed Dividend: It is observed that some Members have still not encashed their Dividend Warrants in respect of earlier years i.e. for the years ended 2010, 2011, 2012, 2013, 2014 and 2015. Such Members are requested to write to the Company / Registrars and obtain payment thereof.
- 13) Investor Grievance Redressal: Company has an exclusive e-mail id, viz. smifscap@vsnl.com, cs.smifs@gmail.com for investor to register their grievance.
- 14) Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN detail to the Company/Registrars and Transfer Agents.
- 15) Voting through electronic means- In compliance with provision of Section 108 of the Companies Act, Rule 20 of the Companies (Management and Administration ) Rules, 2014 as amended by the Companies ( Management and Administration ) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations,2015 the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means and the business may be transacted through e - voting service. The facility of casting the votes by the member using an electronic voting system from a place other than venue of the AGM ("remote e- voting") will be provided by Central Depository Services (India) Limited (CDSL).
- 16) Members who have not registered their e-mail address so far, are requested to register their e-mail address for receiving all communications including Annual Report, Notices, Circulars etc. from the Company electronically.

**The instructions for e-voting for shareholders voting electronically are as under:**

- (i) The voting period begins on September 20, 2016 (10: 00 a.m.) and ends on September 23, 2016 (5:00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 17, 2016 (Saturday) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.





(viii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<ul style="list-style-type: none"><li>• Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</li><li>• Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li><li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li></ul>
Dividend Bank OR Date of Birth (DOB)	<ul style="list-style-type: none"><li>• Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</li><li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li></ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN against the Company name for which you choose to vote ie SMIFS Capital Markets Ltd.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.





- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**Other Instructions:**

- (A) The facility for voting through polling 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 at the meeting through polling paper.
- (B) 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.
- (C) The remote e-voting period commences on September 20, 2016 (10: 00 a.m.) and ends on September 23, 2016 (5:00 p.m.) During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 17, 2016 (Saturday), may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- (D) The voting rights of the members shall be in proportion to their shares in the paid-up equity share capital of the Company as on September 17, 2016 (Saturday).
- (E) Mrs. Seema Sharma, Practicing Company Secretary (Membership No. 24610 and COP



No.11210) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner, whose e-mail address is csseemasharma@gmail.com.

- (F) The Chairman shall, at the AGM at the end of discussion on the resolution on which voting is to be held, allow voting with assistance of scrutinizer, by use of polling paper for all those member who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- (G) The Scrutinizer shall after the conclusion of voting at the Annual 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 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.
- (H) The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.smifscap.com](http://www.smifscap.com) and the website of CDSL 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 Limited and The Calcutta Stock Exchange Ltd.
- (I) The Scrutinizer shall within a period not exceeding 3 (Three) working days from the conclusion of the e-voting period unblock the votes in the presence of atleast 2 witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- 17) Detail of dividends declared by the Company for last 5 (Five) years:

Financial year related to	Dividend per Share	Date of Payment of the Dividend
2010-2011	₹ 1.70/-	15 <sup>th</sup> September, 2011
2011-2012	₹ 1.40/-	12 <sup>th</sup> September, 2012
2012-2013	₹ 1.40/-	5 <sup>th</sup> October, 2013
2013-2014	₹ 1.00/-	25 <sup>th</sup> September, 2014
2014-2015	₹ 1.00/-	1 <sup>st</sup> October, 2015

- 18) All documents referred to in the Notice are open for inspection at the Registered Office of the Company on all working days between 10.00 a.m. to 12.00 p.m. upto the date of the Annual General Meeting.
- 19) A Route Map along with prominent land marks for easy location to reach the venue of Annual General Meeting is annexed to the Notice.

**Regd. Office:**

'Vaibhav' (4F), 4 Lee Road,  
Kolkata - 700 020

The 30<sup>th</sup> day of May, 2016

**By Order of the Board of Directors**

Sd/-

**(Poonam Bhatia)**

*Company Secretary-cum-Senior Manager Legal*



## DIRECTORS' REPORT

### TO THE MEMBERS,

Your Directors have pleasure in presenting the Thirty Third Annual Report of the Company together with the audited financial statements for the year ended March 31, 2016.

#### 1. (a) FINANCIAL SUMMARY OR HIGHLIGHTS/ PERFORMANCE OF THE COMPANY

(₹ in million)

	Year ended 31.03.2016	Year ended 31.03.2015
Profit before Interest, Depreciation & Tax	14.02	14.05
Less: Interest	0.17	0.29
Profit before Depreciation & Tax	13.85	13.76
Less: Depreciation / Amortization	2.86	3.72
<b>Profit before Tax</b>	<b>10.99</b>	<b>10.04</b>
Less: Tax Expenses – Current / Earlier years	2.27	1.79
Less: Deferred Tax for the year	2.79	0.45
Add: MAT Credit Entitlement	2.56	1.75
<b>Profit after Tax</b>	<b>8.49</b>	<b>9.55</b>
Profit brought forward from earlier year :	68.63	61.12
Add: Transfer from General Reserve:	Nil	5.58
Less: Adjusted for fixed assets having remaining useful life nil as on 01.4.2015 :	Nil	<u>0.90</u> 65.80
<b>Profit available for Appropriation</b>	<b>77.12</b>	<b>75.35</b>
<b>APPROPRIATIONS</b>		
Proposed Dividend including Dividend Tax	5.04	6.72
<b>Profit carried to Balance Sheet</b>	<b>72.08</b>	<b>68.63</b>

#### FINANCIAL AND OPERATIONAL PERFORMANCE

Operating profit (PBDIT) of the Company for the year was ₹ 14.02 million (previous year ₹ 14.05 million). Profit after tax for the year stood at ₹ 8.49 million (previous year ₹ 9.55 million).

Net worth of the Company as on March 31, 2016 was ₹ 1050.09 million (previous year ₹ 1049.73 million).

#### (b) CAPITAL

The paid up Equity Share Capital as on March 31, 2016 stood at ₹ 55,850,000/- divided into 5,585,000 equity shares of ₹ 10/- each.



**(c) DIVIDEND**

Your Directors recommend payment of dividend of ₹ 0.75/- paise per equity share (previous year ₹ 1 per share) on the paid up equity capital for the year ended March 31, 2016. Dividend will absorb a sum of ₹ 5.04 million including the dividend distribution tax thereon.

**(d) TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND**

During the year, the unclaimed dividend pertaining to the dividend for the year ended March 31, 2008 was transferred to the Investor Education & Protection Fund after giving due notice to the Members.

**(f) MANAGEMENT DISCUSSION AND ANALYSIS**

Management Discussion and Analysis of financial condition and of operations of the Company for the year under review as required under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges is given in the part on Corporate Governance elsewhere in the Annual Report marked as "Annexure A".

**2. FINANCE**

The Company continues to focus on judicious management of its working capital. Receivables and inventories were kept under strict check through continuous monitoring.

**2.1 DEPOSITS**

The Company has not accepted deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

**2.2 PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

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

**3. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.



#### 4. SUBSIDIARY COMPANY

As on March 31, 2016, there was one wholly-owned subsidiary Company namely, SMIFS Capital Services Limited. Statement required under Section 129(3) of the Companies Act, 2013 in respect of the Subsidiary Company is attached.

#### FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE SUBSIDIARY COMPANY

(₹ in million)

	Year ended 31.03.2016	Year ended 31.03.2015
Profit before Interest, Depreciation & Tax	0.058	(0.800)
Less: Interest	0.002	0.016
Profit before Depreciation & Tax	0.056	(0.816)
Less: Depreciation / Amortization	0.106	0.169
<b>Profit before Tax</b>	<b>(0.050)</b>	<b>(0.985)</b>
Less : Tax Expenses	(0.073)	(0.023)
<b>Profit after Tax</b>	<b>0.023</b>	<b>(0.962)</b>
Profit brought forward from earlier years :	(2.844)	(1.880)
Less: Adjusted for fixed assets having remaining useful life nil as on 01.4.2015 :	Nil (2.844)	(0.0014) (1.8814)
Profit carried to Balance Sheet	(2.821)	(2.844)

#### 5. YEAR IN RETROSPECT AND FUTURE OUTLOOK

The global economy in FY 2015-16 witnessed divergent trends among major economies and stress on major oil producing countries as a direct result of sharp decline in energy prices, especially in the second half of the year. Lower oil prices however benefit commodity importing countries, such as India. Falling energy prices have significantly improved India's overall fiscal landscape, and augur well for growth in domestic consumption.

India's economy is poised to return to its high-growth path, thanks to lower fiscal and current account deficits, falling inflation, benign commodity prices, and structural reforms to boost investments. Monetary policy is also likely to be supportive with the Reserve Bank of India (RBI) having already reduced interest rates. The manufacturing sector is likely to benefit from lower interest rates.

The government's call for 'Make in India' has sent out positive cues to the global investors. As India stands at the cusp of phenomenal opportunities, the financial services sector will play a supportive role in transforming the nation's future.

Your Company is registered as Category I Merchant Banker and is executing various assignments in areas of Mergers and Acquisitions, Loan Syndication, Capital Market Operations, Placement of Equity Shares and debt. Your Company's real estate project at Bondel road is progressing well and is expected to be completed within the next one year. Barring unforeseen circumstances, your Company is hopeful of achieving better results in the current year.



## **6. LISTING OF THE SECURITIES OF THE COMPANY**

Equity Shares of your Company continue to be listed on BSE Limited and The Calcutta Stock Exchange Limited and the listing fees for the year 2016-17 have been paid. 97.31 per cent of the equity shares of your Company are held in dematerialized form.

## **7. DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to the requirement under section 134(3)(c) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (a) the preparation of the Annual Accounts the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (b) the directors have selected such accounting policies and applied them consistently and made judgement 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 the profit and loss of the company for that period.
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (d) the directors have prepared the annual accounts on a going concern basis.
- (e) the directors, have laid down internal financial control to be followed by the company and that such internal financial control are adequate and were operating effectively, and
- (f) the director have devised proper systems to ensure compliance with the provision of all applicable laws and that such system were adequate and operating effectively.

## **8. RELATED PARTY TRANSACTIONS**

All related party transactions that were entered, into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained on a yearly basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a yearly basis. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website. None of the Directors has any pecuniary relationship or transactions vis-à-vis the Company.

## **9. VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES**

The Company has a Vigil Mechanism to deal with instance of fraud and mismanagement, if any. The details of the Vigil Mechanism is explained in the Corporate Governance Report and also posted on the website of the Company.



## **10. DISCLOSURE OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION, REDRESSAL) ACT, 2013.**

In accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to provide for the effective enforcement of the basic human right of gender equality and the guarantee against sexual harassment and abuse, more particularly against sexual harassment at work place, your Company has a Policy on Prevention of Sexual Harassment at the Workplace duly approved by the Board of Directors.

During the year, no complaint was reported under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

Particulars required under Section 134(3)(m) of the Act, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, under the heads (a) conservation of energy; and (b) technology absorption, are not applicable to the Company.

During the year there was no foreign exchange earnings (previous year nil). Foreign Exchange outgo during the year aggregated to ₹ 1.99 million (previous year ₹ 1.30 million).

## **12. DIRECTORS**

Composition of the Board of Directors of your Company fulfills the criteria fixed by Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with fifty per cent of the Directors being Independent Directors. Your Board comprises of 6 (six) directors out of which 3 (three) are independent directors.

There was no change in the composition of Board of Directors during the year. Mr. Utsav Parekh is the Non- Executive Chairman.

The three-year term of Mr. Kishor Shah as Managing Director ended on 31<sup>st</sup> March 2015 and on recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in its meeting held on 30<sup>th</sup> January, 2015 and also by the members by passing a Special Resolution at the Annual General Meeting held on 26<sup>th</sup> September, 2015, Mr. Kishor Shah has been re-appointed Managing Director of the Company with effect from April 1, 2015 for a further period of 3 (three) years. Terms of appointment include payment of managerial remuneration as per the provisions of Sections 196, 197, 203 and other applicable provisions, if any, 2013 read with Schedule V, Part II, Section II (A) to the Companies Act, 2013.

Mr. Ajay Kumar Kayan, Director retires by rotation in accordance with the requirements of Companies Act, 2013 and Articles of Association of the Company. He being eligible offered himself for re-appointment. Brief resume of Mr. Ajay Kumar Kayan, nature of his expertise in specific functional areas, names of companies in which he holds directorship and/or membership/ chairmanship of committees of Board, his shareholding is furnished in Corporate Governance elsewhere in the Annual Report.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.





In accordance with the provisions of the Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company Mr. Ajay Kumar Kayan retires by rotation and is eligible for re-appointment.

## **12.1 ANNUAL PERFORMANCE EVALUATION OF THE BOARD**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually, Key Managerial Personnel (KMP), Senior Management as well as the evaluation of the working of its Audit, Nomination & Remuneration Committees and Stakeholders Relationship Committee. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

## **12.2 NOMINATION & REMUNERATION POLICY**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Nomination and Remuneration Policy is stated in the Corporate Governance Report.

## **12.3 MEETINGS**

During the year four Board Meetings and four Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

## **13. AUDITORS**

### **13.1 STATUTORY AUDITORS**

M/s. J. S. Vanzara & Associates, Chartered Accountants, statutory auditors of the Company hold office in accordance with the provisions of the Companies Act, 2013 upto the conclusion of the forthcoming Annual General Meeting.

M/s. J. S. Vanzara & Associates, Chartered Accountants confirmed that their appointment, if made, would be within the prescribed limits under section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for such appointment within the meaning of Section 141 of the Companies Act, 2013 and they hold valid certificate issued by the Peer Review Board of ICAI.

### **13.2 SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Mr. Arani Guha, Company Secretary in Practice having C.P. No. 9573, Partner of K. Arun & Co to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith as "Annexure B".

## **14. AUDITORS' QUALIFICATION**

### **(i) STATUTORY AUDITORS' QUALIFICATIONS**

Qualifications contained in the Auditors' Report if any have been dealt with in the Notes to financial statements and are self-explanatory.



**(ii) SECRETARIAL AUDITORS' QUALIFICATIONS**

Qualifications contained in the Secretarial Auditors' Report if any have been dealt with in the Notes to Form MR-3 and are self-explanatory.

**15. PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is given in "Annexure C".

**16. EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure D".

**17. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operation.

**18. ACKNOWLEDGEMENTS**

Your Directors express their sincere appreciation of the co-operation and assistance received from the shareholders, bankers, regulatory bodies and other business constituents during the year under review.

**Regd. Office:**

'Vaibhav' (4F), 4 Lee Road,  
Kolkata - 700 020

The 30<sup>th</sup> day of May, 2016

*For and on behalf of the Board of Directors*

**Sd/-**

**(UTSAV PAREKH)**

Chairman

(DIN No. 00027642)



**ANNEXURE TO DIRECTORS' REPORT  
MANAGEMENT DISCUSSION AND ANALYSIS**

**1. FINANCIAL STATEMENTS**

Financial Statements are in compliance with the provisions of the Companies Act, 2013 and the Accounting Standards issued by ICAI. Readers are cautioned that this discussion may include “forward-looking statements” that are not historical in nature. Forward looking statements may include statements relating to future results, financial condition, business prospects, plans and objectives. Statements are based on current beliefs, assumptions, expectations, estimates and projections on the business segment in which your company operates. The statements do not guarantee positive performance, exposed to known and unknown uncertainties, many of which are beyond the control of your Company. Uncertainty could cause results to differ from forward-looking statements, which should not be construed as representation of future performance.

**2. MACRO-ECONOMIC OVERVIEW**

Financial Year 2015-16 was yet another challenging year for your Company as private sector companies remained shy of incurring new capital expenditure by and large. However, India's economy is poised to return to its high-growth path, thanks to lower fiscal and current account deficits, falling inflation, benign commodity prices, and structural reforms which are likely to boost investments. Monetary policy is also likely to be supportive with The Reserve Bank of India (RBI) having reduced interest rates twice in the recent past. The manufacturing sector is likely to benefit from lower interest rates.

Your Company's revenues marginally increased from ₹ 341 Million to ₹ 399.05 Million. Profits After Tax (PAT) has however decreased to ₹ 8.49 million (Previous year ₹ 9.55 million).

**3. CAPITAL MARKETS**

As on March 31, 2016, BSE Sensex was 25341.86 (previous year 27957.49).

**4. OPPORTUNITIES**

Very few companies raised capital from the market during the year as compared to earlier years. Some of the Corporates are engaged in mobilizing and refinancing debt and your company has taken up some assignments in these areas to increase revenue.

**5. THREATS**

Indian Capital Market is linked to the international financial markets and our markets are affected by global crisis. Your Company being a part of the market is continuously gearing itself to meet such unforeseen challenges by reducing cost and conserving resources for investment wherever possible.

**6. FUTURE OUTLOOK**

India is slated to become the fastest growing economy in 2016. Government initiatives such as 'Make in India' 'Digital India' and 'Skill India' coupled with the new governance regime is expected to boost confidence of global investors and act as a catalyst for overall growth of the industry.



The growth momentum in India is expected to be driven by focused spending on development projects in the form of increased public spending on infrastructure development. This will become the engine for driving several sectors of economy and lead increased industrial and financial activity.

A continuously moderating inflation and a growth driving monetary policy coupled with improved purchasing power of an increasing middle class will further aid revival of domestic demand in turn leading to growth. Falling rural incomes and volatility in domestic monetary and fiscal conditions due to global changes may adversely impact the growth. Your company has targeted to increase business in the areas of mergers and acquisitions, loan syndication and raising equity capital for companies.

**7. GREEN INITIATIVE**

Your Company has endeavored to popularize the initiative announced by the Central Government vide its Circular No. 17/2011 dated April 21, 2011 and Circular no. 18/2011 dated April 24, 2011. Your company took measures to send all documents in electronic mode to the members who have registered their email ID's with the company/Registrar & Share Transfer Agent, a step towards achieving paperless statutory compliances.

**8. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

Internal control system adopted aimed at promoting operational efficiencies and emphasizing adherence to the policies adopted by the Board of Directors.

**9. CAUTIONARY STATEMENT**

Statements in the Management Discussion and Analysis describing your Company's position and expectations may be "forward looking statements" within the meaning of the applicable securities laws and regulations. Results could differ materially from the statements expressed or implied.

**Regd. Office:**

'Vaibhav' (4F), 4 Lee Road,  
Kolkata - 700 020

The 30<sup>th</sup> day of May, 2016

*For and on behalf of the Board of Directors*

Sd/-

**(UTSAV PAREKH)**

Chairman

(DIN No. 00027642)



## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> Day of March, 2016

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

To,  
The Members,  
**SMIFS CAPITAL MARKETS LIMITED**  
CIN: L74300WB1983PLC036342

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SMIFS Capital Markets 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 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, 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 31<sup>st</sup> March, 2016 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 31<sup>st</sup> March, 2016 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. The following Regulations (as amended from time to time) and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;



- V. The regulations made by The Reserve Bank of India (under The Reserve Bank Act, 1934) with regard to Non-Banking Financial Companies (“NBFC”).

We have also examined compliance with the applicable clauses of the following:

- (i) The Listing Agreements entered into by the Company with The Calcutta Stock Exchange Limited till the time they were enforceable, and the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has also complied with the Secretarial Standards issued by the Institute of Company Secretaries of India and the provisions of the Acts, Rules, Regulations, Guidelines, etc. mentioned above.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and Listing Agreement till the time they were enforceable, and the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Adequate Notice is given to all Directors to schedule the Board Meetings. Agenda and detailed Notes on Agenda were sent at least seven days in advance, 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.

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 as also represented by the management.

We further report that during the audit period there were no major events which took place in the company.

Place: Kolkata  
Date : 23.04.2016

For K. Arun & Co  
Company Secretaries  
Arani Guha  
Partner  
C.P. No.: 9573



## ANNEXURE – C

### PARTICULARS OF EMPLOYEES

#### Statement of Particulars as per Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Sl. No.	Name of the Director / Officer	Ratio of the remuneration to the median remuneration of the employees
1	Mr.Kishor Shah	18.82
2	Mr.Shreemanta Banerjee	3.72
3	Ms.Poonam Bhatia	1.88

The Median Remuneration of all employees for 2015-16 is ₹ 280,000.

- (ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year

Sl. No.	Name of the Director/Officer	Percentage increase in remuneration
1	Mr.Kishor Shah	27.75%
2	Mr.Shreemanta Banerjee	7.40%
3	Ms.Poonam Bhatia	22%

- (iii) The percentage increase in the median remuneration of employees in the financial year: 10%
- (iv) The number of permanent employees on the rolls of Company.
- There are 27 permanent employees on the rolls of the Company as on 31<sup>st</sup> March 2016.
- (v) The explanation on the relationship between average increase in remuneration and Company performance:
- The Profit Before Tax for the financial year ended March 31, 2016 increased by 9.46% whereas the increase in median remuneration was 10%.The average increase in median remuneration was in line with the performance of the Company.
- (vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company
- The total remuneration of Key Managerial Personnel increased by 23.95% from ₹ 5,517,329 in 2014-2015 to ₹ 6,838,912 in 2015-16 whereas the Profit Before Tax increased by 9.46% to ₹ 10.99 Millions in 2015-16 (₹ 10.04 Million in 2014-15).
- (vii) a) Variations in the market capitalisation of the Company : The market capitalisation as on March 31, 2016 was ₹ 156.380 Million (₹ 127.338 Million as on March 31, 2015)
- b) Price Earnings Ratio of the Company was as 18.42 at March 31, 2016 and was 13.33 as at March 31, 2015





- c) Percent increase over/ decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer in the year-
- The Company had come out with initial public offer (IPO) in 1983. An amount of ₹ 1,000 invested in the said IPO would be worth ₹ 2,800 as on March 31, 2016. This is excluding the dividend accrued thereon and effect of shares applied in Rights Issue.
- (viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.
- Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2015-16 was 10% whereas the increase in the managerial remuneration for the same financial year was 23.95%.
- (ix) The key parameters for any variable component of remuneration availed by the directors.
- There is no variable component of remuneration availed by the directors.
- (x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year. -
- Not Applicable.
- (xi) It is hereby affirmed that the Remuneration paid to Key Managerial Personnel is as per the Remuneration Policy of the Company.

**Regd. Office:**  
'Vaibhav' (4F), 4 Lee Road,  
Kolkata - 700 020

The 30<sup>th</sup> day of May, 2016

***For and on behalf of the Board of Directors***

**Sd/-**

**(UTSAV PAREKH)**

Chairman

(DIN No. 00027642)

**ANNEXURE – D****FORM No. MGT-9****EXTRACT OF ANNUAL RETURN****as on the Financial Year ended on March 31, 2016**

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

<b>I. REGISTRATION AND OTHER DETAILS</b>	
(i)	CIN : L74300WB1983PLC036342
(ii)	Registration Date : 24.05.1983
(iii)	Name of the Company : SMIFS CAPITAL MARKETS LIMITED
(iv)	Category/Sub-Category of the Company : Public Company
(v)	Address of the Registered office and contact details : "VAIBHAV" 4F, 4 Lee Road, Kolkata - 700020 Telephone:033-2290-7400/7401/7402/0544 Fax : 033-2287-4042, 2240-6884
(vi)	Whether listed company : Yes
(vii)	Name, Address and Contact details of Registrars and Transfer Agents, if any : Maheshwari Datamatics Pvt Ltd, 6 Mangoe Lane, 2nd Floor Kolkata- 700001, Telephone : 033- 22482248, Fax : 033-22484787

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

<b>Sl. No.</b>	<b>Name and Description of main Product/ Services</b>	<b>NIC Code of the Product/Service</b>	<b>% to Total Turnover of the Company</b>
1.	Sale of Shares and Securities	N.A.	70.79
2.	Sale of Flats	N.A.	22.22

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

<b>Sl. No.</b>	<b>Name and Address of the Company</b>	<b>CIN/GLN</b>	<b>Holding/ Subsidiary/ Associate</b>	<b>% of Shares Held</b>	<b>Applicable Section</b>
1	SMIFS Capital Services Limited Address: "VAIBHAV" 4F, 4 Lee Road, Kolkata-700020	U65991WB2000PLC092125	Subsidiary	100%	2(87)



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

##### (i) Category-wise Shareholding

Category of Shareholders		No. of Shares held at the beginning of the year (Ason 1 <sup>st</sup> April, 2015)				No. of Shares held at the end of the year (Ason 31 <sup>st</sup> March, 2016)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>Promoters</b>									
<b>1</b>	<b>Indian</b>									
	(a) Individual/HUF	744810	0	744810	13.33	642310	0	642310	11.50	(13.76)
	(b) Central Govt	0	0	0	0	0	0	0	0	0
	(c) State Govt(s)	0	0	0	0	0	0	0	0	0
	(d) Bodies Corp.	1850901	0	1850901	33.14	1850901	0	1850901	33.14	0
	(e) Banks/FI	0	0	0	0	0	0	0	0	0
	(f) Any Other	0	0	0	0	0	0	0	0	0
	<b>Sub- Total (A)(1)</b>	<b>2595711</b>	<b>0</b>	<b>2595711</b>	<b>46.48</b>	<b>2493211</b>	<b>0</b>	<b>2493211</b>	<b>44.64</b>	<b>(3.94)</b>
<b>2</b>	<b>Foreign</b>									
	(a) NRIs – Individuals	0	0	0	0	0	0	0	0	0
	(b) Others – Individuals	0	0	0	0	0	0	0	0	0
	(c) Bodies Corp	0	0	0	0	0	0	0	0	0
	(d) Banks/FI	0	0	0	0	0	0	0	0	0
	(e) Any Others	0	0	0	0	0	0	0	0	0
	<b>Sub – Total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total Shareholding of Promoter(A)=(A)(1)+(A)(2)</b>	<b>2595711</b>	<b>0</b>	<b>2595711</b>	<b>46.48</b>	<b>2493211</b>	<b>0</b>	<b>2493211</b>	<b>44.64</b>	<b>(3.94)</b>
<b>B.</b>	<b>Public Shareholding</b>									
<b>1</b>	<b>Institutions</b>									
	(a) Mutual Fund	0	0	0	0	0	0	0	0	0
	(b) Banks/FI	101000	0	101000	1.80	0	0	0	0	(100)
	(c) Central Govt(s)	0	0	0	0	0	0	0	0	0
	(d) State Govt(s)	0	0	0	0	0	0	0	0	0
	(e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
	(f) Insurance Companies	0	0	0	0	0	0	0	0	0
	(g) FIIs	0	0	0	0	0	0	0	0	0
	(h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
	(i) Others (a) Foreign Portfolio Investor	550000	0	550000	9.85	550000	0	550000	9.85	0
	<b>Sub Total B(1)</b>	<b>651000</b>	<b>0</b>	<b>651000</b>	<b>11.65</b>	<b>550000</b>	<b>0</b>	<b>550000</b>	<b>9.85</b>	<b>(15.51)</b>

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

##### (i) Category-wise Shareholding (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year (Ason 1 <sup>st</sup> April, 2015)				No. of Shares held at the end of the year (Ason 31 <sup>st</sup> March, 2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2 Non-Institutions</b>									
(a) Bodies Corp									
(i) Indian	1347349	17800	1365149	24.44	1236641	17800	1254441	22.46	(8.10)
(ii) Overseas	0	0	0	0	0	0	0	0	0
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	625669	79094	704763	12.62	585516	79240	664756	11.90	(5.67)
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	210349	0	210349	3.76	540623	0	540623	9.67	157.01
(c) Others (specify)									
(i) Non Resident Individual	5028	53000	58028	1.04	2102	53000	55102	0.99	(5.04)
(ii) Clearing Members	0	0	0	0	26867	0	26867	0.48	0.00
<b>Sub-Total(B)(2) :</b>	<b>2188395</b>	<b>149894</b>	<b>2338289</b>	<b>41.86</b>	<b>2391749</b>	<b>150040</b>	<b>2541789</b>	<b>45.51</b>	<b>8.70</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>2839395</b>	<b>149894</b>	<b>2989289</b>	<b>53.52</b>	<b>2941749</b>	<b>150040</b>	<b>3091789</b>	<b>55.35</b>	<b>3.42</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total(A+B+C)</b>	<b>5435106</b>	<b>149894</b>	<b>5585000</b>	<b>100</b>	<b>5434960</b>	<b>150040</b>	<b>5585000</b>	<b>100</b>	<b>0</b>



(ii) Shareholding of Promoters

Sl. No.	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	
1	AJAY KUMAR KAYAN	301050	5.39	0	301050	5.39	0	0
2	NILANGI PAREKH	123000	2.20	0	123000	2.20	0	0
3	YOGENDRA SHAH	101700	1.82	0	61700	1.10	0	(0.72)
4	UTSAV PAREKH	96200	1.72	0	96200	1.72	0	0
5	SEVANTI LAL ANOOPCHAND SHAH	45000	0.81	0	0	0	0	(100)
6	KUMUDINI PAREKH	37960	0.68	0	37960	0.68	0	0
7	PARUL SHAH	17500	0.31	0	0	0	0	(100)
8	LALITA KAYAN	13800	0.25	0	13800	0.25	0	0
9	RAHUL KAYAN	7000	0.13	0	7000	0.13	0	0
10	SUMAN BHARTIA	1500	0.03	0	1500	0.03	0	0
11	PAYAL SARAF	100	0	0	100	0	0	0
12	MACKERTICH CONSULTANCY SERVICES PRIVATE LIMITED	1216900	21.79	0	1216900	21.79	0	0
13	PROGRESSIVE STAR FINANCE PRIVATE LIMITED	357251	6.40	0	357251	6.40	0	0
14	STEWART INVESTMENT AND FINANCIAL PRIVATE LIMITED	276750	4.96	0	276750	4.96	0	0

**(iii) Change in Promoter's Shareholding**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Purchase / Sale during the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% Change	No. of Shares	% of Total Shares of the Company
1	MR. SEVANTILAL ANOOPCHAND SHAH						
	<b>At the beginning of the year</b>	<b>45000</b>	<b>0.80</b>	-	-	-	-
	Datewise Increase/Decrease in Promoter Shareholding during the year specifying the reason for increase/decrease (e.g allotment/transfer/bonus/sweat equity etc):						
	Sale as on 18/03/2016	-	-	45000	0.80	-	-
	<b>At the End of the Year</b>	-	-	-	-	<b>0</b>	<b>0</b>
2	MRS. PARUL SHAH						
	<b>At the beginning of the year</b>	<b>17500</b>	<b>0.31</b>				
	Datewise Increase/Decrease in Promoter Shareholding during the year specifying the reason for increase/decrease (e.g allotment/transfer/bonus/sweat equity etc):						
	Sale as on 18/03/2016	-	-	17500	0.31	-	-
	<b>At the End of the Year</b>	-	-	-	-	<b>0</b>	<b>0</b>
3	MR. YOGENDRA SHAH						
	<b>At the beginning of the year</b>	<b>101700</b>	<b>1.82</b>	-	-	-	-
	Datewise Increase/Decrease in Promoter Shareholding during the year specifying the reason for increase/decrease (e.g allotment/transfer/bonus/sweat equity etc):						
	Sale as on 18/03/2016	-	-	32500	0.58	-	-
	Sale as on 30/03/2016	-	-	7500	0.13	-	-
	<b>At the End of the Year</b>					<b>61700</b>	<b>1.10</b>



**(IV) Shareholding Pattern of Top Ten Shareholders (other than Director, Promoters and Holders of GDRs and ADRs) :**

SI No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Purchase / Sale during the year		Cumulative Shareholding during the year	
		No of Shares	% of Total Shares of the Company	No of Shares	% Change	No of Shares	% of Total Shares of the Company
1	THE INDIAMAN FUND (MAURITIUS) LIMITED						
	<b>At the beginning of the year</b>	550000	9.8478				
	Datewise Increase/Decrease in Shareholding during the year specifying the reason for increase/decrease (e.g allotment/transfer/bonus/sweat equity etc) :			-	-		
	<b>At the End of the Year ( or on the date of separation, if separated during the year)</b>					550000	9.8478
2	ASTRA MERCHANDISING PRIVATE LIMITED						
	<b>At the beginning of the year</b>	269509	4.8256				
	Datewise Increase/Decrease in Shareholding during the year specifying the reason for increase/decrease (e.g allotment/transfer/bonus/sweat equity etc) :			-	-		
	<b>At the End of the Year (or on the date of separation, if separated during the year)</b>					269509	4.8256
3	MAYA TRADE LINKS LIMITED						
	<b>At the beginning of the year</b>	255000	4.5658				
	Datewise Increase/Decrease in Shareholding during the year specifying the reason for increase/decrease (e.g allotment/transfer/bonus/sweat equity etc) :						
	Sale as on 05.06.2015			5010	0.0897		
	Purchase as on 12.02.2016			148600	2.6607		
	<b>At the End of the Year ( or on the date of separation, if separated during the year)</b>					398590	7.1368
4	SUDHA COMMERCIAL COMPANY LIMITED						
	<b>At the beginning of the year</b>	140500	2.5157				
	Datewise Increase/Decrease in Shareholding during the year specifying the reason for increase/decrease (e.g allotment/transfer/bonus/sweat equity etc) :			-	-		
	<b>At the End of the Year ( or on the date of separation, if separated during the year)</b>					140500	2.5157



Sl No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Purchase / Sale during the year		Cumulative Shareholding during the year	
		No of Shares	% of Total Shares of the Company	No of Shares	% Change	No of Shares	% of Total Shares of the Company
5	BISHNAUTH INVESTMENTS LIMITED						
	<b>At the beginning of the year</b>	74000	1.3250				
	Datewise Increase/Decrease in Shareholding during the year specifying the reason for increase/decrease (e.g allotment/transfer/bonus/sweat equity etc) :			-	-		
	<b>At the End of the Year (or on the date of separation, if separated during the year)</b>					74000	1.3250
6	MURLI KEWALRAM CHANRAI						
	<b>At the beginning of the year</b>	50000	0.8953				
	Datewise Increase/Decrease in Shareholding during the year specifying the reason for increase/decrease (e.g allotment/transfer/bonus/sweat equity etc) :			-	-		
	<b>At the End of the Year (or on the date of separation, if separated during the year)</b>					50000	0.8953
7	PUNJABHAI KESHABHAI KADCHHA						
	<b>At the beginning of the year</b>	50000	0.8953				
	Datewise Increase/Decrease in Shareholding during the year specifying the reason for increase/decrease (e.g allotment/transfer/bonus/sweat equity etc) :			-	-		
	<b>At the End of the Year (or on the date of separation, if separated during the year)</b>					50000	0.8953
8	S N RAJAN						
	<b>At the beginning of the year</b>	0	0				
	Datewise Increase/Decrease in Shareholding during the year specifying the reason for increase/decrease (e.g allotment/transfer/bonus/sweat equity etc) :						
	Purchase as on 25.03.2016			190085	3.4035		
	Purchase as on 31.03.2016			781	0.0140		
	<b>At the End of the Year ( or on the date of separation, if separated during the year)</b>					190866	3.4175



SI No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Purchase / Sale during the year		Cumulative Shareholding during the year	
		No of Shares	% of Total Shares of the Company	No of Shares	% Change	No of Shares	% of Total Shares of the Company
9	SUBRAMANIAN P						
	<b>At the beginning of the year</b>	<b>0</b>	<b>0</b>				
	Datewise Increase/Decrease in Shareholding during the year specifying the reason for increase/decrease (e.g allotment/transfer/bonus/sweat equity etc) :						
	Purchase as on 12.06.2015			2000	0.0358		
	Purchase as on 30.06.2015			2433	0.0436		
	Purchase as on 07.08.2015			4000	0.0716		
	Purchase as on 14.08.2015			5300	0.0949		
	Purchase as on 21.08.2015			2500	0.0448		
	Purchase as on 28.08.2015			4000	0.0716		
	Purchase as on 04.09.2015			9387	0.1681		
	Purchase as on 11.09.2015			30584	0.5476		
	Purchase as on 18.09.2015			166	0.0030		
	Purchase as on 16.10.2015			614	0.0110		
	Purchase as on 31.12.2015			900	0.0161		
	Purchase as on 08.01.2016			1006	0.0180		
	Purchase as on 15.01.2016			2700	0.0483		
	Purchase as on 29.01.2016			1000	0.0179		
	Purchase as on 12.02.2016			2700	0.0483		
	Purchase as on 19.02.2016			1891	0.0339		
	Purchase as on 26.02.2016			1609	0.0288		
	<b>At the End of the Year ( or on the date of separation, if separated during the year)</b>					<b>72790</b>	<b>1.3033</b>
10	ASHWINI DESIGNERS PVT. LTD.						
	<b>At the beginning of the year</b>	<b>0</b>	<b>0</b>				
	Datewise Increase/Decrease in Shareholding during the year specifying the reason for increase/decrease (e.g allotment/transfer/bonus/sweat equity etc) :						
	Purchase as on 26.02.2016			115667	2.0710		
	Purchase as on 11.03.2016			58	0.0010		
	<b>At the End of the Year (or on the date of separation, if separated during the year)</b>					<b>115725</b>	<b>2.0721</b>

SI No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Purchase/Sale during the year		Cumulative Shareholding during the year	
		No of Shares	% of Total Shares of the Company	No of Shares	% Change	No of Shares	% of Total Shares of the Company
11	ICICI BANK LTD						
	<b>At the beginning of the year</b>	<b>101000</b>	<b>1.8084</b>				
	Datewise Increase/Decrease in Shareholding during the year specifying the reason for increase/decrease (e.g allotment/transfer/bonus/sweat equity etc) :						
	Sale as on 05.06.2015			3802	0.0681		
	Sale as on 12.06.2015			4178	0.0748		
	Sale as on 19.06.2015			5232	0.0937		
	Sale as on 30.06.2015			39290	0.7035		
	Sale as on 03.07.2015			25445	0.4556		
	Sale as on 10.07.2015			23053	0.4128		
	<b>At the End of the Year ( or on the date of separation, if separated during the year)</b>					<b>0</b>	<b>0</b>
12	GEETA HOLDINGS & CONSULTANTS PVT LTD						
	<b>At the beginning of the year</b>	<b>242625</b>	<b>4.3442</b>				
	Datewise Increase/Decrease in Shareholding during the year specifying the reason for increase/decrease (e.g allotment/transfer/bonus/sweat equity etc) :						
	Sale as on 15.01.2016			11844	0.2121		
	Sale as on 22.01.2016			524	0.0094		
	Sale as on 29.01.2016			202	0.0036		
	Sale as on 05.02.2016			2338	0.0419		
	Sale as on 12.02.2016			725	0.0130		
	Sale as on 26.02.2016			139942	2.5057		
	Sale as on 18.03.2016			39842	0.7134		
	<b>At the End of the Year ( or on the date of separation, if separated during the year)</b>					<b>47208</b>	<b>0.8453</b>



SI No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Purchase / Sale during the year		Cumulative Shareholding during the year	
		No of Shares	% of Total Shares of the Company	No of Shares	% Change	No of Shares	% of Total Shares of the Company
13	SURYA SATYANARAYANA RAJU ALLURI						
	<b>At the beginning of the year</b>	<b>25800</b>	<b>0.4620</b>				
	Datewise Increase/Decrease in Shareholding during the year specifying the reason for increase/decrease (e.g allotment/transfer/bonus/sweat equity etc) :						
	Purchase as on 08.05.2015			10008	0.1792		
	Purchase as on 15.05.2015			50	0.0009		
	Purchase as on 22.05.2015			1	0.0000		
	Purchase as on 05.06.2015			1014	0.0182		
	Purchase as on 19.06.2015			1127	0.0202		
	Purchase as on 30.06.2015			2000	0.0358		
	Purchase as on 10.07.2015			6000	0.1074		
	Purchase as on 24.07.2015			950	0.0170		
	<b>At the End of the Year ( or on the date of separation, if separated during the year)</b>					<b>46950</b>	<b>0.8406</b>
14	ANTRIKSH VYAPAAR LIMITED						
	<b>At the beginning of the year</b>	<b>150400</b>	<b>2.6929</b>				
	Datewise Increase/Decrease in Shareholding during the year specifying the reason for increase/decrease (e.g allotment/transfer/bonus/sweat equity etc) :						
	Sale as on 05.02.2016			150400	2.6929		
	<b>At the End of the Year ( or on the date of separation, if separated during the year)</b>					<b>0</b>	<b>0</b>

(v) Shareholding of Directors and Key Managerial Personnel :

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Purchase / Sale during 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	No. of Shares	% of Total Shares of the Company
1	MR. UTSAV PAREKH (DIRECTOR)						
	<b>At the beginning of the year</b>	<b>96200</b>	<b>1.72</b>				
	Date wise Increase/Decrease in Promoter Shareholding during the year specifying the reason for increase/decrease (e.g allotment/transfer/bonus/sweat equity etc):			-	-		
	<b>At the End of the Year</b>					<b>96200</b>	<b>1.72</b>
2	MR. SANTOSH KUMAR MUKHERJEE (DIRECTOR)						
	<b>At the beginning of the year</b>	<b>750</b>	<b>0.01</b>				
	Datewise Increase/Decrease in Promoter Shareholding during the year specifying the reason for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):			-	-		
	<b>At the End of the Year</b>					<b>750</b>	<b>0.01</b>
3	MR. AJAY KUMAR KAYAN (DIRECTOR)						
	<b>At the beginning of the year</b>	<b>301050</b>	<b>5.40</b>				
	Datewise Increase/Decrease in Promoter Shareholding during the year specifying the reason for increase/decrease (e.g allotment/transfer/bonus/sweat equity etc):			-	-		
	<b>At the End of the Year</b>					<b>301050</b>	<b>5.40</b>



## V. INDEBTEDNESS

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

	Secured Loan excluding deposits (Amount in ₹)	Unsecured Loans (Amount in ₹)	Deposit (Amount in ₹)	Total Indebtedness (Amount in ₹)
<b>Indebtedness at the beginning of the financial year.</b>				
(i) Principal Amount	687,995	0	0	687,995
(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>	<b>687,995</b>	<b>0</b>	<b>0</b>	<b>687,995</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	1,000,000	0	0	1,000,000
Reduction	942,962			942,962
<b>Net Change</b>	<b>57,038</b>	<b>0</b>	<b>0</b>	<b>57,038</b>
<b>Indebtedness at the end of the financial year.</b>				
(i) Principal Amount	745,033	0	0	745,033
(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>	<b>745,033</b>	<b>0</b>	<b>0</b>	<b>745,033</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total (Amount in ₹)
1	Gross salary (a) Salary as per provision contained in section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961 (c) Profit in lieu of salary under section 17(3) of the Income-Tax Act, 1961	Mr. Kishor Shah (Managing Director)				5,269,464
2	Stock Option	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0
4	Commission	0	0	0	0	0
5	Others	0	0	0	0	0
	<b>Total (A)</b>					5,269,464*
	Ceiling as per the Act					8,400,000

\* These excludes Employer's Contribution to Provident Fund.



**B. Remuneration to other Directors :**

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount in (₹)
		Mr. Ramesh Maheshwari	Mr. Santosh Kumar Mukherjee	Mrs. Ramya Hariharan	
1.	<b>Independent Director</b>				
	<input type="checkbox"/> Fees for attending Board/ Committee Meeting	30,000	34,000	34,000	98,000
	<input type="checkbox"/> Commission	-	-	-	-
	<input type="checkbox"/> Others	-	-	-	-
	<b>Total (1)</b>	<b>30,000</b>	<b>34,000</b>	<b>34,000</b>	<b>98,000</b>
2.	<b>Other Non-Executive Director</b>				
	<input type="checkbox"/> Fees for attending Board/ Committee Meeting	15,000	34,000	-	49,000
	<input type="checkbox"/> Commission	-	-	-	-
	<input type="checkbox"/> Others	-	-	-	-
	<b>Total (2)</b>	<b>15,000</b>	<b>34,000</b>	<b>-</b>	<b>49,000</b>
	<b>Total (B) = (1+2)</b>	<b>45,000</b>	<b>68,000</b>	<b>34,000</b>	<b>147,000</b>
	<b>Total Managerial Remuneration</b>				
	<b>Overall Ceiling as per the Act</b>	<b>As per the Rules of the Companies Act, 2013</b>			

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD.**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount in (₹)
		CEO Amount in (₹)	Company Secretary Amount in (₹)	CFO Amount in (₹)	
1	Gross salary				
	(a) Salary as per provision contained in section 17(1) of the Income-Tax Act, 1961	NA	526,578	1,042,870	1,569,448
	(b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961	0	0	0	-
	(c) Profits in lieu of salary under section 17(3) of the Income-Tax Act, 1961	0	0	0	-
2	Stock Option	0	0	0	-
3	Sweat Equity	0	0	0	-
4	Commission	0	0	0	-
5	Others	0	0	0	-
	<b>Total</b>	<b>NA</b>	<b>526,578</b>	<b>1,042,870</b>	<b>1,569,448</b>



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

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			N.A.		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			N.A.		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			N.A.		
Punishment					
Compounding					

**Regd. Office:**  
'Vaibhav' (4F), 4 Lee Road,  
Kolkata - 700 020

The 30<sup>th</sup> day of May, 2016

*For and on behalf of the Board of Directors*

Sd/-

**(UTSAV PAREKH)**

Chairman

(DIN No. 00027642)





## CORPORATE GOVERNANCE REPORT FOR THE YEAR 2015-16

*[As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with the Stock Exchanges]*

Transparency and accountability are the two basic tenets of Corporate Governance. Corporate Governance consists of laws, policies, procedures, and most importantly, practices that ensure the well-being of the assets of the Company, enhance shareholders' value and discharge social responsibilities.

Board of Directors of your Company is responsible for and committed to sound principles of Corporate Governance in the Company. Board plays a crucial role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and Independent Board. Responsible corporate conduct is integral to the way we do our business. Our actions are governed by our values and principles, which are reinforced at all levels within the Company.

Board of Directors' of your Company is committed in doing things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with the applicable legislation. A Code of Conduct is framed and adopted by the Board of Directors to ensure strict management compliance.

Your Company acknowledges its responsibilities towards its stakeholders and ensures compliance with the requirements of the guidelines on Corporate Governance stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Your Company respects the rights of its shareholders and its endeavor has always been to maximize the long term value to the shareholders of the Company.

### I. Company's philosophy on Corporate Governance

Your Company has implemented and is continuously improving the Corporate Governance procedures with the objective of fulfilling expectation of the shareholders and Company's social commitment through transparency, disclosure, accountability, compliance, ethical code, stakeholders' interest. Corporate Governance practices go beyond statutory and regulatory requirements. Your Company is committed to follow the spirit of good governance than mere compliance with the conditions specified by regulatory authorities.

#### **Compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Your Company is fully compliant with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Your Board presents the report on compliance of governance stipulations specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### II. Board of Directors

As on March 31, 2016, your Company had 6 directors with a Non- Executive Chairman and a Managing Director. Board of Directors of your Company is comprised of 5 (Five) Non-Executive Directors. Among the Non-Executive Directors, 3 (Three) are Independent Directors. Composition of the Board of your Company fulfills the requirement under Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which is as under:



Category		Particulars of Directors	
(a)	Non-Executive-Independent Directors	(i)	Mr. Ramesh Maheshwari
		(ii)	Mrs. Ramya Hariharan
		(iii)	Mr. Santosh Kumar Mukherjee
(b)	Non-Executive–Non-Independent Directors	(i)	Mr. Ajay Kumar Kayan
		(ii)	Mr. Utsav Parekh, Non-Executive Chairman
(c)	Executive-Non-Independent Director	(i)	Mr. Kishor Shah, Managing Director

Mr. Kishor Shah was appointed Managing Director of the Company for a period of 3 (Three) years sw.e.f. April 1, 2015 and the same was approved in the Annual General Meeting held on September 26, 2015.

None of your Directors on the Board are members of more than 10 (Ten) Committees and Chairman of more than 5 (Five) Committees across all Companies in which they are Directors. Necessary disclosures regarding Committee position in other Public Companies as on March 31, 2016 have been made by the Directors.

Board Members are responsible for the management of the business. Role, functions, responsibility and accountability of the Board are clearly defined. In addition to its primary role of monitoring corporate performance, functions of the Board include (i) approving corporate philosophy and vision; (ii) formulation of strategic and business plans; (iii) reviewing and approving financial plans and budgets; (iv) monitoring corporate performance against strategic and business plans, including overseeing operations; (v) ensuring ethical behavior and compliance of laws and regulations; (vi) reviewing and approving borrowing limits; (vii) formulating exposure limits; and (viii) keeping shareholders informed regarding plans, strategies and performance.

Name and nature of appointment of Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships/ Memberships held by them in other Companies is given below. Other Directorships do not include Alternate Directorships, Directorships of Private Limited Companies, Section 8 Companies and Companies Incorporated Outside India. Chairmanships/Memberships of Board Committees include only Audit and Stakeholders Relationship Committees.

Name of the Directors	Category	Year 2015-16 Attendance at Board Meetings	Year 2014-15 Attendance at the last AGM	No. of outside Directorships	No. of other Board/ Committees of which he/ she is a member	No. of other Board/ Committees of which he/ she is a Chairperson
Mr. Utsav Parekh–Non Executive Chairman	Promoter Non-Independent	4	Yes	8	6	3
Mr. Ramesh Maheshwari	Independent	4	Yes	4	2	0
Mrs. Ramya Hariharan	Independent	4	No	6	0	0
Mr. Santosh Kumar Mukherjee	Independent	4	Yes	3	0	0
Mr. Ajay Kumar Kayan	Promoter Non-Independent	2	Yes	3	0	0
Mr. Kishor Shah	Managing Director	4	Yes	3	0	0

### III. Board Meetings

Four Board Meetings were held during the year and the gap between two meetings did not exceed 120 days (One Hundred and Twenty days). Dates on which Board Meetings were held in each quarter are as follows:

Quarter	Date of Meetings
First	May 27, 2015
Second	August 13, 2015
Third	November 9, 2015
Fourth	February 8, 2016

### IV. Audit Committee

- (i) Audit Committee of the Company is constituted as per the provisions of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013.
- (ii) Audit Committee has been vested with the following powers:
  - a. To investigate any activity within its terms of reference.
  - b. To seek information from any employee.
  - c. To obtain outside legal or other professional advice.
  - d. To secure attendance of outsiders with relevant expertise, if it considers necessary.
- (iii) The terms of reference of the Audit Committee are broadly as under:
  1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
  2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
  3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
  4. Reviewing, with the management, the annual financial statements and Auditor's Report thereon before submission to the board for approval, with particular reference to:
    - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of sub-section 3 of section 134 of the Companies Act, 2013
    - b. Changes, if any, in accounting policies and practices and reasons for the same
    - c. Major accounting entries involving estimates based on the exercise of judgement by management
    - d. Significant adjustments made in the financial statements arising out of audit findings
    - e. Compliance with listing and other legal requirements relating to financial statements
    - f. Disclosure of any related party transactions
    - g. Qualifications in the draft audit report
  5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;



6. 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;
  7. Review and monitor the Auditor's independence and performance, and effectiveness of audit process;
  8. Approval or any subsequent modification of transactions of the Company with related parties;
  9. Scrutiny of inter-corporate loans and investments;
  10. Valuation of undertakings or assets of the Company, wherever it is necessary;
  11. Evaluation of Internal Financial Controls and Risk Management Systems;
  12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  13. 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;
  14. Discussion with Internal Auditors of any significant findings and follow up there on;
  15. 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;
  16. 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;
  17. 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;
  18. To review the functioning of the Whistle Blower Mechanism;
  19. 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;
  20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee. The Company Secretary of the Company acts as Secretary of the Audit Committee.
- (iv) The composition of the Audit Committee and particulars of meetings attended by the members of the Audit Committee is given below:

Name	Category	No. of Meetings during the year 2015-16	
		Held	Attended
Mr. Santosh Kumar Mukherjee – Chairman	Independent, Non-Executive	4	4
Mr. Utsav Parekh	Non-Independent, Non-Executive	4	4
Mrs. Ramya Hariharan	Independent, Non-Executive	4	4



- (v) Four Audit Committee meetings were held during the year. The dates on which the said meetings were held in each quarter are as follows:

Quarter	Date of Meetings
First	May 27, 2015
Second	August 13, 2015
Third	November 9, 2015
Fourth	February 8, 2016

#### V. Nomination and Remuneration Committee

- (i) The Company has constituted a Nomination and Remuneration Committee of Directors.
- (ii) The broad terms of reference of the Nomination and Remuneration Committee are as follows:
1. Formulate the criteria for determining qualifications, positive attributes and Independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
  2. The Committee while formulating the policy will ensure that—
    - a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
    - b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
    - c) remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
  3. Formulation of criteria for evaluation of Independent Directors and the Board.
  4. Devising a policy on Board diversity.
  5. Identifying 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 and the Company shall disclose the Remuneration Policy and the evaluation criteria in its Annual Report.
  6.
    - a) Recommend & Review succession plan for Managing Director
    - b) Review and approve succession plan for Senior Management
  7. Such other matters as Board may from time to time request the Nomination and Remuneration Committee to examine and recommend / approve.
- (iii) No meetings were held during the year. The composition of the Nomination and Remuneration Committee are given below:

Name	Category	No. of Meetings during the year 2015-16	
		Held	Attended
Mr. Ramesh Maheshwari – Chairman	Independent, Non-Executive	NIL	NIL
Mr. Santosh Kumar Mukherjee	Independent, Non-Executive	NIL	NIL
Mrs. Ramya Hariharan	Independent, Non-Executive	NIL	NIL



The Company Secretary is the Secretary of the Committee.

(iv) Details of Remuneration received by the Directors for the year ended March 31, 2016:

**(a) Non-Executive Directors:**

Name of the Directors	No. of Board Meetings Attended	Total Sitting Fees for Board Meetings Attended (₹)	No. of Audit Committee Meetings Attended	Total Sitting Fees for Audit Committee Meetings Attended (₹)	No. of Nomination & Remuneration Committee Meetings Attended	Total Sitting Fees for Nomination & Remuneration Committee Meetings Attended (₹)	No. of Stakeholders Relationship Committee Meetings Attended	Total Sitting Fees for Stakeholders Relationship Committee Meetings Attended (₹)	Commission (₹)	Total (₹)
Mr. Utsav Parekh	4	30,000	4	4,000	-	-	-	-	-	34,000
Mr. Ramesh Maheshwari	4	30,000	-	-	-	-	-	-	-	30,000
Mrs. Ramya Hariharan	4	30,000	4	4,000	-	-	-	-	-	34,000
Mr. Santosh Kumar Mukherjee	4	30,000	4	4,000	-	-	-	-	-	34,000
Mr. Ajay Kumar Kayan	2	15,000	-	-	-	-	-	-	-	15,000

Pursuant to Section 197(5) of the Companies Act, 2013 read with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, sitting fees payable to Non-Executive Directors per Board Meeting is ₹ 7,500/- which is within the limits fixed by the Central Government. Fee of ₹ 1,000/- is paid for each Committee Meeting (i.e., Nomination and Remuneration Committee, Audit Committee and Stakeholders Relationship Committee)

**Details of shares held by Non-Executive Directors as on March 31, 2016 is as follows:**

Name	Category	No. of shares held	Percentage of holding
Mr. Utsav Parekh	Non-Executive – Non-Independent Director	96200	1.72
Mr. Ajay Kumar Kayan	Non-Executive – Non-Independent Director	301050	5.39
Mr. Santosh Kumar Mukherjee	Non-Executive – Independent Director	750	0.01

**b) Managing Director**

Details of Remuneration paid to Executive Director is as follows:-

Name	Salary & Other Allowances	Bonus/Ex-Gratia	Contribution to Provident Fund
Mr. Kishor Shah	₹ 4,550,280	₹ 719,184	₹ 411,840

The three-year term of Mr. Kishor Shah as Managing Director ended on 31<sup>st</sup> March 2015 and on recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in its meeting held on 30<sup>th</sup> January, 2015 and also by the members by passing a Special Resolution at the Annual General Meeting held on 26<sup>th</sup> September, 2015, Mr. Kishor Shah has been re-appointed Managing Director of the Company with effect from April 1, 2015, for a further period

of 3 (three) years. Terms of appointment include payment of managerial remuneration as per the provisions of Sections 196, 197, 203 and other applicable provisions, if any, 2013 read with Schedule V, Part II, Section II (A) to the Companies Act, 2013.

## **NOMINATION AND REMUNERATION POLICY**

### **The objective and purpose of this policy are:**

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.

In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on August 6, 2014.

### **Composition of the Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee shall comprise of the members as may be decided by the Board of Directors from time to time.

### **Definitions**

- Board means Board of Directors of the Company.
- Directors mean Directors of the Company.
- Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- Company means SMIFS Capital Markets Limited.
- Independent Director means a director referred to in Section 149 (6) of the Companies Act, 2013.
- Key Managerial Personnel (KMP) means-
  - (i) Executive Chairman and / or Managing Director;
  - (ii) Whole-time Director;
  - (iii) Manager
  - (iv) Chief Financial Officer;
  - (v) Company Secretary;
  - (vi) Such other officer as may be prescribed under the applicable statutory provisions / regulations.
- Senior Management means personnel of the Company occupying the position of Chief Executive Officer (CEO) of any unit / division or Vice President including Vice President of any unit / division of the Company. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.





### **Applicability**

The Policy is applicable to :

- Directors (Executive and Non Executive)
- Key Managerial Personnel
- Senior Management Personnel

### **PART – A**

#### **MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

### **PART – B**

#### **POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT**

- **Appointment criteria and qualifications:**
  1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/her appointment.
  2. The Company shall not appoint or continue the employment of any person as Whole-time Director/ Managing Director/Manager who has attained the age of seventy years. The term of persons holding position may be extended beyond seventy years with shareholders approval
- **Term/Tenure:**
  1. Managing Director/Whole-time Director/ Manager:
    - The Company shall appoint or re-appoint any person as its Managing Director, Whole time Director or Manager for a term not exceeding five years at a time.
  2. Independent Director:
    - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report. Further, his appointment will be as per the Companies Act, 2013 and various Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- **Evaluation:**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).
- **Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said act, rules and regulations.



- **Retirement:**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## **PART – C**

### **POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL**

- **General:**

1. The remuneration/compensation/commission etc. to the Whole-time Director, Managing Director, Manager, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
2. The remuneration and commission to be paid to the Whole-time Director/ Managing Director/ Manager, Executive Chairman shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the rules made thereunder.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director/ Managing Director/ Executive Chairman.
4. Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

- **Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:**

1. **Fixed pay:**

The Whole-time Director/KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break up of the pay scale and quantum of perquisites including, employer's contribution to P.F, Pension Scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

2. **Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.



### 3. Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

#### • Remuneration to Non- Executive/Independent Director:

##### 1. Remuneration /Commission:

The remuneration/commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.

##### 2. Sitting Fees:

The Non- Executive/Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed ₹ 100,000/- (Rupees One Lakh only) per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

##### 3. Commission:

Subject to the provisions of the section 197 of the Companies Act, 2013, any director who is in receipt of any commission from the company and who is a managing or whole-time director of the company shall not be disqualified from receiving any remuneration or commission from any holding company or subsidiary company of such company subject to its disclosure by the company in the Board's report.

##### 4. Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

#### (a) Annual Performance Evaluation of the Board

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committees and Stakeholders Relationship Committee. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board's culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The entire Board carried out the performance evaluation of the Independent Directors. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Key Managerial Personnel (KMP) and the Senior Management. The Directors expressed their satisfaction with the evaluation process.



## **VI. Stakeholders Relationship Committee**

- (i) The Company has constituted a Stakeholders Relationship Committee of Directors to look into the redressal of complaints of investors such as transfer or credit of shares to demat accounts, non-receipt of dividend/notices/annual reports, etc.
- (ii) The Stakeholders Relationship Committee consist of 3 (Three) Directors namely Mr. Santosh Kumar Mukherjee, Mrs. Ramya Hariharan and Mr. Kishor Shah of which 2 (Two) are Non-Executive Independent Directors. Mr. Santosh Kumar Mukherjee, Non-Executive Independent Director is the Chairman of the Committee.
- (iii) No Meeting of Stakeholders Relationship Committee was held during the year. No complaints were received by the company and there are no pending cases of the complaints received.
- (iv) The Company Secretary is the Secretary of the Committee.

## **VII. Share Transfer Committee**

- (i) The Company has constituted a Share Transfer Committee to look into requests received for transfers, split, consolidation as well as issue of duplicate share certificates and complete the process and dispatch of the certificates well within the stipulated time.
- (ii) Share Transfer Committee comprises of Mr. Utsav Parekh, Mr. Santosh Kumar Mukherjee and Mr. Kishor Shah.
- (iii) Share Transfer Committee meetings were held from time to time to give effect to transfer of shares.
- (iv) Share Transfer Committee is prompt in dealing with all the requests received relating to transfer of shares and other related matters.
- (v) The Company Secretary is the Secretary of the Committee.

## **VIII. Independent Directors Meeting**

During the year under review, the Independent Directors met on February 8, 2016, inter alia, to discuss:

- (i) Evaluation of the performance of Non Independent Directors and the Board of Directors as a whole;
- (ii) Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.
- (iii) Evaluation of the quality content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

## **IX. Committee of Directors**

In addition to the above committees, the Board has constituted the Committee of Directors, which considers matters urgent in nature. The Committee comprises of Mr. Utsav Parekh, Mr. Santosh Kumar Mukherjee, Mr. Ajay Kumar Kayan and Mr. Kishor Shah.

The Company Secretary is the Secretary of the Committee.



## X. General Body Meetings

Location and time where last three Annual General Meetings were held:

	2012-2013	2013-2014	2014-2015
Date	September 28, 2013	September 20, 2014	September 26, 2015
Time	10.00A.M	10.00A.M	10.00A.M
Venue	Rrangoli Banquet Hall, 'Vaibhav', 4, Lee Road, Ground Floor, Kolkata - 700 020	Rrangoli Banquet Hall, 'Vaibhav', 4, Lee Road, Ground Floor, Kolkata - 700 020	Rrangoli Banquet Hall, 'Vaibhav', 4, Lee Road, Ground Floor, Kolkata - 700 020
Whether Special Resolution passed	No	No	Yes

At the Annual General Meeting held on September 26, 2015 a Special Resolution was passed to approve re-appointment of Mr. Kishor Shah as Managing Director for a further period of 3 (Three) years w.e.f. April 1, 2015.

No Special Resolution was passed at the Annual General Meeting held on September 28, 2013 and September 20, 2014.

## XI. Disclosure by the Management to the Board

The management discloses to the Board all material, financial and commercial transactions where they have personal interest and which may have potential conflict of interest with the Company at large:

- Related party transactions for the year being transactions with Promoters, Directors or Key Managerial Personnel or their Relatives has been stated in Note 31 of Notes on Financial Statements. Further, the Board has approved a policy for related party transactions which has been uploaded on the Company's website at [www.smifscap.com](http://www.smifscap.com).
- There was no significant instance of non-compliance on any matter related to the capital market, during the last three years.
- Vigil Mechanism - Your Company has established a mechanism called "Vigil Mechanism" for employees to report to the management instances of unethical behavior actual or suspected, fraud or violation of Company's code of conduct or ethics policy. The policy is available on the website of the Company at [www.smifscap.com](http://www.smifscap.com).
- Familiarization Programme for Independent Directors- Company has formulated a Familiarization Programme for Independent Directors and the details of which are disclosed on the Company's website [www.smifscap.com](http://www.smifscap.com).

## XII. Subsidiary Company

The Company has one Wholly Owned Subsidiary Company, SMIFS Capital Services Limited. One Independent Director on the Board of the Company is the Director on the Board of the Subsidiary Company. Audit Committee of your Company reviews the financial statements of the Subsidiary Company in each meeting. Minutes of the Board Meetings of the Subsidiary Company are considered at Board Meetings of your Company and at regular intervals, significant transactions, arrangements entered into by the Subsidiary Company are placed at the Board Meetings of your Company.

### XIII. Compliance Certificate

Compliance Certificate on Corporate Governance from Auditors of the Company is annexed herewith.

### XIV. Means of Communication

Financial results of the Company are published in the newspapers as follows:	
Quarterly and half-yearly results:	Published in the newspapers : i) First Quarter ended June 30, 2015, unaudited results published in Business Standard (English) and Ek Din (Bengali) on August 14, 2015. ii) Second Quarter and half-yearly results ended September 30, 2015 published in Business Standard (English) and Ek Din (Bengali) on November 10, 2015. iii) Third Quarter and nine months ended December 31, 2015 unaudited results published in Business Standard (English) and Ek Din (Bengali) on February 9, 2016. iv) Fourth Quarter and year ended March 31, 2016 audited results published in Business Standard (English) and Ek Din (Bengali) on May 31, 2016.
Newspapers in which results are normally published:	Business Standard (English), Ek Din (Bengali).
Any website, where displayed:	The results are displayed on the Company's website at <a href="http://www.smifscap.com">www.smifscap.com</a>
Whether it also displays official news releases:	Yes
Management's Discussions & Analysis forms part of this annual report:	Yes

### XV. General Shareholders' Information

- (i) Annual General Meeting
- Date: September 24, 2016
- Time : 10.00 a.m.
- (ii) Venue Rrangoli Banquet Hall, "Vaibhav", 4 Lee Road Ground Floor, Kolkata- 700020
- (iii) Financial Calendar : April 1, 2015 to March 31, 2016
- (iv) Dividend Payment date : If approved in the Annual General Meeting to be held on September 24, 2016 to be paid on or after September 29, 2016
- (v) Date of Book Closure : September 17, 2016 (Saturday) to September 24, 2016 (Saturday) (both days inclusive)

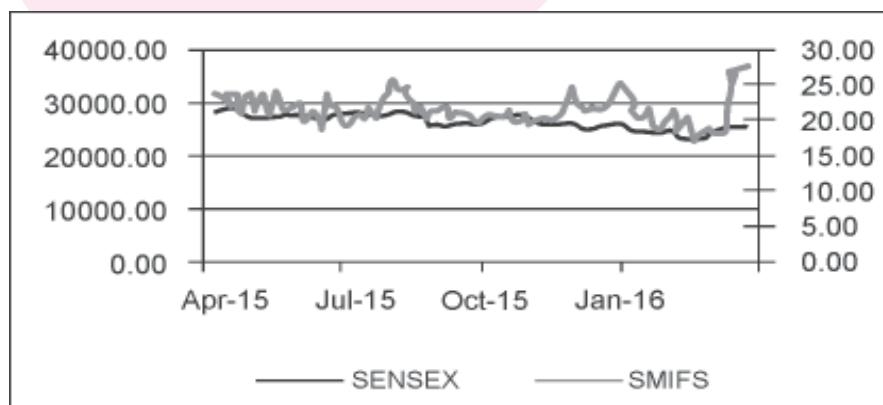


- (vi) Listing on Stock Exchange: Equity shares of the Company are listed on BSE Limited (BSE) and The Calcutta Stock Exchange Limited (CSE).
- (vii) Payment of Annual Listing Fees: The Annual Listing Fees for the Financial year 2015-2016 has been paid to BSE Limited (BSE) and The Calcutta Stock Exchange Limited (CSE).
- (viii) Stock Code : 508905 – BSE  
29354 – CSE
- (ix) ISIN Number for NSDL / CDSL: INE641A01013
- (x) Market Price Information

The following table gives the monthly high and low prices of the Equity shares traded at BSE during the year 2015-2016:

Month	Volume Traded	High Price	Low Price
Apr-15	43,163	22.80	20.00
May-15	16,073	27.00	20.65
Jun-15	91,972	26.50	17.15
Jul-15	93,849	26.00	18.50
Aug-15	65,089	26.00	18.70
Sep-15	62,178	23.45	18.45
Oct-15	10,300	22.00	18.05
Nov-15	29,484	23.95	18.70
Dec-15	36,469	25.30	20.15
Jan-16	38,323	25.90	18.55
Feb-16	3,50,108	26.00	15.55
Mar-16	2,51,584	29.20	16.90

Share price comparison chart of Equity Shares of the Company vis-à-vis BSE Sensex





There was no trading of shares at CSE during the year.

**(xi) Registrar and Transfer Agents:**

Name & Address : M/s Maheshwari Datamatics Pvt. Ltd.  
6, Mangoe Lane, (2nd Floor),  
Kolkata – 700 001

Telephone : (033) 2243-5029, 2243-5809, 2248-2248

Fax : (033) 2248-4787

E-mail : mdpldc@yahoo.com

**(xii) Corporate Filing and Dissemination System (CFDS)**

Companies are now required to upload the quarterly financial results under Corporate Filing and Dissemination System (CFDS). Your Company has been duly registered under the said system and all data relating to the quarterly financial results along with corporate governance report and shareholding pattern are filed under the said system.

**(xiii) Share Transfer System**

Shares lodged for transfer at the Registrar's address are normally processed within 15 days from the date of lodgment, if the documents are clear in all respects. All requests for dematerialization of shares are processed and the confirmation is given to the depositories within 15 days. The Share Transfer Committee approves all transfers and transmissions. Grievances received from members, if any, and other miscellaneous correspondence on change of address, mandates are processed by the Registrar within 15 days from the date of receipt of correspondence.

**(xiv) Shareholding as on March 31, 2016:**

**(a) Category of Shareholding as on March 31, 2016**

Category	No. of Shares held	% of Capital
RESIDENT INDIVIDUALS	1232246	22.06
FINANCIAL INSTITUTIONS / BANK	–	–
FOREIGN PORTFOLIO INVESTORS	550000	9.85
CORPORATE BODIES-DOMESTIC	1254441	22.46
INDIAN PROMOTERS:		
a) Individuals	642310	11.50
b) Corporate Bodies	1850901	33.14
NRIs / OVERSEAS CORP. BODIES (OCBs)	55102	0.99
<b>TOTAL</b>	<b>5585000</b>	<b>100</b>



**(b) Distribution of Shareholding as on March 31, 2016**

No. of Shares held	No. of Shareholders	Total no. of Shares held
Upto 500	1095	125654
501-1,000	108	88520
1,001-2,000	72	108685
2,001-3,000	34	90671
3,001-4,000	24	85128
4,001-5,000	12	56565
5,001-10,000	35	262491
10,001 and Above	34	4767286
<b>Total</b>	<b>1411</b>	<b>5585000</b>

**(xv) Reconciliation of Share Capital Audit Report**

Securities and Exchange Board of India vide circular no. CIR/MRD/DP/30/2010 dated September 6, 2010 directed all the issuer Companies to submit a Reconciliation of Share Capital Audit Report (Report) reconciling the total shares held in both the depositories viz., NSDL and CDSL and in Physical Form with the Total Issued /Paid Up Capital. The report replaced the earlier Secretarial Audit Report.

The said report, duly certified by a Company Secretary in Practice is submitted to the Stock Exchanges where the securities of the Company are listed within 30 days of the end of each quarter and the certificate is also placed before the Board of Directors of the Company.

**(xvi) Policy on Insider Trading:**

The Company has formulated a Code of Conduct for Prevention of Insider Trading ('Code') in accordance with the guidelines specified under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended in January 30, 2015. Board of Directors has appointed Ms. Poonam Bhatia, Company Secretary as the Compliance Officer under the Code, being responsible for complying with the procedures, monitoring adherence to the rules for preservation of price sensitive information, pre-clearance of trade, monitoring of trades and implementation of the Code of Conduct under the overall supervision of the Board. The Code, inter alia, prohibits purchase and /or sale of shares of the Company by an insider or by any other Company, while in possession of unpublished price sensitive information in relation to the Company during certain prohibited periods. The Code is available on the Company's website.

**(xvii) Details of use of Public Fund obtained in the last three years:**

No fund has been raised from the public during the last three years.

**(xviii) Plant location:**

The Company is engaged in the business of financial services and has no plant.





**(xix) Investor Correspondence**

<b>Any query relating to financial statements of the Company may be addressed to the Chief Financial Officer of the Company:</b>	<b>Investors' Correspondence may be addressed to the Compliance Officer of the Company:</b>
Mr. Shreemanta Banerjee CFO-cum- Assistant Vice President (Finance and Taxation)	Ms. Poonam Bhatia Company Secretary-cum-Senior Manager Legal
SMIFS Capital Markets Limited	SMIFS Capital Markets Limited
'Vaibhav', 4F, 4 Lee Road, Kolkata – 700 020 Telephone: (033) 2290 7400/ 7401 Fax: (033) 2287 4042 E-mail: smifscap@vsnl.com	'Vaibhav', 4F, 4 Lee Road, Kolkata – 700 020 Telephone: (033) 2290 7400/ 7401 Fax: (033) 2287 4042 E-mail: smifscap@vsnl.com, cs .smifs@gmail.com

**(xx) Other Information**

**a) Compliance**

Compliance Certificate on Corporate Governance from Auditors of the Company is annexed herewith.

**b) Code of Conduct**

In order to make the employees of the Company knowledgeable and committed to follow highest level of integrity and to outline the Company's value and principles and to set out the standards of the professional and ethical behavior expected of the employees in the organization, Board of Directors of your Company have laid down Code of Business Conduct and Ethics.

Affirmation of Compliance to the Code has been made by the Board Members and Senior Management of the Company.

**c) Annual declaration by CEO pursuant to Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.**

As the Chief Executive Officer of SMIFS Capital Markets Limited and as required by Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, Mr. Kishor Shah, Managing Director furnished declaration to the Company that all the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct and ethics for the Financial Year 2015-16.

**(xxi) Information pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Details of Mr. Ajay Kumar Kayan, Director who has consented to be re-appointed as Director on retirement by rotation at the ensuing Annual General Meeting:



Mr. Ajay Kumar Kayan (DIN No. 00239123) born on April 26, 1957 is a Commerce graduate from the University of Calcutta having profound knowledge of the Securities Market in the Indian Market. He was appointed as Additional Director on June 30, 2007. His directorship in other companies is given below:

Sl. No.	Particulars	Nature of Office
	<b>Directorship</b>	
i.	Andaman Plantations & Development Corporation Pvt. Ltd.	Director
ii.	Pee lie Investments Pvt. Ltd.	Director
iii.	Chengmari Tea Co Ltd.	Director
iv.	Satellite Inter Continental Pvt. Ltd.	Director
v.	Salveo Life Sciences Limited	Director
	<b>Limited Liability Partnership</b>	
vi.	Chowringhee Planners LLP	Partner

**(xxii) CEO/CFO Certification pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Certificate from Mr. Kishor Shah, Managing Director and Mr. Shreemanta Banerjee, CFO-cum-Assistant Vice President (Finance and Taxation), in terms of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2016 was placed before the Board of Directors of the Company in its meeting held on May 30, 2016.

**Regd. Office:**

'Vaibhav' (4F), 4 Lee Road,  
Kolkata - 700 020

The 30<sup>th</sup> day of May, 2016

*For and on behalf of the Board of Directors*

Sd/-

**(UTSAV PAREKH)**

Chairman

(DIN No. 00027642)



**STATEMENT PURSUANT TO SECTION 129 OF THE COMPANIES  
ACT, 2013 RELATING TO SUBSIDIARY COMPANIES**

1. Name of the Subsidiary	: SMIFS Capital Services Limited
2. Share Capital	: ₹ 75,000,700
3. Reserves & Surplus	: ₹ (2,821,198)
4. Total Assets	: ₹ 73,055,004
5. Total Liabilities	: ₹ 875,502
6. Investments	: ₹ 54,291,835
7. Turnover	: ₹ 756,346
8. Profit before taxation	: ₹ (49,893)
9. Provision for taxation	: ₹ (72,685)
10. Profit after taxation	: ₹ 22,792
11. % of shareholding	: 100%

**Regd. Office:**

'Vaibhav' (4F), 4 Lee Road,  
Kolkata - 700 020

The 30<sup>th</sup> day of May, 2016

*For and on behalf of the Board of Directors*

Sd/-

**(UTSAV PAREKH)**

Chairman

(DIN No. 00027642)



## AUDITORS' COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of SMIFS Capital Markets Limited

We have examined the compliance of the conditions of Corporate Governance by **M/s. SMIFS Capital Markets Limited** for the year ended March 31, 2016, as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchanges for the period 1 April 2015 to 30 November 2015 and as per the relevant provisions of securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1 December 2015 to 31 March 2016.

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

In our opinion and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement/Listing Regulations, as applicable.

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

3A, Oriental House,  
6C, Elgin Road,  
Kolkata – 700 020

For **J. S. VANZARA & ASSOCIATES**  
*Chartered Accountants*  
FRN NO : 318143E

**AUROBINDA PANDA**  
*Partner*  
Membership No.064888

This is the 30<sup>th</sup> Day of May 2016.

## SMIFS CAPITAL MARKETS LIMITED

10 Years' Highlights	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Equity Capital	55.85	55.85	55.85	55.85	55.85	55.85	55.85	55.85	55.85	55.85
Reserves & Surplus	541.61	596.09	598.65	695.89	683.48	1,004.21	1,001.69	993.87	993.88	994.24
Borrowings	56.66	39.07	23.05	24.01	5.52	3.24	3.28	1.83	0.68	0.75
Profit/loss before tax	81.53	39.67	7.65	40.20	62.74	52.55	13.67	4.62	10.04	10.99
Profit/loss after tax	102.56	61.02	2.56	51.16	54.48	39.40	10.19	2.09	9.55	8.49
Dividend per share in ₹	1.00	1.00	NIL	1.50	1.70	1.40	1.40	1.00	1.00	0.75*
Net worth	597.46	651.94	654.50	695.89	739.33	1,060.06	1,057.54	1,049.72	1,049.73	1,050.09
Earnings per share (In ₹)	18.36	10.93	0.46	9.16	9.76	7.05	1.82	0.37	1.71	1.52
Book value per share (In ₹)	106.98	116.73	117.19	124.60	132.38	189.81	189.35	187.95	187.95	188.02

\* The board has recommended a Dividend @ 7.5% on Equity Shares subject to approval of the members in the Annual General Meeting



## INDEPENDENT AUDITORS' REPORT

To the Members of **SMIFS CAPITAL MARKETS LIMITED**

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

We have audited the accompanying standalone financial statements of **SMIFS CAPITAL MARKETS LIMITED** ("the Company") which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgements 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 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.

### **Auditors' Responsibility**

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

We conducted our audit 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 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and



give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31st March, 2016, and its profit and its cash flows for the year on that date.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of the section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.
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, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;
  - e. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016, from being appointed as a director in terms of section 164(2) of the Companies Act, 2013;
  - 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. – refer note no.32 to the standalone financial statements;
    - ii. The Company did not have any material foreseeable losses on long-term contracts including derivative contracts;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

3A, Oriental House,  
6C, Elgin Road,  
Kolkata – 700 020

This is the 30<sup>th</sup> Day of May 2016.

**For J. S. VANZARA & ASSOCIATES**

*Chartered Accountants*

FRN NO : 318143E

**AUROBINDA PANDA**

*Partner*

Membership No.064888



## ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

**The Annexure referred to in paragraph 1 under the heading “Report on the other legal and regulatory requirements” of our report of even date to the members of SMIFS CAPITAL MARKETS LIMITED on the accounts of the Company for the year ended 31st March 2016**

- i) In respect of its fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
  - b) The fixed assets have been physically verified wherever practicable in a phased manner by the Management at regular intervals and the reconciliation of the quantities with the book records has been done on continuous basis. Further the differences, if any, arising out of such reconciliation so far has been adjusted and no serious discrepancies between book records and physical verification has been noticed.
  - c) Based on our audit procedures and the information and explanation received by us, we report that all title deeds of immovable properties of the company held as fixed assets are held in the name of the Company. However, we express no opinion on the validity of the title of the Company to these properties.
- ii) The inventory has been physically verified during the year by the Management at regular intervals. There was no material discrepancies noticed on physical verification of inventory as compared to the book records.
- iii) The Company has not granted any loans, secured or unsecured loan to companies, firms, Limited Liability Partnerships or other parties listed in the Register maintained under section 189 of the Companies Act, 2013. Hence, clause (iii) (a) to (iii) (c) of the paragraph 3 of the Order is not applicable.
- iv) The company has complied with provision of section 185 and 186 of the companies act in respect of loans, investments, guarantees and security.
- v) The Company has not accepted any public deposit. Hence, clause (v) of paragraph 3 of the Order is not applicable to the company.
- vi) According to the information and explanations provided by the management, the Company is not engaged in production, processing, manufacturing or mining activities. Hence the provision of section 148(1) does not apply to the Company and in our opinion no comment on maintenance of cost records under section 148(1) is required.
- vii) Statutory and other dues:
  - a) According to the information and explanations given to us and on the basis of our examination of the books and account, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues as applicable with the appropriate authorities during the year. According to the information and explanations given, no undisputed dues as above were outstanding as at 31st March, 2016 for a period of more than six months from date they become payable.
  - b) According to the information and explanations given to us and the records of the Company examined by us, the following are the particulars of dues on account of Income Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax that have not been deposited on account of any dispute :





Name of the Statute	Nature of Due	Amount (Rs)	Period to which the amount relates	Forum where Dispute is pending
Uttar Pradesh Sales Tax Act	Sales Tax Due	91,125	Before 1994-95. No fresh notice was received.	Commissioner of Appeal Sales Tax
Employee State Insurance	ESI	1,42,274	June 1991 to November 1997.	Commissioner of Appeal ESI
Income Tax Act	Income Tax	30,50,623	Rs. 6,48,355/- (F.Y 2006-07) Rs. 24,02,295/- (F.Y 2007-08)	Commissioner of Income Tax (Appeal)

- viii) As per the Books and records maintained by the Company and according to the information and explanations given to us, in our opinion, the Company has not defaulted in repayment of loans or borrowing to Financial Institution or Bank or Government or debenture holder during the current financial year.
- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the period covered by our audit report. Hence, clause (ix) to paragraph 3 of the Order is not applicable to the company.
- x) According to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.
- xi) According to the information and explanations given to us and the records of the Company examined by us, the company has paid or provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii) According to the information and explanations given to us, in our opinion, the company is not a Nidhi Company. Hence, clause (xii) to paragraph 3 of the Order is not applicable to the company.
- xiii) According to the information and explanations given to us and the records of the Company examined by us, transactions with related parties are in compliance with section 177 and 188 of the Act where applicable and details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us and the records of the Company examined by us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Hence, clause (xiv) to paragraph 3 of the Order is not applicable to the company.
- xv) According to the information and explanations given to us and the records of the Company examined by us, the company has not entered into any non-cash transactions with directors or persons connected with him. Hence, clause (xv) to paragraph 3 of the Order is not applicable to the company.
- xvi) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, clause (xvi) to paragraph 3 of the Order is not applicable to the company.

3A, Oriental House,  
6C, Elgin Road,  
Kolkata – 700 020

For **J. S. VANZARA & ASSOCIATES**  
*Chartered Accountants*  
FRN NO : 318143E

**AUROBINDA PANDA**  
*Partner*  
Membership No.064888

This is the 30<sup>th</sup> Day of May 2016.



## **ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT**

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

We have audited the internal financial controls over financial reporting of **SMIFS CAPITAL MARKETS LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are



recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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.

3A, Oriental House,  
6C, Elgin Road,  
Kolkata – 700 020

This is the 30<sup>th</sup> Day of May 2016.

**SMIFS**

For **J. S. VANZARA & ASSOCIATES**  
*Chartered Accountants*  
FRN NO : 318143E

**AUROBINDA PANDA**  
*Partner*  
Membership No.064888



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## STATEMENT OF ACCOUNT

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# SMIFS CAPITAL MARKETS LIMITED

## BALANCE SHEET AS AT 31st March, 2016

Particulars	Note No.	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2	55,850,000	55,850,000
(b) Reserves and Surplus	3	994,237,816	993,876,288
<b>(2) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	4	396,348	19,247
(b) Other Long Term Liabilities	5	—	2,820,001
(c) Long Term Provisions	6	1,107,772	1,107,772
<b>(3) Current Liabilities</b>			
(a) Trade Payables	7	640,427	—
(b) Other Current Liabilities	8	8,255,760	13,211,401
(c) Short-Term Provisions	9	6,529,199	7,675,816
<b>Total Equity &amp; Liabilities</b>		<b>1,067,017,322</b>	<b>1,074,560,525</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets	10		
(i) Gross Block		230,671,762	230,295,916
(ii) Depreciation		150,309,592	145,509,946
(iii) Less: Lease Terminal Adjustment A/c		1,709,528	1,709,528
(iv) Net Block		78,652,642	83,076,442
(b) Non-Current Investments	11	214,188,550	158,753,933
(c) Deferred Tax Assets (net)		44,414,127	47,202,822
(d) Long Term Loans and Advances	12	633,269,806	632,575,109
(e) Other Non-Current Assets	13	10,833	366,593
<b>(2) Current Assets</b>			
(a) Inventories	14	34,111,918	103,698,544
(b) Trade Receivables	15	39,309,581	16,188,010
(c) Cash and Cash Equivalents	16	20,772,958	26,070,278
(d) Short-Term Loans and Advances	17	340,655	2,912,382
(e) Other Current Assets	18	1,946,252	3,716,412
<b>Total Assets</b>		<b>1,067,017,322</b>	<b>1,074,560,525</b>

Significant Accounting Policies & Notes to Financial Statements 1 To 33

As Per Our Report Of Even Date

For **J.S. VANZARA & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
Firm Reg. No.: 318143E

**CA. AUROBINDA PANDA**  
Partner  
Membership No. : 064888

Place: Kolkata  
Dated: 30<sup>th</sup> May 2016

For and on Behalf of the Board of Directors

**UTSAV PAREKH**  
Chairman  
(DIN No. 00027642)  
**POONAM BHATIA**  
Company Secretary  
Cum - Sr.Manager Legal

**KISHOR SHAH**  
Managing Director  
(DIN No. 00170502)  
**SHREEMANTA BANERJEE**  
CFO cum Assist. Vice President  
Finance & Taxation



**SMIFS CAPITAL MARKETS LIMITED**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2016**

Particulars	Note No.	Year ended 31st March, 2016 ₹	Year ended 31st March, 2015 ₹
<b>INCOME</b>			
Revenue from operations	19	399,053,183	341,435,019
Other Income	20	551,656	993,104
<b>Total Revenue</b>		<b>399,604,839</b>	<b>342,428,123</b>
<b>EXPENDITURE</b>			
Purchases of Stock-in-Trade	21	264,217,214	274,677,088
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	69,586,626	16,522,013
Employee Benefit Expenses	23	20,445,700	16,182,192
Financial Costs	24	167,374	289,958
Depreciation and Amortization Expense	25	2,861,554	3,724,561
Other Administrative Expense	26	31,337,684	20,993,330
<b>Total Expenses</b>		<b>388,616,152</b>	<b>332,389,142</b>
Profit before exceptional and extraordinary items and tax		10,988,687	10,038,981
Exceptional Items		—	—
Profit before extraordinary items and tax		10,988,687	10,038,981
Extraordinary Items		—	—
<b>Profit Before Tax</b>		<b>10,988,687</b>	<b>10,038,981</b>
<b>Tax expense:</b>			
(1) Current tax ( Incl. STT & Wealth Tax)		2,273,145	1,786,044
(2) Short / (Excess) Provision for Tax for Earlier Years		—	5,994
(3) Deferred tax		2,788,695	449,144
(4) MAT Credit Entitlement		(2,564,368)	(1,752,595)
Profit(Loss) for the period from continuing operations		8,491,215	9,550,394
Profit(Loss) from discontinuing operations		—	—
Tax expense of discontinuing operations		—	—
Profit(Loss) from discontinuing operations (after tax)		—	—
<b>Profit/(Loss) for the period</b>		<b>8,491,215</b>	<b>9,550,394</b>
Earning per equity share:			
(1) Basic		1.52	1.71
(2) Diluted		1.52	1.71

Significant Accounting Policies & Notes to Financial Statements 1 To 33

As Per Our Report Of Even Date

For **J.S. VANZARA & ASSOCIATES**

CHARTERED ACCOUNTANTS

Firm Reg. No.: 318143E

**CA. AUROBINDA PANDA**

Partner

Membership No. : 064888

Place: Kolkata

Dated: 30<sup>th</sup> May 2016

For and on Behalf of the Board of Directors

**UTSAV PAREKH**

Chairman

(DIN No. 00027642)

**POONAM BHATIA**

Company Secretary

Cum - Sr.Manager Legal

**KISHOR SHAH**

Managing Director

(DIN No. 00170502)

**SHREEMANTA BANERJEE**

CFO cum Assist. Vice President

Finance & Taxation



**SMIFS CAPITAL MARKETS LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016**

	Amount ₹	
	31st March, 2016	31st March, 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	10,988,687	10,038,981
<b>Adjustment for</b>		
1. Depreciation	2,861,554	3,724,561
2. (Profit)/Loss on sale of Investments	(23,316,981)	(14,468,715)
3. Dividend on Investment	(102,821)	(543,977)
4. Provisions no longer required	—	(902,880)
5. Financial Cost	167,374	289,958
6. (Profit)/Loss on sale of Fixed Assets	(20,779)	(77,871)
7. Interest Income	(528,377)	(841,985)
	<u>(20,940,030)</u>	<u>(12,820,909)</u>
Operating profit before Working Capital change	(9,951,343)	(2,781,928)
<b>Adjustment for</b>		
1. Trade & Other Receivables	(16,141,092)	(17,684,336)
2. Inventories	69,586,626	16,522,013
3. Trade and Other Payables	(6,281,290)	(13,787,555)
	<u>47,164,244</u>	<u>(14,949,878)</u>
Cash Generated from Operations	37,212,901	(17,731,807)
Direct Tax paid	(2,686,306)	(2,840,173)
	<u>(2,686,306)</u>	<u>(2,840,173)</u>
Net Cash Flow from Operating activity	<u>34,526,595</u>	<u>(20,571,980)</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(1,908,166)	(1,096,590)
Sale of Fixed Assets (Net of advance received)	403,000	191,500
Purchase of Investments	(153,216,367)	(97,804,051)
Sale of Investments	121,098,731	133,838,861
Interest Income	528,377	841,985
Dividend on Investment	102,821	543,977
Net Cash flow from Investing Activities	<u>(32,991,603)</u>	<u>36,515,681</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend and Dividend Distribution Tax Paid	(6,721,975)	(6,534,171)
Interest paid	(167,374)	(289,958)
Proceeds from long-term borrowings	57,037	(1,145,957)
Net cash used in Financing Activities	<u>(6,832,312)</u>	<u>(7,970,086)</u>
Net increase in Cash & Cash Equivalents	(5,297,320)	7,973,615
Opening Balance of Cash & Cash Equivalents	26,070,278	18,096,663
Closing Balance of Cash & Cash Equivalents	<u>20,772,958</u>	<u>26,070,278</u>

As Per Our Report Of Even Date

For **J.S. VANZARA & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
Firm Reg. No.: 318143E

**CA. AUROBINDA PANDA**  
Partner  
Membership No. : 064888

Place: Kolkata  
Dated: 30<sup>th</sup> May 2016

For and on Behalf of the Board of Directors

**UTSAV PAREKH**  
Chairman  
(DIN No. 00027642)  
**POONAM BHATIA**  
Company Secretary  
Cum - Sr.Manager Legal

**KISHOR SHAH**  
Managing Director  
(DIN No. 00170502)  
**SHREEMANTA BANERJEE**  
CFO cum Assist. Vice President  
Finance & Taxation



## SMIFS CAPITAL MARKETS LIMITED

### Note : 1 Significant Accounting Policies:

#### (a) Basis of preparation of financial statements

The financial statements have been prepared in conformity with accounting principles generally accepted in India and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India and referred to Sec 129 & 133 of the Companies Act, 2013.

The financial statements have been prepared under the historical cost convention, except for certain class of fixed assets which are revalued as and when undertaken, in accordance with the generally accepted accounting principles in India.

The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year.

#### (b) Fixed Assets

Fixed assets are stated at cost and includes amount added on revaluation less accumulated depreciation and Lease Terminal Adjustment account. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

#### (c) Depreciation

Depreciation on Fixed assets is provided on written down value method. Depreciation is provided based on the rates derived from the useful life assigned to each asset as prescribed in Schedule II to the Companies Act, 2013.

Depreciation on Fixed assets added/disposed during the year is provided on a pro-rata basis with reference to the date of addition/disposal.

#### (d) Lease Equalisation Charges

Lease rental income is recognised on accrual basis over the lease period. Except in cases where lease contracts have become non-performing assets, the cost of all leased assets is fully amortised during the lease period as per Accounting Standard-19 "Accounting for Leases" issued by the Institute of Chartered Accountants of India. Lease Equalisation charge is accordingly accounted for.

#### (e) Investments

As per the Accounting Standard issued by The Institute of Chartered Accountants of India, Non-Current investments in shares and securities are carried at cost less provision for diminution, other than temporary, determined separately for each individual Investment. Current investments are carried at lower of cost or fair value.

#### (f) Stock-in-trade

i) Stock-in-trade consisting of shares and securities has been individually valued script wise at lower of cost and market rate, in case they are quoted. Other Stock-in-trade are valued at cost / net asset value whichever is lower or where balance sheet of investee Company is not available for past two years, value of such unquoted Stock-in-trade have been taken at rupee one per share as per prudential norms issued by the Reserve Bank of India.



ii) Stock-in-trade includes construction work-in-progress in respect of real estate development.

**(g) Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

In respect of lease rentals arising out of lease agreements, it is the company's policy to recognize income as per the terms of the agreements entered into with lessees. However, where lease rentals are past due for more than one year, the Company has not recognised any income as per the past practice followed by the company.

Revenue from real estate development activity is recognized when all significant risk and rewards of ownership in the flats being developed are transferred to the customers and a reasonable expectation of collection of the sale consideration from the customers exists.

Revenue from sale of incomplete properties / projects is recognised on the basis of percentage of completion method. Estimated costs relating to construction / development are charged to the Statement of Profit and Loss in proportion with the revenue recognised during the year. The balance costs are carried as part of 'Construction Work in Progress' under inventories under current assets. Amounts receivable / payable are reflected as Trade Receivables or Advances from Customers, respectively, after considering income recognised in the aforesaid manner.

Costs of the projects are based on the management's estimate of the cost to be incurred upto the completion of the projects and include cost of land, materials, services and other expenses attributable to the projects. Estimates of project income, as well as project costs, are reviewed periodically. The effect of changes in cost, if any, is recognised in the financial statements for the period in which such changes are determined.

**(h) Employee Benefits**

The employees' gratuity fund scheme managed by a Trust (Life Insurance Corporation of India) is a defined benefit plan. The Present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The compensated absences are unfunded. Provision for leave encashment has been made on the basis of Actuarial valuation as at the end of the financial year and are charged to Statement of Profit & Loss during the year.

Short-term employee benefits are recognised as an expense in the Statement of Profit & Loss of the year in which the related service is rendered.

**(i) Provision for Current and Deferred Tax**

The accounting treatment for income tax in respect of the income is based on the Accounting Standards on 'Accounting for Taxes on Income' (AS 22) issued by the Institute of Chartered Accountants of India.

A provision is made for the current tax based on tax liability computed in accordance with relevant tax rates and tax laws. A provision is made for deferred tax liability / asset for timing differences arising between taxable incomes and accounting income at currently enacted tax rates.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of Profit and Loss as current tax. The Company recognises MAT credit as an asset only to the extent that there is



convincing evidence that the Company will pay normal tax during the specified period i.e the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income Tax Act, 1961, the said assets is created by way of credit to the statement of profit and loss and shown as “MAT Credit Entitlement”. The Company reviews the “MAT Credit Entitlement” asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Deferred tax assets are recognized only if there is reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

**(j) Contingencies**

Claims against the Company which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the financial statements.

**(k) Impairment of Assets**

In compliance with Accounting Standard (AS) 28- “Impairment of Assets” issued by the Institute of Chartered Accountants of India, the carrying amounts of Cash Generating Units/Assets are reviewed at Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated at the higher of net selling price and value in use. Impairment loss is recognised wherever carrying amount exceeds the recoverable amount.

**(l) Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable. Contingent liabilities are shown by way of Notes to the financial statements in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable. Contingent assets are not recognised in the financial statements.

*As Per Our Report Of Even Date*

**For J.S. VANZARA & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
Firm Reg. No.: 318143E

**CA. AUROBINDA PANDA**  
Partner  
Membership No. : 064888

Place: Kolkata  
Dated: 30<sup>th</sup> May 2016

*For and on Behalf of the Board of Directors*

**UTSAV PAREKH**  
Chairman  
(DIN No. 00027642)

**POONAM BHATIA**  
Company Secretary  
Cum - Sr.Manager Legal

**KISHOR SHAH**  
Managing Director  
(DIN No. 00170502)

**SHREEMANTA BANERJEE**  
CFO cum Assist. Vice President  
Finance & Taxation



## SMIFS CAPITAL MARKETS LIMITED

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2016

	Amount in ₹			
	As at 31st March, 2016	As at 31st March, 2015		
<b>Note : 2 Share Capital</b>				
<b>1 AUTHORIZED</b>				
30,000,000 Equity Shares of ₹ 10/- each.	300,000,000	300,000,000		
2,000,000 Preference Shares of ₹ 100/- each.	200,000,000	200,000,000		
	<u>500,000,000</u>	<u>500,000,000</u>		
<b>2 ISSUED, SUBSCRIBED &amp; PAID UP</b>				
5,585,000 Equity Shares of ₹ 10/- each, Fully paid up	55,850,000	55,850,000		
<b>3 The details of shareholders holding more than 5% shares</b>	<b>No. of shares</b>	<b>% held</b>	<b>No. of shares</b>	<b>% held</b>
Mackertich Consultancy Services Pvt Ltd	1,216,900	21.79	1,216,900	21.79
The Indiaman Fund (Mauritius) Limited	550,000	9.85	550,000	9.85
Progressive Star Finance Pvt Ltd	357,251	6.40	357,251	6.40
Ajay Kumar Kayan	301,050	5.39	301,050	5.39
Maya Trade Links Ltd	398,590	7.14		
<b>Note : 3 Reserves &amp; Surplus</b>				
1 Capital Redemption Reserve	40,000,000		40,000,000	
2 Securities Premium Reserve	433,725,000		433,725,000	
3 General Reserve				
Balance as Per Last Account	389,203,000		394,788,000	
Less: Transferred to Profit & Loss A/c	—		(5,585,000)	
	<u>389,203,000</u>		<u>389,203,000</u>	
4 Revaluation Reserve				
Balance as Per Last Account	62,316,536		64,238,250	
Less: Transferred to Profit & Loss Account (Refer Note 10.1)	<u>3,088,191</u>		<u>1,921,714</u>	
	59,228,345		62,316,536	
5 Profit & Loss Account				
Balance brought forward from previous year	68,631,752		61,118,910	
Add: Transferred From General Reserve	—		5,585,000	
Less: Proposed Dividend	(4,188,750)		(5,585,000)	
Less: Tax on Proposed Dividend	(852,746)		(1,136,975)	
Less: Adjusted for Value of Fixed Assets having remaining Useful life NIL	—		(900,577)	
Add: Profit for the period	<u>8,491,215</u>		<u>9,550,394</u>	
	<u>72,081,471</u>		<u>68,631,752</u>	
<b>Total</b>	<b><u>994,237,816</u></b>		<b><u>993,876,288</u></b>	



## SMIFS CAPITAL MARKETS LIMITED

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2016

	As at 31st March, 2016	Amount in ₹ As at 31st March, 2015
<b>Note : 4 Long Term Borrowings</b>		
<b>1 Term Loans</b>		
- From Bank & NBFC (Secured)	396,348	19,247
<b>Total</b>	<b>396,348</b>	<b>19,247</b>
4.1 The above Term Loans are secured by hypothecation of the vehicles against which loans are taken		
4.2 Repayment Schedule:-		
Term Loan (Secured):		
a) HDFC Bank Ltd		
Repayable in 36 monthly installments of ₹ 9,750/- from June 2013.	—	19,247
b) HDFC Bank Ltd		
Repayable in 36 monthly installments of ₹ 32,315/- from April 2015.	396,348	—
<b>Total</b>	<b>396,348</b>	<b>19,247</b>
<b>Note : 5 Other Long Term Liabilities</b>		
1 Advance Against Sale of Flats	—	2,820,001
<b>Total</b>	<b>—</b>	<b>2,820,001</b>
<b>Note : 6 Long Term Provisions</b>		
1 Provision for Loans & Advances considered doubtful	297,853	297,853
2 Provision for doubtful receivables on leased assets	809,919	809,919
<b>Total</b>	<b>1,107,772</b>	<b>1,107,772</b>
<b>Note : 7 Trade Payables</b>		
1 Micro, Small and Medium Enterprises	—	—
2 Others	640,427	—
<b>Total</b>	<b>640,427</b>	<b>—</b>



## SMIFS CAPITAL MARKETS LIMITED

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2016

	As at 31st March, 2016	Amount in ₹ As at 31st March, 2015
<b>Note : 8 Other Current Liabilities</b>		
1 Current Maturities of Long Term Debt (Refer Note Nos 4.1 & 4.2)	348,686	668,749
2 Unclaimed Dividend#	1,016,288	1,072,621
3 Statutory Dues	1,022,005	514,580
4 Due to Subsidiary Company	667,141	7,147,331
5 Liability for Expenses	5,201,640	3,808,120
<b>Total</b>	<b>8,255,760</b>	<b>13,211,401</b>

# This does not include any amount due and outstanding to be credited to Investor Education and Protection Fund

#### **Note : 9 Short Term Provisions**

1 Provision For Employees Benefit	1,487,703	953,841
2 Proposed Dividend (Including Tax on Proposed Dividend)	5,041,496	6,721,975
<b>Total</b>	<b>6,529,199</b>	<b>7,675,816</b>

**SMIFS CAPITAL MARKETS LIMITED**  
**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2016**

**Note : 10 Fixed Assets**

Particulars	Gross Block ₹			Depreciation ₹			Lease Terminal Adjustment		Net Block ₹		
	As on 01.04.2015	Additions	Deductions	Gross Amt. Inc. Revalued Fig. 31.03.2016	As on 01.04.2015	For the year	Adj. during the year	As on 31.03.2016	As on 31.03.2015	As on 31.03.2016	As on 31.03.2015
Buildings/Premises	98,673,317	-	-	98,673,317	21,668,776	3,630,919	-	-	-	73,373,622	77,004,541
Furniture and Fixtures	173,337	-	-	173,337	144,842	20,821	-	-	-	7,674	28,495
Office Equipment	378,826	-	-	378,826	373,001	5,588	-	-	-	237	5,825
Vehicles	15,101,140	1,818,656	1,532,320	15,387,476	9,964,449	2,169,027	1,150,099	-	-	4,404,099	5,136,691
Electrical Installations	31,000	-	-	31,000	14,652	10,575	-	-	-	5,773	16,348
Computers	522,887	58,510	-	581,397	452,970	101,957	-	-	-	26,470	69,917
Air Conditioners	294,820	31,000	-	325,820	290,114	10,858	-	-	-	24,848	4,706
<b>Sub total</b>	<b>115,175,327</b>	<b>1,908,166</b>	<b>1,532,320</b>	<b>115,551,173</b>	<b>32,908,804</b>	<b>5,949,745</b>	<b>1,150,099</b>	<b>-</b>	<b>-</b>	<b>77,842,723</b>	<b>82,266,522</b>
Previous Year	129,577,940	1,096,590	15,499,204	115,175,327	41,747,526	5,646,275	14,484,997	-	-	82,266,522	-
<b>Assets on Lease</b>											
Plant & Machinery	115,120,589	-	-	115,120,589	112,601,142	-	-	1,709,528	1,709,528	809,919	809,919
<b>Sub total</b>	<b>115,120,589</b>	<b>-</b>	<b>-</b>	<b>115,120,589</b>	<b>112,601,142</b>	<b>-</b>	<b>-</b>	<b>1,709,528</b>	<b>1,709,528</b>	<b>809,919</b>	<b>809,919</b>
Previous Year	115,120,589	-	-	115,120,589	112,601,142	-	-	1,709,528	-	809,919	-
<b>Total</b>	<b>230,295,916</b>	<b>1,908,166</b>	<b>1,532,320</b>	<b>230,671,762</b>	<b>145,509,946</b>	<b>5,949,745</b>	<b>1,150,099</b>	<b>1,709,528</b>	<b>1,709,528</b>	<b>78,652,642</b>	<b>83,076,441</b>
Previous Year	244,698,529	1,096,590	15,499,204	230,295,916	154,348,668	5,646,275	14,484,997	1,709,528	-	83,076,441	-

10.1 Gross Block includes ₹ 72,444,913/- (Previous year ₹ 72,444,913) on account of revaluation of building/premises. Consequent to the said revaluation there is an additional depreciation charge of ₹ 3,088,191/- (Previous year ₹ 1,921,714/-) and an equivalent amount has been withdrawn from the Revaluation Reserve and credited to Statement of Profit & Loss. This has no impact on profit for the year.

10.2 As per Schedule II of Companies Act 2013, assets whose remaining useful life is Nil, has been deducted from the gross block as a part of deductions. Similarly accumulated depreciation related to each such asset has been shown as adjustments of depreciation. Carrying amount of such assets has been debited to Retained Earnings.



## SMIFS CAPITAL MARKETS LIMITED

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2016

Amount in ₹

As at 31st March, 2016		As at 31st March, 2015	
Quantity (No.)	Amount (₹)	Quantity (No.)	Amount (₹)

#### Note : 11 Non Current Investment

##### 1 Trade Investments

##### Investment in Equity Shares

Equity shares of Rs 10 each (Unless otherwise stated)

##### Fully paid up: Quoted

Aravali Securities & Finance Limited	100	60	100	60
Asian Vegipro Industries Limited	300,000	300,000	300,000	300,000
Coventry Springs & Engg. Co. Ltd	52,323	175,282	52,323	175,282
Gillanders Arbuthnot & Co. Ltd	9,041	120,591	9,041	120,591
ECE Industries Ltd.	384,500	46,765,963	384,500	46,765,963
Melstar Information Technologies Limited	300	63,675	300	63,675
Moulik Finance & Resorts Limited	7,100	71,000	7,100	71,000
Moving Picture (India) Limited	881,600	3,076,784	881,600	3,076,784
Nicco UCO Alliance Credit Limited	114	650	114	650
Mangalam Timber Products Ltd.	106,628	1,855,327	-	-
Punsumi Foils & Components Limited	15,800	19,750	15,800	19,750
#Reliance Industries Ltd.	3,000	3,402,926	3,000	3,402,926
Summit Securities Ltd.	156,500	36,464,759	-	-
Swad Industries & Leasing Ltd	141	268	141	268
VCK Capital Markets Limited	200	220	200	220
Southern Online Bio-Technologies Limited	424,586	2,509,689	424,586	2,509,689
Vindhya Telelinks Ltd.	-	-	5,000	2,551,837

##### Fully paid up: Unquoted

Antriksh Vyapaar Limited	1,500,000	34,500,000	950,000	15,485,000
Bhatpara Papers Limited	44	391	44	391
Tejasri Energy Limited	5,000	50,000	5,000	50,000
Gujarat Securities Limited	20	200	20	200
North Eastern Publishing & Advt Co Ltd	2,500,000	250,000	4,045,400	404,540
Patriot Automation Projects Limited	2,065,350	500,000	2,065,350	500,000
Sheorey Digital Systems Pvt Ltd	590,000	129,800	590,000	129,800
Vaibhav Services Pvt Ltd	4,580	45,800	4,580	45,800

##### Investment in Preference Shares

##### (Non Cumulative Rs. 100/- Each)

12% Andaman Plantations & Development Corporation Pvt.Ltd	40,000	4,000,000	40,000	4,000,000
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## SMIFS CAPITAL MARKETS LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2016

Amount in ₹

	As at 31st March, 2016		As at 31st March, 2015	
	Quantity (No.)	Amount (₹)	Quantity (No.)	Amount (₹)
<b>2 Other Investments</b>				
<b>Investment in Subsidiary Company ( Wholly Owned )</b>				
Investment in Equity Shares of Rs 10 each				
SMIFS Capital Services Limited	7,500,070	75,000,700	7,500,070	75,000,700
Investment in MF Birla Sunlife'95 Fund	960	533,700	671	383,390
Investment in MF (Sundram Ultra Short Term Fund)	191,172	4,000,000	—	—
Investment in Mutual Fund(Reliance Liquid Fund)	—	—	980	3,344,402
Investment in Govt Securities				
6.05% Govt of India Loan - 2019(F.V. ₹ 500,000)	5,000	521,065	5,000	521,065
Less: Provision For Diminution in Value of Investment		(170,050)		(170,050)
<b>Total</b>		<b>214,188,550</b>		<b>158,753,933</b>
Aggregate of unquoted Investments - at book value (net of provision)		119,361,606		99,695,237
Aggregate of Quoted Investments - at book value		94,826,944		59,058,695
Aggregate of Quoted Investments - at market value		116,798,729		47,928,501
Aggregate amount of provision for diminution in the value of investments		170,050		170,050

# As on 31/03/16, 3000 shares of Reliance Industries were lying in Margin account with Stewart & Mackertich Wealth Management Ltd for which the Company holds a confirmation from them.

### Note : 12 Long Term Loans and Advances

<b>1 Loans &amp; Advances</b>				
Unsecured and Considered Good	592,755,422		595,026,754	
Considered Doubtful	297,853		297,853	
(Full provision has been made in respect of doubtful Loans & Advances)		593,053,275		595,324,607
<b>2 Advance Income Tax (Net of provision)</b>		2,997,947		2,584,786
<b>3 MAT Credit Entitlement</b>		34,927,966		32,363,598
<b>4 Security Deposit</b>				
Unsecured and Considered Good	2,290,618		2,302,118	
Considered Doubtful	—		—	
(Full provision has been made in respect of doubtful Security Deposits)		2,290,618		2,302,118
<b>Total</b>		<b>633,269,806</b>		<b>632,575,109</b>





## SMIFS CAPITAL MARKETS LIMITED

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2016

	Amount in ₹	
	As at 31st March, 2016	As at 31st March, 2015
<b>Note : 13 other Non Current Assets</b>		
1 Interest Accrued but not Due	10,833	366,593
<b>Total</b>	<b>10,833</b>	<b>366,593</b>
<b>Note : 14 Inventories</b>		
1 Shares & Securities	504,166	481,872
2 Construction Work- in- progress	33,607,752	103,216,672
<b>Total</b>	<b>34,111,918</b>	<b>103,698,544</b>
<b>Note : 15 Trade Receivables</b>		
<b>1 Outstanding for more than six months</b>		
Unsecured and Considered Good	9,224,159	15,978,092
Considered Doubtful	—	—
	9,224,159	15,978,092
<b>2 Others</b>		
Unsecured and Considered Good	30,085,422	209,918
Considered Doubtful	—	—
	30,085,422	209,918
<b>Total</b>	<b>39,309,581</b>	<b>16,188,010</b>
<b>Note : 16 Cash &amp; Cash Equivalents</b>		
1 Balances with Banks #	10,516,732	16,963,400
2 Cheques in Hand	286,520	23,411
3 Cash in Hand	178,253	80,177
4 Fixed Deposits with Bank ##	9,791,453	9,003,290
<b>Total</b>	<b>20,772,958</b>	<b>26,070,278</b>
#	Balances with Banks includes Unclaimed Dividend of ₹1,016,288/- (P.Y. ₹1,072,621/-)	
##	The entire amount, which is receivable from Central Bank of India, has been deposited by the Bank with the Prothonotary and Senior Master pending disposal of our claim as per the direction of the Hon'ble High Court, Bombay	
<b>Note :17 Short Terms Loans and Advances</b>		
Unsecured and Considered Good		
1 Advance to Parties	274,168	1,137,000
2 Balance with Revenue Authorities	66,487	1,775,382
<b>Total</b>	<b>340,655</b>	<b>2,912,382</b>
<b>Note :18 Other Current Assets</b>		
1 Prepaid Expenses	1,946,252	3,716,412
<b>Total</b>	<b>1,946,252</b>	<b>3,716,412</b>



**SMIFS CAPITAL MARKETS LIMITED**  
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2016

	Year ended 31st March, 2016	Amount in ₹ Year ended 31st March, 2015
<b>Note : 19 Revenue from Operations</b>		
1 Sale of shares and Securities	265,917,970	278,480,510
2 Sale of Flats	83,476,050	23,220,000
3 Profit/Loss on Sale of Investments	23,316,981	14,468,715
4 Investment Banking Operations (Net)	26,239,361	23,818,937
5 Provisions no longer required	–	902,880
6 Dividend Income	102,821	543,977
<b>Total</b>	<b>399,053,183</b>	<b>341,435,019</b>
<b>Note : 20 Other Income</b>		
1 Interest Received	528,377	841,985
2 Profit/(Loss) on Sale of Fixed Assets	20,779	77,871
3 Other Income	2,500	73,248
<b>Total</b>	<b>551,656</b>	<b>993,104</b>
<b>Note : 21 Purchases</b>		
1 Purchase of shares and Securities	264,217,214	274,677,088
<b>Total</b>	<b>264,217,214</b>	<b>274,677,088</b>
<b>Note : 22 Change in Inventories/Stock</b>		
1 Opening Stock-Shares & Securities	481,872	1,981,468
Closing Stock-Shares & Securities	504,166	481,872
(A)	(22,294)	1,499,596
2 Opening Stock-Construction Work-in-Progress	103,216,672	118,239,089
Closing Stock-Construction Work-in-Progress	33,607,752	103,216,672
(B)	69,608,920	15,022,417
<b>Total</b>	<b>(A+B) 69,586,626</b>	<b>16,522,013</b>



## SMIFS CAPITAL MARKETS LIMITED

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2016

	Year ended 31st March, 2016	Amount in ₹ Year ended 31st March, 2015
<b>Note : 23 Employee Benefit Expenses</b>		
1 Salaries, Bonus & Allowances	16,451,448	13,117,430
2 Contribution to provident and other funds	1,244,785	1,036,687
3 Training, Development & Recruitment Expenses	27,410	14,099
4 Staff Welfare Expenses	2,002,903	1,740,099
5 Employees Group Gratuity	719,154	273,877
<b>Total</b>	<b>20,445,700</b>	<b>16,182,192</b>

#### Note 23.1

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

#### Defined Contribution Plans

Contribution to Defined Contribution Plans, recognised as expense for the year is as under:

Employer's Contribution to Provident Fund	1,244,785	1,036,687
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#### I) Reconciliation of opening and closing balances of Defined Benefit Obligation

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Defined Benefit Obligation at beginning of year	4,642,852	3,962,785	953,841	956,443
Current Service Cost	324,342	282,360	115,148	89,796
Interest Cost	371,428	317,023	74,400	76,515
Actuarial (gain) / Loss	519,210	80,684	512,728	239,109
Benefits Paid	-	-	(168,414)	(408,022)
<b>Defined Benefit Obligation at year end</b>	<b>5,857,832</b>	<b>4,642,852</b>	<b>1,487,703</b>	<b>953,841</b>

#### II) Reconciliation of Opening and Closing balances of Fair Value of Plan Assets

Fair Value of Plan Assets at beginning of Year	5,445,495	4,587,464
Expected Return on Plan Assets	509,870	419,426
Actuarial gain / (loss)	-	-
Employer Contribution	606,843	438,605
Benefits Paid	-	-
<b>Fair Value of Plan Assets at year end</b>	<b>6,562,209</b>	<b>5,445,495</b>



**SMIFS CAPITAL MARKETS LIMITED**  
**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2016**

Amount in ₹

**III) Reconciliation of fair value of assets and obligations**

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Fair value of Plan Assets	6,562,209	5,445,495	–	–
Present Value of Obligation	5,857,832	4,642,852	1,487,703	953,841
Amount recognised in Balance Sheet	–	–	1,487,703	953,841
Excess Provision in Balance Sheet	–	–	–	–
<b>Assets Recognised in Balance Sheet</b>	<b>(704,377)</b>	<b>(802,643)</b>	<b>–</b>	<b>–</b>

**IV) Expenses Recognised during the year**

Current Service Cost	324,342	282,360	115,148	89,796
Interest Cost	371,428	317,023	74,400	76,515
Expected Return on Plan Assets	(509,870)	(419,426)	–	–
Actuarial (gain) / loss	519,210	80,684	512,728	239,109
<b>Net Cost</b>	<b>705,110</b>	<b>260,641</b>	<b>702,276</b>	<b>405,420</b>

**V) Actuarial Assumptions**

Mortality Table (LIC)	1994-96	1994-96	2006-08	2006-08
Discount Rate (per Annum)	8.00%	8.00%	7.75%	7.80%
Expected Rate of Return on Plan Assets (per Annum)	8.75%	8.75%	–	–
Rate of Escalation in Salary (per Annum)	6.00%	6.00%	7.50%	5.00%

The Estimates of rate of Escalation in salary considered in actuarial valuation, taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>Note : 24 Financial Cost</b>		
1 Interest Expense	167,374	289,958
<b>Total</b>	<b>167,374</b>	<b>289,958</b>

**Note : 25 Depreciation & Amortised Cost**

1 Depreciation	5,949,745	5,646,275
Less: Transferred from Revaluation Reserve	3,088,191	1,921,714
<b>Total</b>	<b>2,861,554</b>	<b>3,724,561</b>



**SMIFS CAPITAL MARKETS LIMITED**  
**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2016**

	<b>Year ended</b>	<b>Amount in ₹</b>
	<b>31st March, 2016</b>	<b>Year ended</b>
		<b>31st March, 2015</b>
<b>Note : 26 Other Administrative Expenses</b>		
1 Telephone Expenses	1,190,195	1,237,475
2 Printing & Stationery Expenses	259,602	1,160,248
3 Professional, Legal & Consultancy Charges	3,643,704	3,731,680
4 Business Promotion Expenses	4,160,249	655,567
5 Rent	507,390	507,390
6 Repair & Maintenance - Building	-	139,293
- Plant & Machinery	113,875	119,806
- Others	772,511	786,513
7 Advertisement	507,241	784,660
8 Electricity, Power & Fuel	519,816	500,452
9 Vehicle Expenses	2,410,548	1,739,030
10 Membership & Subscription Fees	1,008,579	670,469
11 Miscellaneous Expenses	1,518,768	1,508,423
12 Bad Debt.	6,605,000	-
13 Brokerage on Sale of Flats	2,071,198	241,231
14 Rates & Taxes	776,005	919,489
15 Travelling Expenses	3,674,934	4,385,581
16 Directors Fees	147,000	201,000
17 Insurance	190,321	163,420
18 Donation	100,000	300,000
19 Sundry Balance Written Off	975,748	1,056,603
20 Auditors' Remuneration	185,000	185,000
<b>Total</b>	<b>31,337,684</b>	<b>20,993,330</b>
26.1 Auditors' Remuneration includes:		
Audit Fees	175,000	175,000
Tax Audit	10,000	10,000
	<b>185,000</b>	<b>185,000</b>
26.2 Expenditure in Foreign Currency:		
Travelling Expenses	1,987,680	1,306,967
	<b>1,987,680</b>	<b>1,306,967</b>
26.3 Earning in Foreign Currency:		
	Nil	Nil



## SMIFS CAPITAL MARKETS LIMITED

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2016

	Year ended 31st March, 2016	Amount in ₹ Year ended 31st March, 2015
<b>Note :27 Earning per share (EPS)</b>		
Net Profit/(Loss) attributable to shareholders	8,491,215	9,550,394
Weighted average no. of equity shares in issue	5,585,000	5,585,000
Earning per share of ₹ 10 each (Basic & Diluted)	1.52	1.71
<b>Note :28 Segment Reporting</b>		
<b>Segment Revenue</b>		
Capital Market Operations	265,917,970	278,480,510
Investment Banking Operations	26,239,361	23,818,937
Real Estate Business	83,476,050	23,220,000
Others	102,821	543,977
Net sales/Income from Operations	375,736,202	326,063,424
<b>Segment Results: Profit/(Loss) before Interest &amp; Tax</b>		
Capital Market Operations	1,723,049	2,303,826
Investment Banking Operations	26,239,361	23,818,937
Real Estate Business	11,795,932	7,956,352
Others	102,822	543,977
Total	39,861,164	34,623,092
Less: Interest	167,374	289,958
Other unallocable expenses net of unallocable income	28,705,103	24,294,153
<b>Total Profit Before Tax</b>	<b>10,988,687</b>	<b>10,038,981</b>

**Capital employed:**

Fixed Assets used in the Company's operations or liabilities contracted cannot be identified with any of the reportable segments as the fixed assets are used interchangeably between segments. The Company believes that it is currently not practicable to provide segment disclosures relating to total assets and liabilities since a meaningful segregation of data is not possible.



**SMIFS CAPITAL MARKETS LIMITED**  
**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2016**

	As at 31st March, 2016	Amount in ₹ As at 31st March, 2015
<b>Note : 29 Deferred Tax Assets</b>		
1 Deferred Tax Liability:		
On difference between wdv as per book and wdv as per Income Tax Act of fixed assets	(1,160,263)	(1,388,683)
2 Deferred Tax Assets:		
On Disallowances under the Income Tax Act, 1961	895,621	705,672
On Brought forward capital losses	44,678,769	47,885,833
<b>Total</b>	<b>44,414,127</b>	<b>47,202,822</b>

**Note : 30 Details of Contract Revenue & Costs**

In accordance with the Guidance Note on Accounting For Real Estate Transaction (Revised 2012), details of contracts revenue and cost is as under:

	Year ended 31st March, 2016	Year ended 31st March, 2015
1 Contract revenue recognised during the year	83,476,050	23,220,000
2 Aggregate of contract costs incurred upto the year-end	71,680,118	15,263,648
3 Aggregate of recognised profits upto the year-end	11,795,932	7,956,352
4 Advances received for contracts in progress	—	2,820,001
5 Retention money for contracts in progress	Nil	Nil
6 Amount due from customers for contract work	37,007,937	15,934,460

**Note : 31 Related Party Disclosures**

Related party disclosures as required under Accounting Standard 18 on "Related Party disclosures" are given below:

List of Related Parties where control exists and related parties with whom transaction have taken place and relationship-

**Subsidiary Company**

SMIFS Capital Services Limited

**Key Management Personnel**

Mr Utsav Parekh- Chairman

Mr Ajay Kumar Kayan -Director

Mr Kishor Shah - Managing Director

**Entities over which Key Management Personnel / their relatives are able to exercise significant influence:**

Stewart & Mackertich Wealth Management Limited

Wealth Management Advisory Services Ltd

C Mackertich Ltd



## SMIFS CAPITAL MARKETS LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2016

**Disclosures of transactions between the Company and related parties and their outstanding balances as on 31/03/2016:**

Transaction (Excluding reimbursement of expenses)	Entities where control exists (Subsidiary Co)	Key Management personnel / Relatives	Entities where significant influence exists
Advance Against sale of Flats	–	2,161,000	–
	(–)	(–)	(–)
Payment of Brokerage	–	–	18,787
	(–)	(–)	(37,750)
Directors' sitting fees	–	49,000	–
	(–)	(78,000)	(–)
Salary & Wages	–	875,000	–
	(–)	(420,000)	(–)
Directors' remuneration	–	5,681,304#	–
	(–)	(4,438,605)#	(–)
<b>Balance at the end of the year</b>			
Other payables	667,141	–	–
	(7,147,331)	(–)	(–)
Loans & Advances	–	–	546,130
	(–)	(–)	(550,052)

# This includes ₹ 411,840/- (P.Y. ₹ 313,920/-) towards Employer's Contribution to Provident Fund.

### **Note :32 Contingent Liabilities and Commitments**

Contingent liabilities not provided for:

- 1) Sale Tax demand net of payment under appeal is ₹ 91,125/- (P.Y ₹ 91,125/-)
- 2) Demand under Employees' State Insurance under appeal is ₹ 142,274/- (P.Y ₹ 142,274/-)

The company had applied to the Government of West Bengal for an exemption, from the provisions of Employees State Insurance Act, 1948, since the medical facilities/ benefits provided by the Company to the employees are superior to those covered by E.S.I Scheme. Government of West Bengal - Labour Department in consultation with Employees State Insurance Corporation had granted exemption for one year effective from 25th November, 1997. Prayer seeking exemption on permanent basis with retrospective effect is pending with the Government of West Bengal. The Employee State Insurance Corporation has raised demand for the period from June 1991 to 24th November 1997 amounting to ₹142,274/- . The Company has filed a petition against the demand before E.S.I Court and the same has been partly heard.





- 3) Income Tax demand for Assessment years 2007-08 and 2008-09, aggregating to ₹ 3,050,623/- had been raised for which an appeal for each of the said assessment years has been made before CIT(A).

Commitments:

- 1) Uncalled liabilities on partly paid shares is ₹ 298,000/- (P.Y ₹ 298,000/-)

**Note: 33**

Previous year figures have been regrouped and reclassified, wherever necessary, to correspond with the current year's classification/disclosure.

*As Per Our Report Of Even Date*

**For J.S. VANZARA & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
Firm Reg. No.: 318143E

**CA. AUROBINDA PANDA**  
Partner  
Membership No. : 064888

Place: Kolkata  
Dated: 30<sup>th</sup> May 2016

*For and on Behalf of the Board of Directors*

**UTSAV PAREKH**  
Chairman  
(DIN No. 00027642)  
**POONAM BHATIA**  
Company Secretary  
Cum - Sr.Manager Legal

**KISHOR SHAH**  
Managing Director  
(DIN No. 00170502)  
**SHREEMANTA BANERJEE**  
CFO cum Assist. Vice President  
Finance & Taxation



## **CONSOLIDATED FINANCIAL STATEMENTS**

**HOLDING COMPANY**  
**SMIFS Capital Markets Limited**

**SUBSIDIARY COMPANY**  
**SMIFS Capital Services Limited**

**AUDITORS**  
**M/s. J.S. Vanzara & Associates**  
**Chartered Accountants**

**REGISTERED OFFICE**

**'Vaibhav' (4F)**  
**4, Lee Road**  
**Kolkata - 700 020**



## **INDEPENDENT AUDITORS' REPORT**

### **To the Members of SMIFS CAPITAL MARKETS LIMITED**

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

We have audited the accompanying consolidated financial statements of **SMIFS CAPITAL MARKETS LIMITED** ("the Holding Company") and its subsidiary (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2016 and the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statement").

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

The Company's Board of Directors is responsible in terms of the requirements of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules 2014. The respective Board of Directors of the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the group and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgements 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 preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### **Auditor's Responsibility**

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of consolidated 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 consolidated financial statements.

#### **Opinion**

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



affairs of the Company as at 31st March, 2016, and their consolidated profit and loss statement their consolidated cash flows for the year ended on that date.

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

1. The Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of the section 143 of the Companies Act, 2013 is not applicable to the auditor report on consolidated financial statements.
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 of the aforesaid consolidated financial statements;
  - b. In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as appears from our examination of those books;
  - c. The consolidated Balance Sheet, consolidated Statement of Profit and Loss and the consolidated cash flow statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the aforesaid consolidated financial statements;
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;
  - e. On the basis of written representations received from the directors of the Company as on March 31, 2016, and taken on record by the Board of Directors of the Company, none of the directors of the Group is disqualified as on 31 March 2016, from being appointed as a director of that company in terms of section 164(2) of the Companies Act, 2013;
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A;and
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of or information and according to the explanations given to us :
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. – refer note no.32 to the consolidated financial statement;
    - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

3A, Oriental House,  
6C, Elgin Road,  
Kolkata – 700 020

**For J. S. VANZARA & ASSOCIATES**  
Chartered Accountants  
FRN NO: 318143E

**AUROBINDA PANDA**  
Partner  
Membership No.064888

This is the 30<sup>th</sup> Day of May 2016.



## **ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT- 31st March 2016 on the Consolidated Financial Statements**

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

We have audited the internal financial controls over financial reporting of **SMIFS CAPITAL MARKETS LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

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

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

### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Group internal financial controls system over financial reporting.

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

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



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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Group has, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Group 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.

3A, Oriental House,  
6C, Elgin Road,  
Kolkata – 700 020

For **J. S. VANZARA & ASSOCIATES**  
Chartered Accountants  
FRN NO: 318143E

This is the 30<sup>th</sup> Day of May 2016.

**AUROBINDA PANDA**  
Partner  
Membership No.064888



## SMIFS CAPITAL MARKETS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31st March, 2016

Particulars	Note No.	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2	55,850,000	55,850,000
(b) Reserves and Surplus	3	991,416,618	991,032,298
<b>(2) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	4	396,348	19,247
(b) Other Long Term Liabilities	5	432,454	3,252,455
(c) Long Term Provisions	6	1,107,772	1,107,772
<b>(3) Current Liabilities</b>			
(a) Trade Payables	7	640,427	—
(b) Other Current Liabilities	8	7,967,036	6,477,232
(c) Short-Term Provisions	9	6,593,831	7,719,135
<b>Total Equity &amp; Liabilities</b>		<b>1,064,404,486</b>	<b>1,065,458,139</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets	10		
(i) Gross Block		231,304,235	230,928,389
(ii) Depreciation		150,756,301	145,850,940
(iii) Less: Lease Terminal Adjustment A/c		1,709,528	1,709,528
(iv) Net Block		78,838,406	83,367,920
(b) Non-Current Investments	11	193,479,685	103,440,067
(c) Deferred Tax Assets (net)		44,499,047	47,273,888
(d) Long Term Loans and Advances	12	633,798,074	633,357,306
(e) Other Non-Current Assets	13	10,833	366,593
<b>(2) Current Assets</b>			
(a) Inventories	14	34,111,918	103,698,544
(b) Trade Receivables	15	46,909,694	24,030,210
(c) Cash and Cash Equivalents	16	20,844,061	26,383,919
(d) Short-Term Loans and Advances	17	384,499	2,956,226
(e) Other Current Assets	18	11,528,269	40,583,466
<b>Total Assets</b>		<b>1,064,404,486</b>	<b>1,065,458,139</b>

Significant Accounting Policies & Notes to Financial Statements 1 To 36

As Per Our Report Of Even Date

For **J.S. VANZARA & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
Firm Reg. No.: 318143E

**CA. AUROBINDA PANDA**  
Partner  
Membership No. : 064888

Place: Kolkata  
Dated: 30<sup>th</sup> May 2016

For and on Behalf of the Board of Directors

**UTSAV PAREKH**  
Chairman  
(DIN No. 00027642)  
**POONAM BHATIA**  
Company Secretary  
Cum - Sr.Manager Legal

**KISHOR SHAH**  
Managing Director  
(DIN No. 00170502)  
**SHREEMANTA BANERJEE**  
CFO cum Assist. Vice President  
Finance & Taxation



## SMIFS CAPITAL MARKETS LIMITED

### CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2016

Particulars	Note No.	Year ended 31st March, 2016 ₹	Year ended 31st March, 2015 ₹
<b>INCOME</b>			
Revenue from operations	19	401,184,649	342,320,461
Other Income	20	584,632	997,915
<b>Total Revenue</b>		<b>401,769,281</b>	<b>343,318,376</b>
<b>EXPENDITURE</b>			
Purchases of Stock-in-Trade	21	264,217,214	274,677,088
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	69,586,626	16,522,013
Employee Benefit Expense	23	22,187,603	17,547,158
Financial Costs	24	169,661	306,136
Depreciation and Amortization Expense	25	2,967,269	3,893,973
Other Administrative Expenses	26	31,702,116	21,319,003
<b>Total Expenses</b>		<b>390,830,489</b>	<b>334,265,371</b>
Profit before exceptional and extraordinary items and tax		10,938,792	9,053,005
Exceptional Items		-	-
Profit before extraordinary items and tax		10,938,792	9,053,005
Extraordinary Items		-	-
<b>Profit Before Tax</b>		<b>10,938,792</b>	<b>9,053,005</b>
<b>Tax expense:</b>			
(1) Current tax ( Incl. STT & Wealth Tax)		2,275,962	1,786,044
(2) Short / (Excess) Provision for Tax for Earlier Years		(61,648)	5,994
(3) Deferred tax		2,774,841	425,798
(4) MAT Credit Entitlement		(2,564,368)	(1,752,595)
Profit(Loss) for the period from continuing operations		8,514,005	8,587,764
Profit/(Loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit/(Loss) from discontinuing operations (after tax)		-	-
<b>Profit/(Loss) for the period</b>		<b>8,514,005</b>	<b>8,587,764</b>
Earning per equity share:			
(1) Basic		1.52	1.54
(2) Diluted		1.52	1.54

Significant Accounting Policies & Notes to Financial Statements 1 To 36

As Per Our Report Of Even Date

**For J.S. VANZARA & ASSOCIATES**  
 CHARTERED ACCOUNTANTS  
 Firm Reg. No.: 318143E

**CA. AUROBINDA PANDA**  
 Partner  
 Membership No. : 064888

Place: Kolkata  
 Dated: 30<sup>th</sup> May 2016

*For and on Behalf of the Board of Directors*

**UTSAV PAREKH**  
 Chairman  
 (DIN No. 00027642)

**POONAM BHATIA**  
 Company Secretary  
 Cum - Sr.Manager Legal

**KISHOR SHAH**  
 Managing Director  
 (DIN No. 00170502)

**SHREEMANTA BANERJEE**  
 CFO cum Assist. Vice President  
 Finance & Taxation





**SMIFS CAPITAL MARKETS LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016**

	31st March, 2016	31st March, 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	10,938,792	9,053,005
<b>Adjustment for</b>		
1. Depreciation	2,967,269	3,893,973
2. (Profit) / Loss on sale of Investments	(24,692,101)	(14,468,715)
3. Dividend on Investment	(102,979)	(544,082)
4. Provisions no longer required	-	(902,880)
5. Financial Cost	169,661	306,136
6. (Profit)/Loss on sale of Fixed Assets	(20,779)	(77,871)
7. Interest Income	(528,377)	(841,985)
	<u>(22,207,306)</u>	<u>(12,635,424)</u>
Operating profit before Working Capital change	(11,268,514)	(3,582,419)
<b>Adjustment for</b>		
1. Trade & Other Receivables	11,467,020	(2,648,023)
2. Inventories	69,586,626	16,522,013
3. Trade and Other Payables	278,767	(12,064,863)
	<u>81,332,413</u>	<u>1,809,127</u>
Cash Generated from Operations	70,063,899	(1,773,292)
Direct Tax paid	(2,454,534)	(2,934,188)
	<u>(2,454,534)</u>	<u>(2,934,188)</u>
Net Cash Flow from Operating activity	<b>67,609,365</b>	<b>(4,707,480)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(1,908,166)	(1,128,090)
Sale of Fixed Assets	403,000	191,500
Purchase of Investments	(189,216,367)	(117,474,052)
Sale of Investments	123,868,852	137,906,661
Interest Income	528,377	841,985
Dividend on Investment	102,979	544,082
Net Cash flow from Investing Activities	<b>(66,221,325)</b>	<b>20,882,086</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend and Dividend Distribution Tax Paid	(6,721,975)	(6,534,171)
Interest paid	(169,661)	(306,136)
Proceeds from long-term borrowings	(36,262)	(1,247,379)
Proceeds from short-term borrowings	-	-
Net cash used in Financing Activities	<b>(6,927,898)</b>	<b>(8,087,686)</b>
Net increase in Cash & Cash Equivalents	(5,539,858)	8,086,920
Opening Balance of Cash & Cash Equivalents	26,383,919	18,296,999
Closing Balance of Cash & Cash Equivalents	<b>20,844,061</b>	<b>26,383,919</b>

As Per Our Report Of Even Date

For **J.S. VANZARA & ASSOCIATES**

CHARTERED ACCOUNTANTS

Firm Reg. No.: 318143E

**CA. AUROBINDA PANDA**

Partner

Membership No. : 064888

Place: Kolkata

Dated: 30<sup>th</sup> May 2016

For and on Behalf of the Board of Directors

**UTSAV PAREKH**

Chairman

(DIN No. 00027642)

**POONAM BHATIA**

Company Secretary

Cum - Sr.Manager Legal

**KISHOR SHAH**

Managing Director

(DIN No. 00170502)

**SHREEMANTA BANERJEE**

CFO cum Assist. Vice President

Finance & Taxation



## SMIFS CAPITAL MARKETS LIMITED

### Note : 1 Significant Accounting Policies:

#### (a) Basis of preparation of Consolidated financial statements

The Consolidated financial statements have been prepared in accordance with Accounting Standard 21- "Consolidated Financial statements" issued by the Institute of Chartered Accountants of India.

The financial statements have been prepared under the historical cost convention, except for certain class of fixed assets which are revalued as and when undertaken, in accordance with the generally accepted accounting principles in India and the provisions of Companies Act, 1956. The accounts of the parent Company and the Subsidiary Company have been prepared in accordance with the Accounting standards issued by the Institute of Chartered Accountants of India and generally accepted accounting principles

#### (b) Principles of Consolidation

The consolidated financial statements relate to the SMIFS Capital Markets Limited ('the Company') and its wholly owned subsidiary Company.

The financial statements of the Company and its subsidiary Company have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses, after fully eliminating inter-company balances and transactions including unrealized profits or losses.

The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

#### (c) Other Significant Accounting Policies

These are set out under Significant Accounting Policies for financial statements of the respective companies which are enclosed.

*As Per Our Report Of Even Date*

**For J.S. VANZARA & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
Firm Reg. No.: 318143E

**CA. AUROBINDA PANDA**  
Partner  
Membership No. : 064888

Place: Kolkata  
Dated: 30<sup>th</sup> May 2016

*For and on Behalf of the Board of Directors*

**UTSAV PAREKH**  
Chairman  
(DIN No. 00027642)  
**POONAM BHATIA**  
Company Secretary  
Cum - Sr.Manager Legal

**KISHOR SHAH**  
Managing Director  
(DIN No. 00170502)  
**SHREEMANTA BANERJEE**  
CFO cum Assist. Vice President  
Finance & Taxation



## SMIFS CAPITAL MARKETS LIMITED

### NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2016

	Amount in ₹	
	As at 31st March, 2016	As at 31st March, 2015
<b>Note : 2 Share Capital</b>		
<b>1 AUTHORIZED</b>		
30,000,000 Equity Shares of ₹ 10/- each.	300,000,000	300,000,000
2,000,000 Preference Shares of ₹ 100/- each.	200,000,000	200,000,000
	<u>500,000,000</u>	<u>500,000,000</u>
<b>2 ISSUED, SUBSCRIBED &amp; PAID UP</b>		
5,585,000 Equity Shares of ₹ 10/- each, Fully paid up	55,850,000	55,850,000
<b>3 The details of shareholders holding more than 5% shares</b>	<b>No. of shares</b>	<b>% held</b>
	<b>No. of shares</b>	<b>% held</b>
Mackertich Consultancy Services Pvt Ltd	1,216,900	21.79
The Indiaman Fund (Mauritius) Limited	550,000	9.85
Progressive Star Finance Pvt Ltd	357,251	6.40
Ajay Kumar Kayan	301,050	5.39
Maya Trade Links Ltd	398,590	7.14
<b>Note : 3 Reserves &amp; Surplus</b>		
<b>1 Capital Redemption Reserve</b>	40,000,000	40,000,000
<b>2 Securities Premium Reserve</b>	433,725,000	433,725,000
<b>3 General Reserve</b>		
Balance as Per Last Account	389,203,000	394,788,000
Less: Transferred to Profit & Loss A/c	—	(5,585,000)
	<u>389,203,000</u>	<u>389,203,000</u>
<b>4 Revaluation Reserve</b>		
Balance as Per Last Account	62,316,536	64,238,250
Less: Transferred to Profit & Loss Account (Refer Note 10.1)	<u>3,088,191</u>	<u>1,921,714</u>
	59,228,345	62,316,536
<b>5 Profit &amp; Loss Account</b>		
Balance brought forward from previous year	65,787,762	59,238,979
Add: Transferred From General Reserve	—	5,585,000
Less: Proposed Dividend	(4,188,750)	(5,585,000)
Less: Tax on Proposed Dividend	(852,746)	(1,136,975)
Less: Adjusted for Value of Fixed Assets having remaining Useful life NIL	—	(902,006)
Add: Profit for the period	<u>8,514,007</u>	<u>8,587,764</u>
	69,260,273	65,787,762
<b>Total</b>	<u><b>991,416,618</b></u>	<u><b>991,032,298</b></u>



## SMIFS CAPITAL MARKETS LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2016

	As at 31st March, 2016	Amount in ₹ As at 31st March, 2015
<b>Note : 4 Long Term Borrowings</b>		
<b>1 Term Loans</b>		
- From Bank & NBFC (Secured)	396,348	19,247
<b>Total</b>	<b>396,348</b>	<b>19,247</b>
4.1 The above Term Loans are secured by hypothecation of the vehicles against which loans are taken		
4.2 Repayment Schedule:-		
Term Loan (Secured):		
a) HDFC Bank Ltd		
Repayable in 36 monthly installments of ₹ 9,750/- from June 2013.	-	19,247
b) HDFC Bank Ltd		
Repayable in 36 monthly installments of ₹ 32,315/- from April 2015.	396,348	-
<b>Total</b>	<b>396,348</b>	<b>19,247</b>
<b>Note : 5 Other Long Term Liabilities</b>		
1 Advance Against Sale of Flats	-	2,820,001
2 From Other Parties	432,454	432,454
<b>Total</b>	<b>432,454</b>	<b>3,252,455</b>
<b>Note : 6 Long Term Provisions</b>		
1 Provision for Loans & Advances considered doubtful	297,853	297,853
2 Provision for doubtful receivables on leased assets	809,919	809,919
<b>Total</b>	<b>1,107,772</b>	<b>1,107,772</b>
<b>Note : 7 Trade Payables</b>		
1 Micro, Small and Medium Enterprises	-	-
2 Others	640,427	-
<b>Total</b>	<b>640,427</b>	<b>-</b>



## SMIFS CAPITAL MARKETS LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2016

	As at 31st March, 2016	Amount in ₹ As at 31st March, 2015
<b>Note : 8 Other Current Liabilities</b>		
1 Current Maturities of Long Term Debt (Refer Note Nos 4.1 & 4.2)	348,686	762,048
2 Unclaimed Dividend#	1,016,288	1,072,621
3 Statutory Dues	1,141,042	629,501
4 Liability for Expenses	5,461,020	4,013,062
<b>Total</b>	<b>7,967,036</b>	<b>6,477,232</b>

# This does not include any amount due and outstanding to be credited to Investor Education and Protection Fund

### **Note : 9 Short Term Provisions**

1 Provision For Employees Benefit	1,552,335	997,160
2 Proposed Dividend (Including Tax on Proposed Dividend)	5,041,496	6,721,975
<b>Total</b>	<b>6,593,831</b>	<b>7,719,135</b>

**SMIFS CAPITAL MARKETS LIMITED**  
**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2016**

Note : 10 Fixed Assets

Particulars	Gross Block ₹			Depreciation ₹			Lease Terminal Adjustment		Net Block ₹	
	As on 01.04.2015	Additions	Deductions	Gross Amt. Inc. Revalued Fig. 31.03.2016	As on 01.04.2015	For the year	Adj. during the year	As on 31.03.2016	As on 31.03.2015	As on 31.03.2015
Buildings/Premises	98,673,317	—	—	98,673,317	21,668,776	3,630,919	—	—	—	73,373,622
Furniture and Fixtures	173,337	—	—	173,337	144,842	20,821	—	—	—	7,674
Office Equipment	378,826	—	—	378,826	373,001	5,588	—	—	—	237
Vehicles	15,670,088	1,818,656	1,532,320	15,956,424	10,260,140	2,256,911	1,150,099	—	—	4,589,472
Electrical Installations	31,000	—	—	31,000	14,652	10,575	—	—	—	5,773
Computers	586,412	58,510	—	644,922	498,273	119,788	—	—	—	26,861
Air Conditioners	294,820	31,000	—	325,820	290,114	10,858	—	—	—	24,848
<b>Sub total</b>	<b>115,807,800</b>	<b>1,908,166</b>	<b>1,532,320</b>	<b>116,183,646</b>	<b>33,249,798</b>	<b>6,055,460</b>	<b>1,150,099</b>	<b>—</b>	<b>—</b>	<b>78,028,487</b>
Previous Year	130,382,188	1,128,090	15,702,479	115,807,800	42,120,955	5,815,687	14,686,843	—	—	82,558,001
<b>Assets on Lease</b>										
Plant & Machinery	115,120,589	—	—	115,120,589	112,601,142	—	—	1,709,528	1,709,528	809,919
Sub total	115,120,589	—	—	115,120,589	112,601,142	—	—	1,709,528	1,709,528	809,919
Previous Year	115,120,589	—	—	115,120,589	112,601,142	—	—	1,709,528	—	809,919
<b>Total</b>	<b>230,928,389</b>	<b>1,908,166</b>	<b>1,532,320</b>	<b>231,304,235</b>	<b>145,850,940</b>	<b>6,055,460</b>	<b>1,150,099</b>	<b>1,709,528</b>	<b>1,709,528</b>	<b>78,838,406</b>
Previous Year	245,502,777	1,128,090	15,702,479	230,928,389	154,722,096	5,815,687	14,686,843	1,709,528	—	83,367,920

10.1 Gross Block includes ₹ 72,444,913/- (Previous year ₹ 72,444,913) on account of revaluation of building/premises. Consequent to the said revaluation there is an additional depreciation charge of ₹ 3,088,191/- (Previous year ₹ 1,921,714/-) and an equivalent amount has been withdrawn from the Revaluation Reserve and credited to Statement of Profit & Loss. This has no impact on profit for the year.

10.2 As per Schedule II of Companies Act 2013, assets whose remaining useful life is Nil, has been deducted from the gross block as a part of deductions. Similarly accumulated depreciation related to each such asset has been shown as adjustments of depreciation. Carrying amount of such assets has been debited to Retained Earnings.



## SMIFS CAPITAL MARKETS LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2016

Amount in ₹

As at 31st March, 2016		As at 31st March, 2015	
Quantity (No.)	Amount (₹)	Quantity (No.)	Amount (₹)

### Note : 11 Non Current Investment

#### 1 Trade Investments

##### Investment in Equity Shares

Equity shares of Rs 10 each (Unless otherwise stated)

##### Fully paid up: Quoted

Aravali Securities & Finance Limited	100	60	100	60
Asian Vegipro Industries Limited	300,000	300,000	300,000	300,000
Coventry Springs & Engg. Co. Ltd	52,323	175,282	52,323	175,282
Gillanders Arbuthnot & Co. Ltd	9,041	120,591	9,041	120,591
ECE Industries Ltd.	384,500	46,765,963	384,500	46,765,963
KEC International Ltd.	175	16,835	175	16,835
Melstar Information Technologies Limited	300	63,675	300	63,675
Moulik Finance & Resorts Limited	7,100	71,000	7,100	71,000
Moving Picture (India) Limited	881,600	3,076,784	881,600	3,076,784
Mangalam Timber Products Ltd.	106,628	1,855,327	–	–
Nicco UCO Alliance Credit Limited	114	650	114	650
PTC Industries Limited	20,000	2,790,000	30,000	4,185,000
Punsumi Foils & Components Limited	15,800	19,750	15,800	19,750
#Reliance Industries Ltd.	3,000	3,402,926	3,000	3,402,926
Summit Securities Ltd.	156,500	36,464,759	–	–
Swad Industries & Leasing Ltd	141	268	141	268
VCK Capital Markets Limited	200	220	200	220
Southern Online Bio-Technologies Limited	424,586	2,509,689	424,586	2,509,689
Vindhya Telelinks Ltd.	–	–	5,000	2,551,837

##### Fully paid up: Unquoted

Antriksh Vyapaar Limited	3,450,000	72,985,000	1,900,000	30,970,000
Bhatpara Papers Limited	44	391	44	391
Tejasri Energy Limited	5,000	50,000	5,000	50,000
Gujarat Securities Limited	20	200	20	200
Andaman Plantation & Developmet Corpn.Ltd.	30,000	3,000,000	–	–
North Eastern Publishing & Advt Co Ltd	2,500,000	250,000	4,045,400	404,540
Patriot Automation Projects Limited	2,065,350	500,000	2,065,350	500,000
Sheorey Digital Systems Pvt Ltd	590,000	129,800	590,000	129,800
Vaibhav Services Pvt Ltd	4,580	45,800	4,580	45,800



## SMIFS CAPITAL MARKETS LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2016

Amount in ₹

	As at 31st March, 2016		As at 31st March, 2015	
	Quantity (No.)	Amount (₹)	Quantity (No.)	Amount (₹)
<b>Investment in Preference Shares (Non Cumulative Rs. 100/- Each)</b>				
12% Andaman Plantations & Development Corporation Pvt.Ltd	40,000	4,000,000	40,000	4,000,000
15% Andaman Plantations & Development Corporation Pvt.Ltd	60,000	6,000,000	–	–
18% Andaman Plantations & Development Corporation Pvt.Ltd	40,000	4,000,000	–	–
<b>2 Other Investments</b>				
Investment in MF (Sundram Ultra Short Term Fund)	191,172	4,000,000	–	–
Investment in MF Birla Sunlife'95 Fund	960	533,700	671	383,390
Investment in Mutual Fund(Reliance Liquid Fund)	–	–	980	3,344,402
Investment in Govt Securities				
6.05% Govt of India Loan - 2019	5,000	521,065	5,000	521,065
Less: Provision For Diminution in Value of Investment		(170,050)		(170,050)
<b>Total</b>		<b>193,479,685</b>		<b>103,440,067</b>
Aggregate of unquoted Investments - at book value(net of provision)		95,845,906		40,179,537
Aggregate of Quoted Investments - at book value		97,633,779		63,260,530
Aggregate of Quoted Investments - at market value		120,800,096		52,125,322
Aggregate amount of provision for diminution in the value of investments		170,050		170,050

# As on 31/03/16, 3000 shares of Reliance Industries were lying in Margin account with Stewart & Mackertich Wealth Management Ltd for which the Company holds a confirmation from them.

### Note : 12 Long Term Loans and Advances

<b>1 Loans &amp; Advances</b>				
Unsecured and Considered Good	592,940,595		595,292,916	
Considered Doubtful	297,853		297,853	
(Full provision has been made in respect of doubtful Loans & Advances)		593,238,448		595,590,769
<b>2 Advance Income Tax (Net of provision)</b>		3,328,042		3,087,821
<b>3 MAT Credit Entitlement</b>		34,927,966		32,363,598
<b>4 Security Deposit</b>				
Unsecured and Considered Good	2,303,618		2,315,118	
Considered Doubtful	–		–	
(Full provision has been made in respect of doubtful Security Deposits)		2,303,618		2,315,118
<b>Total</b>		<b>633,798,074</b>		<b>633,357,306</b>





## SMIFS CAPITAL MARKETS LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2016

Amount in ₹

	As at 31st March, 2016	As at 31st March, 2015
<b>Note : 13 other Non Current Assets</b>		
1 Interest Accrued but not Due	10,833	366,593
<b>Total</b>	<b>10,833</b>	<b>366,593</b>
<b>Note : 14 Inventories</b>		
1 Shares & Securities	504,166	481,872
2 Construction Work- in- progress	33,607,752	103,216,672
<b>Total</b>	<b>34,111,918</b>	<b>103,698,544</b>
<b>Note : 15 Trade Receivables</b>		
<b>1 Outstanding for more than six months</b>		
Unsecured and Considered Good	16,822,359	23,820,292
Considered Doubtful	—	—
	16,822,359	23,820,292
<b>2 Others</b>		
Unsecured and Considered Good	30,087,335	209,918
Considered Doubtful	—	—
	30,087,335	209,918
<b>Total</b>	<b>46,909,694</b>	<b>24,030,210</b>
<b>Note : 16 Cash &amp; Cash Equivalents</b>		
1 Balances with Banks #	10,585,362	17,264,597
2 Cheques in Hand	286,520	23,411
3 Cash in Hand	180,726	92,621
4 Fixed Deposits with Bank ##	9,791,453	9,003,290
<b>Total</b>	<b>20,844,061</b>	<b>26,383,919</b>
#	Balances with Banks includes Unclaimed Dividend of ₹1,016,288/- (P.Y. ₹1,072,621/-)	
##	The entire amount, which is receivable from Central Bank of India, has been deposited by the Bank with the Prothonotary and Senior Master pending disposal of our claim as per the direction of the Hon'ble High Court, Bombay	
<b>Note : 17 Short Terms Loans and Advances</b>		
Unsecured and Considered Good		
1 Advance to Parties	318,012	1,180,844
2 Balance with Revenue Authorities	66,487	1,775,382
<b>Total</b>	<b>384,499</b>	<b>2,956,226</b>
<b>Note : 18 Other Current Assets</b>		
1 Prepaid Expenses	1,946,252	3,716,412
2 Other Receivables	9,582,017	36,867,054
<b>Total</b>	<b>11,528,269</b>	<b>40,583,466</b>



## SMIFS CAPITAL MARKETS LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2016

	Year ended 31st March, 2016	Amount in ₹ Year ended 31st March, 2015
<b>Note : 19 Revenue from Operations</b>		
1 Sale of shares and Securities	265,917,970	278,480,510
2 Sale of Flats	83,476,050	23,220,000
3 Profit / Loss on Sale of Investments	24,692,101	14,468,715
4 Investment Banking Operations (Net)	26,995,549	24,704,274
5 Provisions no longer required	—	902,880
6 Dividend Income	102,979	544,082
<b>Total</b>	<b>401,184,649</b>	<b>342,320,461</b>
<b>Note : 20 Other Income</b>		
1 Interest Received	561,353	846,796
2 Profit/(Loss) on Sale of Fixed Assets	20,779	77,871
3 Other Non-operating Income	2,500	73,248
<b>Total</b>	<b>584,632</b>	<b>997,915</b>
<b>Note : 21 Purchases</b>		
1 Purchase of shares and Securities	264,217,214	274,677,088
<b>Total</b>	<b>264,217,214</b>	<b>274,677,088</b>
<b>Note : 22 Change in Inventories/Stock</b>		
1 Opening Stock-Shares & Securities	481,872	1,981,468
Closing Stock-Shares & Securities	504,166	481,872
	(A)	(22,294)
		1,499,596
2 Opening Stock-Construction Work-in-Progress	103,216,672	118,239,089
Closing Stock-Construction Work-in-Progress	33,607,752	103,216,672
	(B)	69,608,920
		15,022,417
<b>Total</b>	<b>(A+B)</b>	<b>69,586,626</b>
		<b>16,522,013</b>



## SMIFS CAPITAL MARKETS LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2016

	Year ended 31st March, 2016	Amount in ₹ Year ended 31st March, 2015
<b>Note : 23 Employee Benefit Expenses</b>		
1 Salaries, Bonus & Allowances	17,736,523	14,132,072
2 Contribution to provident and other funds	1,344,727	1,116,383
3 Training, Development & Recruitment Expenses	29,160	14,249
4 Staff Welfare Expenses	2,270,969	1,965,620
5 Employees Group Gratuity	806,224	318,834
<b>Total</b>	<b>22,187,603</b>	<b>17,547,158</b>

### Note 23.1

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

#### Defined Contribution Plans

Contribution to Defined Contribution Plans, recognised as expense for the year is as under:

Employer's Contribution to Provident Fund	1,344,727	1,116,383
---	-----------	-----------

#### I) Reconciliation of opening and closing balances of Defined Benefit Obligation

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Defined Benefit Obligation at beginning of year	4,642,852	3,962,785	953,841	956,443
Current Service Cost	324,342	282,360	115,148	89,796
Interest Cost	371,428	317,023	74,400	76,515
Actuarial (gain) / Loss	519,210	80,684	512,728	239,109
Benefits Paid	—	—	(168,414)	(408,022)
Defined Benefit Obligation at year end	<b>5,857,832</b>	<b>4,642,852</b>	<b>1,487,703</b>	<b>953,841</b>

#### II) Reconciliation of Opening and Closing balances of Fair Value of Plan Assets

Fair Value of Plan Assets at beginning of Year	5,445,495	4,587,464
Expected Return on Plan Assets	509,870	419,426
Actuarial gain / (loss)	—	—
Employer Contribution	606,843	438,605
Benefits Paid	—	—
Fair Value of Plan Assets at year end	<b>6,562,209</b>	<b>5,445,495</b>



## SMIFS CAPITAL MARKETS LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2016

Amount in ₹

### III) Reconciliation of fair value of assets and obligations

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Fair value of Plan Assets	6,562,209	5,445,495	–	–
Present Value of Obligation	5,857,832	4,642,852	1,487,703	953,841
Amount recognised in Balance Sheet	–	–	1,487,703	953,841
Excess Provision in Balance Sheet	–	–	–	–
<b>Assets Recognised in Balance Sheet</b>	<b>(704,377)</b>	<b>(802,643)</b>	<b>–</b>	<b>–</b>

### IV) Expenses Recognised during the year

Current Service Cost	324,342	282,360	115,148	89,796
Interest Cost	371,428	317,023	74,400	76,515
Expected Return on Plan Assets	(509,870)	(419,426)	–	–
Actuarial (gain) / loss	519,210	80,684	512,728	239,109
<b>Net Cost</b>	<b>705,110</b>	<b>260,641</b>	<b>702,276</b>	<b>405,420</b>

### V) Actuarial Assumptions

Mortality Table (LIC)	1994-96	1994-96	2006-08	2006-08
Discount Rate (per Annum)	8.00%	8.00%	7.75%	7.80%
Expected Rate of Return on Plan Assets (per Annum)	8.75%	8.75%	–	–
Rate of Escalation in Salary (per Annum)	6.00%	6.00%	7.50%	5.00%

The Estimates of rate of Escalation in salary considered in actuarial valuation, taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>Note : 24 Financial Cost</b>		
1 Interest Expense	169,661	306,136
<b>Total</b>	<b>169,661</b>	<b>306,136</b>
<b>Note : 25 Depreciation &amp; Amortised Cost</b>		
1 Depreciation	6,055,460	5,815,687
Less: Transferred from Revaluation Reserve	3,088,191	1,921,714
<b>Total</b>	<b>2,967,269</b>	<b>3,893,973</b>



## SMIFS CAPITAL MARKETS LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2016

	Amount in ₹	
	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>Note : 26 Other Administrative Expenses</b>		
1 Telephone Expenses	1,240,615	1,301,914
2 Printing & Stationery Expenses	262,302	1,161,548
3 Professional, Legal & Consultancy Charges	3,658,094	3,745,716
4 Business Promotion Expenses	4,174,245	658,100
5 Rent	507,390	507,390
6 Repair & Maintenance - Building	-	139,293
- Plant & Machinery	113,875	119,806
- Others	772,511	786,513
7 Advertisement	507,241	784,660
8 Electricity, Power & Fuel	519,816	500,452
9 Vehicle Expenses	2,592,616	1,882,166
10 Membership & Subscription Fees	1,025,658	681,429
11 Miscellaneous Expenses	1,577,048	1,571,930
12 Brokerage on Sale of Flats	2,071,198	241,231
13 Bad Debt.	6,605,000	-
14 Rates & Taxes	783,305	926,789
15 Travelling Expenses	3,674,934	4,385,581
16 Directors' Fees	147,000	201,000
17 Insurance	198,520	171,881
18 Donation	100,000	300,000
19 Sundry Balance Written Off	975,748	1,056,603
20 Auditors' Remuneration	195,000	195,000
<b>Total</b>	<b>31,702,116</b>	<b>21,319,003</b>
26.1 Auditors' Remuneration includes:		
Audit Fees	185,000	185,000
Tax Audit	10,000	10,000
	<b>195,000</b>	<b>195,000</b>
26.2 Expenditure in Foreign Currency:		
Travelling Expenses	1,987,680	1,306,967
	<b>1,987,680</b>	<b>1,306,967</b>
26.3 Earning in Foreign Currency:	Nil	Nil



## SMIFS CAPITAL MARKETS LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2016

	Year ended 31st March, 2016	Amount in ₹ Year ended 31st March, 2015
<b>Note : 27 Earning per share (EPS)</b>		
Net Profit/(Loss) attributable to shareholders	8,514,005	8,587,764
Weighted average no. of equity shares in issue	5,585,000	5,585,000
Earning per share of ₹ 10 each (Basic & Diluted)	1.52	1.54
<b>Note : 28 Segment Reporting</b>		
<b>Segment Revenue</b>		
Capital Market Operations	265,917,970	278,480,510
Investment Banking Operations	26,995,549	24,704,274
Real Estate Business	83,476,050	23,220,000
Others	102,979	544,082
Net sales/Income from Operations	376,492,548	326,948,866
<b>Segment Results: Profit/(Loss) before Interest &amp; Tax</b>		
Capital Market Operations	1,723,049	2,303,826
Investment Banking Operations	26,995,549	24,704,274
Real Estate Business	11,795,932	7,956,352
Others	102,979	544,082
Total	40,617,509	35,508,534
Less: Interest	169,661	306,136
Other unallocable expenses net of unallocable income	29,509,056	26,149,393
<b>Total Profit Before Tax</b>	<b>10,938,792</b>	<b>9,053,004</b>

**Capital employed:**

Fixed Assets used in the Company's operations or liabilities contracted cannot be identified with any of the reportable segments as the fixed assets are used interchangeably between segments. The Company believes that it is currently not practicable to provide segment disclosures relating to total assets and liabilities since a meaningful segregation of data is not possible.



## SMIFS CAPITAL MARKETS LIMITED

### NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2016

	Amount in ₹
	As at
	As at
	31st March, 2016
	31st March, 2015
<b>Note : 29 Deferred Tax Assets</b>	
1 Deferred Tax Liability:	
On difference between wdv as per book and wdv as per Income Tax Act of fixed assets	(1,096,371) (1,331,003)
2 Deferred Tax Assets:	
On Disallowances under the Income Tax Act, 1961	916,649 719,058
On Brought forward capital losses	44,678,769 47,885,833
<b>Total</b>	<b>44,499,047 47,273,888</b>

#### **Note : 30 Details of Contract Revenue & Costs**

In accordance with the Guidance Note on Accounting For Real Estate Transaction (Revised 2012), details of contracts revenue and cost is as under:

	Year ended	Year ended
	31st March, 2016	31st March, 2015
1 Contract revenue recognised during the year	83,476,050	23,220,000
2 Aggregate of contract costs incurred upto the year-end	71,680,118	15,263,648
3 Aggregate of recognised profits upto the year-end	11,795,932	7,956,352
4 Advances received for contracts in progress	—	2,820,001
5 Retention money for contracts in progress	Nil	Nil
6 Amount due from customers for contract work	37,007,937	15,934,460

#### **Note : 31 Related Party Disclosures**

Related party disclosures as required under Accounting Standard 18 on "Related Party disclosures" are given below:

List of Related Parties where control exists and related parties with whom transaction have taken place and relationship-

##### **Key Management Personnel**

Mr Utsav Parekh- Chairman  
Mr Ajay Kumar Kayan -Director  
Mr Kishor Shah - Managing Director

##### **Entities over which Key Management Personnel / their relatives are able to exercise significant influence:**

Stewart & Mackertich Wealth Management Limited  
Mackertich Consultancy Services Private Limited  
C Mackertich Ltd



## SMIFS CAPITAL MARKETS LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2016

**Disclosures of transactions between the Company and related parties and their outstanding balances as on 31/03/2016:**

<u>Transaction (Excluding reimbursement of expenses)</u>	<u>Key Management personnel /Relatives</u>	<u>Entities where significant influence exists</u>
Advance Against sale of Flats	2,161,000 (-)	-
Payment of Brokerage	- (-)	18,787 (37,750)
Directors' sitting fees	49,000 (78,000)	- (-)
Salary & Wages	875,000 (420,000)	- (-)
Directors' remuneration	5,681,304# (4,438,605)#	- (-)
Balance at the end of the year		
Loans & Advances	- (-)	546,130 (550,052)

# This includes ₹ 411,840/- ( P.Y. ₹ 313,920/-) towards Employer's Contribution to Provident Fund.

**Note : 32 Contingent Liabilities and Commitments**

Contingent liabilities not provided for:

- 1) Sale Tax demand net of payment under appeal is ₹ 91,125/- (P.Y. ₹ 91,125/-)
- 2) Demand under Employees' State Insurance under appeal is ₹ 142,274/- (P.Y. ₹ 142,274/-)

The company had applied to the Government of West Bengal for an exemption, from the provisions of Employees State Insurance Act, 1948, since the medical facilities/ benefits provided by the Company to the employees are superior to those covered by E.S.I Scheme.Government of West Bengal - Labour Department in consultation with Employees State Insurance Corporation had granted exemption for one year effective from 25th November, 1997. Prayer seeking exemption on permanent basis with retrospective effect is pending with the Government of West Bengal. The Employee State Insurance Corporation has raised demand for the period from June 1991 to 24th November 1997 amounting to ₹142,274/- . The Company has filed a petition against the demand before E.S.I Court and the same has been partly heard.

- 3) Income Tax demand for Assessment years 2007-08 and 2008-09, aggregating to ₹ 3,050,623/- had been raised for which an appeal for each of the said assessment years has been made before CIT(A).

Commitments:

- 1) Uncalled liabilities on partly paid shares is ₹ 298,000/- (P.Y. ₹ 298,000/-)





## **SMIFS CAPITAL MARKETS LIMITED**

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2016**

**Note : 33**

Previous Year figures have been regrouped and reclassified, wherever necessary, to correspond with the current year's classification/ disclosure.

**Note : 34**

The Consolidated Financial Statements represent consolidation of accounts of SMIFS Capital Markets Limited, the parent Company and its subsidiary, SMIFS Capital Services Limited wherein the parent company holds an ownership interest of 100% as at 31st March, 2016.

**Note : 35**

As on 31st March, 2016 the parent Company holds 7,500,070 Equity shares of Rs. 10 each, fully paid-up in SMIFS Capital Services Limited.

**Note : 36**

The parent Company and its subsidiary end their respective financial years on the same date i.e. 31st March, 2016.

**SMIFS**

*As Per Our Report Of Even Date*

**For J.S. VANZARA & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
Firm Reg. No.: 318143E

**CA. AUROBINDA PANDA**  
Partner  
Membership No. : 064888

Place: Kolkata  
Dated: 30<sup>th</sup> May 2016

*For and on Behalf of the Board of Directors*

**UTSAV PAREKH**  
Chairman  
(DIN No. 00027642)

**POONAM BHATIA**  
Company Secretary  
Cum - Sr.Manager Legal

**KISHOR SHAH**  
Managing Director  
(DIN No. 00170502)

**SHREEMANTA BANERJEE**  
CFO cum Assist. Vice President  
Finance & Taxation



## **SMIFS CAPITAL SERVICES LIMITED**

(CIN: U65991WB2000PLC092125)

### **Board of Directors**

Mr. Santosh Kumar Mukherjee	–	Director
Mr. Utsav Parekh	–	Director
Mr. Kishor Shah	–	Director
Ms. Niraj Tiwari	–	Director

### **Company Secretary**

Mrs. Priti Saraf

### **Bankers**

HDFC Bank Ltd.

### **Auditors**

M/s. J.S.Vanzara & Associates  
Chartered Accountants

### **Registered Office**

‘Vaibhav’ (4F),  
4, Lee Road  
Kolkata – 700 020



## DIRECTORS' REPORT

### To the members of SMIFS Capital Services Limited

Your Directors have pleasure in presenting the Annual Report and the Audited Financial Statements for the year ended March 31, 2016.

### FINANCIAL RESULTS

(₹ in million)

	Year ended 31.03.2016	Year ended 31.03.2015
Profit before Interest, Depreciation & Tax	0.058	(0.800)
Less: Interest	0.002	0.016
Profit before Depreciation & Tax	0.056	(0.816)
Less: Depreciation / Amortization	0.106	0.169
Profit/(Loss) before Tax	<b>(0.050)</b>	<b>(0.985)</b>
<b>Less : Tax Expenses</b>	(0.073)	(0.023)
<b>Profit/(Loss) after Tax</b>	<b>(0.023)</b>	<b>(0.962)</b>
Profit/(Loss) brought forward from earlier year :	(2.844)	(1.880)
Less: Adjusted for fixed assets having remaining useful life nil as on 01.04.2015 :	Nil	<u>(0.0014)</u>
	(2.844)	(1.8814)
Profit/(Loss) carried to Balance Sheet	(2.821)	(2.844)

### DIVIDEND

Due to inadequacy of profits during the year, no dividend can be recommended.

### DEPOSITS

The Company has not accepted deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

### YEAR IN RETROSPECT AND FUTURE GROWTH

Your Company is a wholly – owned subsidiary of SMIFS Capital Markets Limited. Your Company is engaged in Corporate Advisory Business. Your Company is currently exploring other avenues for increasing business.



## **DIRECTORS' RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 134(3)(c) OF THE COMPANIES ACT, 2013**

The Directors hereby confirm that:

- (a) the preparation of the Annual Accounts the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (b) the Directors have selected such accounting policies and applied them consistently and made judgement 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 the profit and loss of the company for that period.
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (d) the Directors have prepared the annual accounts on a going concern basis, and
- (e) the Directors have devised proper systems to ensure compliance with the provision of all applicable laws and that such system were adequate and operating effectively

### **RELATED PARTY TRANSACTIONS**

All related party transactions that were entered, into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

### **BOARD OF DIRECTORS**

As on March 31, 2016, your Company had 4 Directors with all Non- Executive Director in the Board of your Company. Ms. Niraj Tiwari retires by rotation and being eligible offers herself for re-appointment.

None of your Directors on the Board are members of more than 10 Committees and Chairman of more than 5 Committees across all Companies in which they are Directors. Necessary disclosures regarding Committee position in other Public Companies as on March 31, 2016 have been made by the Directors.

Board Members are responsible for the management of the business. Role, functions, responsibility and accountability of the Board are clearly defined. In addition to its primary role of monitoring corporate performance, functions of the Board include (i) approving corporate philosophy and vision; (ii) formulation of strategic and business plans; (iii) reviewing and approving financial plans and budgets; (iv) monitoring corporate performance against strategic and business plans, including overseeing operations; (v) ensuring ethical behavior and compliance of laws and regulations; (vi) reviewing and approving borrowing limits; (vii) formulating exposure limits; and (viii) keeping shareholders informed regarding plans, strategies and performance

### **Board Meetings**

Five Board Meetings were held during the year and the gap between two Meetings did not exceed 120 days. Dates on which Board Meetings were held in each quarter are as follows:

<b>Quarter</b>	<b>Date of Meetings</b>
First	May 27, 2015
Second	August 13, 2015 and September 19, 2015
Third	November 11, 2015
Fourth	February 8, 2016

Attendance of Director in respective meeting are as follows:

<b>Name of the Directors</b>	<b>Year 2015 – 2016 Attendance at Board Meetings</b>	<b>Year 2014 – 2015 Attendance at the last AGM</b>
Mr. Kishor Shah	5	Yes
Ms. Niraj Tiwari	5	Yes
Mr. Santosh Kumar Mukherjee	5	Yes
Mr. Utsav Parekh	4	Yes

### **AUDITORS**

M/s J.S. Vanzara & Associates, Chartered Accountants retire at the conclusion of the Annual General Meeting and being eligible offer themselves for re-appointment.

### **AUDITORS QUALIFICATION:**

Qualifications contained in the Auditors' Report if any have been dealt with in the Notes to financial statements and are self-explanatory.

### **PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.



## **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure A".

## **STATUTORY INFORMATION**

Information in terms of Section 217(1)(e) of the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 forming part of the report of Board of Directors is given below :

### **(a) Conservation of Energy**

Though the operation of the Company is not energy intensive, regular and preventive maintenance of all equipments is undertaken by the Company.

### **(b) Technology Absorption**

In view of the nature of business in which the Company is engaged, no Research and Development expenditure has been incurred.

### **(c) Foreign Exchange Earnings and Outgoings**

During the year there has been no foreign exchange earning and outgo.

## **ACKNOWLEDGEMENT**

Your Directors wish to place on record their sincere appreciation for the services rendered by all the employees of the Company.

*For and on behalf of the Board of Directors*

Place : Kolkata

Date : The 30<sup>th</sup> day of May, 2016

Sd/-

**(SANTOSH KUMAR MUKHERJEE)**

Director

(DIN No. 00170646)

Sd/-

**(KISHOR SHAH)**

Director

(DIN No. 00170502)

**ANNEXURE – A****FORM No. MGT-9****EXTRACT OF ANNUAL RETURN****as on the Financial Year ended on March 31, 2016**

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

<b>I. REGISTRATION AND OTHER DETAILS</b>	
(i)	CIN : U65991WB2000PLC092125
(ii)	Registration Date : 11.07.2000
(iii)	Name of the Company : SMIFS CAPITAL SERVICES LIMITED
(iv)	Category/Sub-Category of the Company : Public Company
(v)	Address of the Registered office and contact details : "VAIBHAV" 4F, 4 Lee Road, Kolkata - 700020 Telephone: 033-2290-7400/7401/7402/0544 Fax: 033-2287-4042, 2240-6884
(vi)	Whether listed company : No
(vii)	Name, Address and Contact details of Registrars and Transfer Agents, if any : N.A.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

<b>Sl. No.</b>	<b>Name and Description of main Product/ Services</b>	<b>NIC Code of the Product/Service</b>	<b>% to Total Turnover of the Company</b>
1	Professional Fees	–	89.91%
2	Marketing Income	–	10.07%

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

<b>Sl. No.</b>	<b>Name and Address of the Company</b>	<b>CIN/GLN</b>	<b>Holding/ Subsidiary/ Associate</b>	<b>% of Shares Held</b>	<b>Applicable Section</b>
1	SMIFS Capital Markets Limited Address: "VAIBHAV" 4F, 4 Lee Road, Kolkata-700020	L74300WB1983PLC036342	Holding	100%	2(46)



#### IV. SHAREHOLDING 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 (Ason 1 <sup>st</sup> April, 2015)				No. of Shares held at the end of the year (Ason 31 <sup>st</sup> March, 2016)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>Promoters</b>									
<b>1.</b>	<b>Indian</b>									
	(a) Individual/HUF	0	20	20	0.00	0	20	20	0.00	0
	(b) Central Govt	0	0	0	0	0	0	0	0	0
	(c) State Govt(s)	0	0	0	0	0	0	0	0	0
	(d) Bodies Corp.	0	7500000	7500000	99.99	0	7500000	7500000	99.99	0
	(e) Banks/FI	0	0	0	0	0	0	0	0	0
	(f) Any Other	0	0	0	0	0	0	0	0	0
	<b>Sub- Total (A)(1)</b>	<b>0</b>	<b>7500020</b>	<b>7500020</b>	<b>99.99</b>	<b>0</b>	<b>7500020</b>	<b>7500020</b>	<b>99.99</b>	<b>0</b>
<b>2</b>	<b>Foreign</b>									
	(a) NRIs – Individuals	0	0	0	0	0	0	0	0	0
	(b) Others – Individuals	0	0	0	0	0	0	0	0	0
	(c) Bodies Corp	0	0	0	0	0	0	0	0	0
	(d) Banks/FI	0	0	0	0	0	0	0	0	0
	(e) Any Others	0	0	0	0	0	0	0	0	0
	<b>Sub – Total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total Shareholding of</b>									
	<b>Promoter(A)=(A)(1)+(A)(2)</b>	<b>0</b>	<b>7500020</b>	<b>7500020</b>	<b>99.99</b>	<b>0</b>	<b>7500020</b>	<b>7500020</b>	<b>99.99</b>	<b>0</b>
<b>B.</b>	<b>Public Shareholding</b>									
<b>1</b>	<b>Institutions</b>									
	(a) Mutual Fund	0	0	0	0	0	0	0	0	0
	(b) Banks/FI	0	0	0	0	0	0	0	0	0
	(c) Central Govt(s)	0	0	0	0	0	0	0	0	0
	(d) State Govt(s)	0	0	0	0	0	0	0	0	0
	(e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
	(f) Insurance Companies	0	0	0	0	0	0	0	0	0
	(g) FIIs	0	0	0	0	0	0	0	0	0
	(h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
	(i) Others (specify)	0	0	0	0	0	0	0	0	0
	<b>Sub Total B(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



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

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

Category of Shareholders		No. of Shares held at the beginning of the year (Ason 1 <sup>st</sup> April, 2015)				No. of Shares held at the end of the year (Ason 31 <sup>st</sup> March, 2016)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2</b>	<b>Non-Institutions</b>									
	(a) Bodies Corp									
	(i) Indian	0	0	0	0	0	0	0	0	0
	(ii) Overseas	0	0	0	0	0	0	0	0	0
	(b) Individuals									
	(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	50	50	0.00	0	50	50	0.00	0
	(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	0	0	0	0	0	0	0	0	0
	(c) Others (specify)									
	(i) Non Resident Individual	0	0	0	0	0	0	0	0	0
	(ii) Clearing Member	0	0	0	0	0	0	0	0	0
	<b>Sub-Total(B)(2) :</b>	0	50	50	0.00	0	50	50	0.00	0
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	0	50	50	0.00	0	50	50	0.00	0
C.	Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
	<b>Grand Total(A+B+C)</b>	0	7500070	7500070	100	0	7500070	7500070	100	0



**(ii) Shareholding of Promoters**

Sl. No.	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	
1	SMIFS Capital Markets Limited	7500000	99.99%	—	7500000	99.99%	—	0
2	Mr. Utsav Parekh	10	0.00	—	10	0.00	—	0
3	Mr. Yogendra Shah	10	0.00	—	10	0.00	—	0

**(iii) Change in Promoter's Shareholding (please specify, if there is no change)**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Purchase/Sale during 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	No. of Shares	% of Total Shares of the Company
	<b>At the beginning of the year</b>	NIL	NIL	—	—	NIL	NIL
	Datewise Increase/Decrease in Promoter Shareholding during the year specifying the reason for increase/decrease (e.g allotment/transfer/bonus/sweat equity etc):						
	<b>At the End of the Year</b>	NIL	NIL	—	—	NIL	NIL

**(IV) Shareholding Pattern of Top Ten Shareholders (other than Director, Promoters and Holders of GDRs and ADRs) :**

Sl No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Purchase/Sale/ Transfer during the year		Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% Change	No. of Shares	% of Total Shares of the Company
1.	<b>DIPAK SHAH</b>						
	At the beginning of the year	10	0.00				
	Datewise Increase/Decrease in Shareholding during the year specifying the reason for increase /decrease (e.g allotment/transfer/bonus/ sweat equity etc) : Transferred to Mr. Debasish Mukherjee as on 08.02.2016			10	0.00		
	At the End of the Year ( or on the date of separation, if separated during the year)					0	0.00
2.	<b>SAIBAL CHANDRA PAL</b>						
	At the beginning of the year	10	0.00				
	Datewise Increase/Decrease in Shareholding during the year specifying the reason for increase /decrease (e.g allotment/transfer/bonus/ sweat equity etc) : Transferred to Mr. Surendra Nath Ohja as on 08.02.2016			10	0.00	10	0.00
	At the End of the Year ( or on the date of separation, if separated during the year)					0	0.00



**(IV) Shareholding Pattern of Top Ten Shareholders (other than Director, Promoters and Holders of GDRs and ADRs) : (Contd.)**

Sl No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Purchase/Sale/ Transfer during the year		Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% Change	No. of Shares	% of Total Shares of the Company
3.	<b>SUBRATA DAS</b>						
	<b>At the beginning of the year</b>	10	0.00				
	Datewise Increase/Decrease in Shareholding during the year specifying the reason for increase /decrease (e.g allotment/transfer/bonus/ sweat equity etc) :						
	<b>At the End of the Year ( or on the date of separation, if separated during the year)</b>					10	0.00
4.	<b>ANIL SINGHANIA</b>						
	<b>At the beginning of the year</b>	10	0.00				
	Datewise Increase/Decrease in Shareholding during the year specifying the reason for increase /decrease (e.g allotment/transfer/bonus/ sweat equity etc) :						
	<b>At the End of the Year ( or on the date of separation, if separated during the year)</b>					10	0.00

**(IV) Shareholding Pattern of Top Ten Shareholders (other than Director, Promoters and Holders of GDRs and ADRs) : (Contd.)**

Sl No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Purchase/Sale/ Transfer during the year		Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% Change	No. of Shares	% of Total Shares of the Company
5.	<b>SHREEMANTA BANERJEE</b>						
	At the beginning of the year	10	0.00				
	Datewise Increase/Decrease in Shareholding during the year specifying the reason for increase /decrease (e.g allotment/transfer/bonus/ sweat equity etc) :						
	At the End of the Year ( or on the date of separation, if separated during the year)					10	0.00
6.	<b>DEBASISH MUKHERJEE</b>						
	At the beginning of the year	0	0.00				
	Datewise Increase/Decrease in Shareholding during the year specifying the reason for increase /decrease (e.g allotment/transfer/bonus/ sweat equity etc) : Transferred from Mr. Dipak Shah as on 08.02.2016			10	0.00		
	At the End of the Year ( or on the date of separation, if separated during the year)					10	0.00



**(IV) Shareholding Pattern of Top Ten Shareholders (other than Director, Promoters and Holders of GDRs and ADRs) : (Contd.)**

Sl No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Purchase/Sale/ Transfer during the year		Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% Change	No. of Shares	% of Total Shares of the Company
7.	<b>SURENDRA NATH OHJA</b>						
	<b>At the beginning of the year</b>	0	0.00				
	Datewise Increase/Decrease in Shareholding during the year specifying the reason for increase/decrease (e.g allotment/transfer/bonus/sweat equity etc) : Transferred from Mr. Saibal Chandra Pal as on 08.02.2016			10	0.00		
	<b>At the End of the Year ( or on the date of separation, if separated during the year)</b>					10	0.00

**(v) Shareholding of Directors and Key Managerial Personnel :**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Purchase / Sale during 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	No. of Shares	% of Total Shares of the Company
1	<b>MR. UTSAV PAREKH (DIRECTOR)</b>						
	<b>At the beginning of the year</b>	10	0.00				
	Date wise Increase/Decrease in Promoter Shareholding during the year specifying the reason for increase/decrease (e.g allotment/transfer/bonus/sweat equity etc):			-	-		
	<b>At the End of the Year</b>					10	0.00

## V. INDEBTEDNESS

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

	Secured Loan excluding deposits (Amount in ₹)	Unsecured Loans (Amount in ₹)	Deposit (Amount in ₹)	Total Indebtedness (Amount in ₹)
<b>Indebtedness at the beginning of the financial year.</b>				
(i) Principal Amount	93,298	–	–	93,298
(ii) Interest due but not paid	–	–	–	–
(iii) Interest accrued but not due	–	–	–	–
<b>Total (i+ii+iii)</b>	<b>93,298</b>	<b>–</b>	<b>–</b>	<b>93,298</b>
<b>Change in Indebtness during the financial year</b>				
Addition				
Reduction	93,298	0	0	93,298
<b>Net Change</b>	<b>93,298</b>	<b>0</b>	<b>0</b>	<b>93,298</b>
<b>Indebtedness at the end 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>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total (Amount in ₹)
1	Gross salary	Nil	
	(a) Salary as per provision contained in section 17(1) of the Income Tax Act, 1961		
	(b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961		
	(c) Profit in lieu of salary under Section 17(3) of the Income-Tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission		
5	Others		
	<b>Total (A)</b>		
	Ceiling as per the Act		



**B. Remuneration to other Directors :**

Sl. No.	Particulars of Remuneration	Name of Director		Total Amount in (₹)
1.	<b>Independent Director</b>		NIL	
	<input type="checkbox"/> Fees for attending Board/ Committee Meeting			
	<input type="checkbox"/> Commission			
	<input type="checkbox"/> Others			
	<b>Total (1)</b>		NIL	
2.	<b>Other Non-Executive Director</b>			
	<input type="checkbox"/> Fees for attending Board/ Committee Meeting			
	<input type="checkbox"/> Commission			
	<input type="checkbox"/> Others			
	<b>Total (2)</b>		NIL	
	<b>Total (B) = (1+2)</b>		NIL	
	<b>Total Managerial Remuneration</b>			
	<b>Overall Ceiling as per the Act</b>			

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD.**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount in (₹)
		CEO Amount in (₹)	Company Secretary Amount in (₹)	CFO Amount in (₹)	
1	Gross salary				
	(a) Salary as per provision contained in section 17(1) of the Income-Tax Act, 1961	N.A.	509,811	N.A.	509,811
	(b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961	0	0	0	-
	(c) Profits in lieu of salary under Section 17(3) of the Income-Tax Act, 1961	0	0	0	-
2	Stock Option	0	0	0	-
3	Sweat Equity	0	0	0	-
4	Commission	0	0	0	-
5	Others	0	0	0	-
	<b>Total</b>	<b>N.A.</b>	<b>509,811</b>	<b>N.A.</b>	<b>509,811</b>



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

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			N.A.		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			N.A.		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			N.A.		
Punishment					
Compounding					

**Regd. Office:**  
 'Vaibhav' (4F), 4 Lee Road,  
 Kolkata - 700 020

The 30<sup>th</sup> day of May, 2016

**For and on behalf of the Board of Directors**

**Sd/-**  
**(SANTOSH KUMAR MUKHERJEE)**  
 Director  
 (DIN No. 00170646)

**Sd/-**  
**(KISHOR SHAH)**  
 Director  
 (DIN No. 00170502)



## **INDEPENDENT AUDITORS' REPORT**

### **To the Members of SMIFS CAPITAL SERVICES LIMITED**

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

We have audited the accompanying financial statements of **SMIFS CAPITAL SERVICES LIMITED** ("the Company") which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and 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 accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgements 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 preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

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

We conducted our audit 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 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### **Opinion**

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31st March, 2016, and its profit and its cash flows for the year on that date.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of the section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.



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, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;
  - e. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016, from being appointed as a director in terms of section 164(2) of the Companies Act, 2013;
  - 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
    - i. The Company did not have any pending litigation as on 31st March 2016 which would impact its financial position;
    - ii. The Company did not have any material foreseeable losses on long-term contracts including derivative contracts;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

3A, Oriental House,  
6C, Elgin Road,  
Kolkata – 700 020

For **J. S. VANZARA & ASSOCIATES**  
Chartered Accountants  
FRN NO: 318143E

**AUROBINDA PANDA**  
Partner  
Membership No.064888

This is the 30<sup>th</sup> Day of May 2016.



## ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

**The Annexure referred to in paragraph 1 under the heading “Report on the other legal and regulatory requirements” of our report of even date to the members of SMIFS CAPITAL SERVICES LIMITED on the accounts of the Company for the year ended 31st March 2016**

- i) In respect of its fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
  - b) The fixed assets have been physically verified wherever practicable in a phased manner by the Management at regular intervals and the reconciliation of the quantities with the book records has been done on continuous basis. Further the differences, if any, arising out of such reconciliation so far has been adjusted and no serious discrepancies between book records and physical verification has been noticed.
  - c) Based on our audit procedures and the information and explanation received by us, we report that all title deeds of immovable properties of the company held as fixed assets are held in the name of the company. However, we express no opinion on the validity of the title of the company to these properties.
- ii) The Company doesn't have any Inventories. Hence, clause (ii) to paragraph 3 of the Order is not applicable to the Company.
- iii) The Company has not granted any loans, secured or unsecured loan to companies, firms, Limited Liability Partnerships or other parties listed in the Register maintained under section 189 of the Companies Act, 2013. Hence, clause (iii) (a) to (iii) (c) of the paragraph 3 of the Order is not applicable.
- iv) The company has complied with provision of section 185 and 186 of the companies act in respect of loans, investments, guarantees and security.
- v) The Company has not accepted any public deposit. Hence, clause (v) of paragraph 3 of the Order is not applicable to the Company.
- vi) According to the information and explanations provided by the management, the Company is not engaged in production, processing, manufacturing or mining activities. Hence the provision of section 148(1) does not apply to the Company and in our opinion no comment on maintenance of cost records under section 148(1) is required.
- vii) Statutory and other dues:
  - a) According to the information and explanations given to us and on the basis of our examination of the books and account, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues as applicable with the appropriate authorities during the year. According to the information and explanations given, no undisputed dues as above were outstanding as at 31st March, 2016 for a period of more than six months from date they become payable.
  - b) According to the records of the Company, there are no dues of Income Tax, Sales-Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax with the appropriate authorities which has not been deposited on account of any dispute.
- viii) As per the Books and records maintained by the company and according to the information and explanations given to us, in our opinion, the company has not defaulted in repayment of loans or borrowing to Financial Institution or Bank or Government or debenture holder during the current financial year.



- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the period covered by our audit report. Hence, clause (ix) to paragraph 3 of the Order is not applicable to the company.
- x) According to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.
- xi) According to the information and explanations given to us and the records of the Company examined by us, the company has paid or provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii) According to the information and explanations given to us, in our opinion, the company is not a Nidhi Company. Hence, clause (xii) to paragraph 3 of the Order is not applicable to the company.
- xiii) According to the information and explanations given to us and the records of the Company examined by us, transactions with related parties are in compliance with section 177 and 188 of the Act where applicable and details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us and the records of the Company examined by us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Hence, clause (xiv) to paragraph 3 of the Order is not applicable to the company.
- xv) According to the information and explanations given to us and the records of the Company examined by us, the company has not entered into any non-cash transactions with directors or persons connected with him. Hence, clause (xv) to paragraph 3 of the Order is not applicable to the company.
- xvi) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

3A, Oriental House,  
6C, Elgin Road,  
Kolkata – 700 020

For **J. S. VANZARA & ASSOCIATES**  
Chartered Accountants  
FRN NO: 318143E

**AUROBINDA PANDA**  
Partner  
Membership No.064888

This is the 30<sup>th</sup> Day of May 2016.



## ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of **SMIFS CAPITAL SERVICES LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

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

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

### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

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



reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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.

3A, Oriental House,  
6C, Elgin Road,  
Kolkata – 700 020

**SMIFS**

For **J. S. VANZARA & ASSOCIATES**  
Chartered Accountants  
FRN NO: 318143E

This is the 30<sup>th</sup> Day of May 2016.

**AUROBINDA PANDA**  
Partner  
Membership No.064888



## SMIFS CAPITAL SERVICES LIMITED

BALANCE SHEET AS AT 31st March, 2016

Particulars	Note No.	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2	75,000,700	75,000,700
(b) Reserves and Surplus	3	(2,821,198)	(2,843,990)
<b>(2) Non-Current Liabilities</b>			
(a) Other Long Term Liabilities	4	432,454	432,454
<b>(3) Current Liabilities</b>			
(a) Other Current Liabilities	5	378,416	413,162
(b) Short-Term Provisions	6	64,632	43,319
<b>Total Equity &amp; Liabilities</b>		<b>73,055,004</b>	<b>73,045,645</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets	7		
(i) Gross Block		632,473	632,473
(ii) Depreciation		446,709	340,994
(iii) Net Block		185,764	291,479
(b) Non-Current Investments	8	54,291,835	19,686,835
(c) Deferred Tax Assets (net)		84,920	71,066
(d) Long Term Loans and Advances	9	528,267	782,196
<b>(2) Current Assets</b>			
(a) Trade Receivables	10	7,600,113	7,842,200
(b) Cash and Cash Equivalents	11	71,103	313,640
(c) Short-Term Loans and Advances	12	710,985	7,191,175
(d) Other Current Assets	13	9,582,017	36,867,054
<b>Total Assets</b>		<b>73,055,004</b>	<b>73,045,645</b>

Significant Accounting Policies & Notes to Financial Statements 1 To 24

As Per Our Report Of Even Date

For **J.S. VANZARA & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
Firm Reg. No.: 318143E

**CA. AUROBINDA PANDA**  
Partner  
Membership No. : 064888

Place: Kolkata  
Dated: 30<sup>th</sup> May 2016

For and on Behalf of the Board of Directors

**SANTOSH KUMAR MUKHERJEE**  
Director  
(DIN No. 00170646)

**KISHOR SHAH**  
Director  
(DIN No. 00170502)

**PRITI SARAF**  
Company Secretary Cum - Sr.Manager





**SMIFS CAPITAL SERVICES LIMITED**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2016**

Particulars	Note No.	Year ended 31st March, 2016 ₹	Year ended 31st March, 2015 ₹
<b>INCOME</b>			
Revenue from operations	14	2,131,467	885,442
Other Income	15	32,976	4,811
<b>Total Revenue</b>		<b>2,164,443</b>	<b>890,253</b>
<b>EXPENDITURE</b>			
Employee Benefit Expense	16	1,741,903	1,364,965
Financial Costs	17	2,287	16,179
Depreciation and Amortization Expense	18	105,715	169,412
Other Administrative Expenses	19	364,431	325,673
<b>Total Expenses</b>		<b>2,214,336</b>	<b>1,876,229</b>
Profit before exceptional and extraordinary items and tax		(49,893)	(985,976)
Exceptional Items		-	-
Profit before extraordinary items and tax		(49,893)	(985,976)
Extraordinary Items		-	-
Profit Before Tax		(49,893)	(985,976)
<b>Tax expense:</b>			
(1) Current tax		2,817	-
(2) Short / (Excess) Provision for Tax for Earlier Years		(61,648)	-
(3) Deferred tax		(13,854)	(23,346)
Profit(Loss) for the period from continuing operations		22,792	(962,630)
Profit/(Loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit/(Loss) from discontinuing operations(after tax)		-	-
<b>Profit/(Loss) for the period</b>		<b>22,792</b>	<b>(962,630)</b>
Earning per equity share:			
(1) Basic		0.003	(0.128)
(2) Diluted		0.003	(0.128)

Significant Accounting Policies & Notes to Financial Statements 1 To 24

As Per Our Report Of Even Date

**For J.S. VANZARA & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
Firm Reg. No.: 318143E

**CA. AUROBINDA PANDA**  
Partner  
Membership No. : 064888

Place: Kolkata  
Dated: 30<sup>th</sup> May 2016

*For and on Behalf of the Board of Directors*

**SANTOSH KUMAR MUKHERJEE**  
Director  
(DIN No. 00170646)

**KISHOR SHAH**  
Director  
(DIN No. 00170502)

**PRITI SARAF**  
Company Secretary Cum - Sr.Manager



**SMIFS CAPITAL SERVICES LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016**

	31st March, 2016	31st March, 2015
	₹	₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	(49,893)	(985,976)
<b>Adjustment for</b>		
1. Depreciation	105,715	169,412
2. (Profit) / Loss on sale of Investments	(1,375,121)	—
3. Dividend on Investment	(158)	(105)
4. Financial Cost	2,287	16,179
	<u>(1,267,276)</u>	<u>185,486</u>
Operating profit before W/Capital change	(1,317,169)	(800,490)
<b>Adjustment for</b>		
1. Trade & Other Receivables	34,088,301	16,738,693
2. Trade & Other Payables	79,866	20,312
	<u>34,168,167</u>	<u>16,759,005</u>
Cash Generated from Operations	32,850,998	15,958,515
Direct Tax paid	231,772	(94,016)
	<u>231,772</u>	<u>(94,016)</u>
Net Cash Flow from Operating activity	<u>33,082,770</u>	<u>15,864,499</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-	(31,500)
Purchase of Investments	(36,000,000)	(19,670,000)
Sale of Investments	2,770,121	4,067,800
Dividend on Investment	158	105
Net Cash flow from Investing Activities	<u>(33,229,721)</u>	<u>(15,633,595)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(2,287)	(16,179)
Proceeds from long-term borrowings	(93,299)	(101,422)
Net cash used in Financing Activities	<u>(95,586)</u>	<u>(117,601)</u>
Net increase in Cash & Cash Equivalents	(242,537)	113,303
Opening Balance of Cash & Cash Equivalents	313,640	200,337
Closing Balance of Cash & Cash Equivalents	<u>71,103</u>	<u>313,640</u>

As Per Our Report Of Even Date

For **J.S. VANZARA & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
Firm Reg. No.: 318143E

For and on Behalf of the Board of Directors

**CA. AUROBINDA PANDA**  
Partner  
Membership No. : 064888

**SANTOSH KUMAR MUKHERJEE**  
Director  
(DIN No. 00170646)

**KISHOR SHAH**  
Director  
(DIN No. 00170502)

Place: Kolkata  
Dated: 30<sup>th</sup> May 2016

**PRITI SARAF**  
Company Secretary Cum - Sr.Manager



## SMIFS CAPITAL SERVICES LIMITED

### Note : 1 Significant Accounting Policies:

#### (a) Basis of preparation of financial statements

The financial statements have been prepared in conformity with accounting principles. Generally accepted in India and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India and referred to Sec 129 & 133 of the Companies Act, 2013.

The financial statements have been prepared under the historical cost convention on an accrual basis.

The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year.

#### (b) Fixed Assets

Fixed assets are stated at costless accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

#### (c) Depreciation

Depreciation on Fixed assets is provided on written down value method. Depreciation is provided based on the rates derived from the useful life assigned to each asset as prescribed in Schedule II to the Companies Act, 2013.

Depreciation on Fixed assets added/disposed during the year is provided on a pro-rata basis with reference to the date of addition/disposal.

#### (d) Investments

As per the Accounting Standard issued by The Institute of Chartered Accountants of India, Non-Current investments in shares and securities are carried at cost less provision for diminution, other than temporary, determined separately for each individual Investment. Current Investments are carried at Lower of Cost or fair value.

#### (e) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

#### (f) Employee Benefits

The employees' gratuity fund scheme managed by a Trust (Life Insurance Corporation of India) is a defined benefit plan. The Present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The compensated absences are unfunded.



Short-term employee benefits are recognised as an expense in the statement of profit & Loss of the year in which the related service is rendered. Provision has been made for the monetary value of the leave due to staff.

**(g) Provision for Current and Deferred Tax**

The accounting treatment for income tax in respect of the income is based on the Accounting Standards on 'Accounting for Taxes on Income' (AS 22) issued by the Institute of Chartered Accountants of India.

A provision is made for the current tax based on tax liability computed in accordance with relevant tax rates and tax laws. A provision is made for deferred tax liability / asset for all timing differences arising between taxable incomes and accounting income at currently enacted tax rates.

Deferred tax assets are recognized only if there is reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

**(h) Contingencies**

Claims against the Company which is material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the financial statements.

**(i) Impairment of Assets**

In compliance with Accounting Standard (AS) 28- "Impairment of Assets" issued by the Institute of Chartered Accountants of India, the carrying amounts of Cash Generating Units/Assets are reviewed at Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated at the higher of net selling price and value in use. Impairment loss is recognised wherever carrying amount exceeds the recoverable amount.

**(j) Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable. Contingent liabilities are shown by way of Notes to the financial statement in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable. Contingent assets are not recognised in the financial statements.

*As Per Our Report Of Even Date*

**For J.S. VANZARA & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
Firm Reg. No.: 318143E

**CA. AUROBINDA PANDA**  
Partner  
Membership No. : 064888

Place: Kolkata  
Dated: 30<sup>th</sup> May 2016

*For and on Behalf of the Board of Directors*

**SANTOSH KUMAR MUKHERJEE**  
Director  
(DIN No. 00170646)

**KISHOR SHAH**  
Director  
(DIN No. 00170502)

**PRITI SARAF**  
Company Secretary Cum - Sr. Manager



## SMIFS CAPITAL SERVICES LIMITED

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2016

	As at 31st March, 2016		Amount in ₹
			As at 31st March, 2015
<b>Note : 2 Share Capital</b>			
<b>1 AUTHORIZED</b>			
15,000,000 Equity Shares of ₹ 10/- each.	150,000,000		150,000,000
<b>2 ISSUED, SUBSCRIBED &amp; PAID UP</b>			
7,500,070 Equity Shares of ₹ 10/- each, Fully paid up	75,000,700		75,000,700
<b>3 The details of shareholders holding more than 5% shares</b>	<b>No. of shares</b>	<b>% held</b>	<b>No. of shares</b>
SMIFS Capital Markets Limited	7,500,070	100.00	7,500,070
			100.00
<b>Note : 3 Reserves &amp; Surplus</b>			
<b>1 Profit &amp; Loss Account</b>			
Balance brought forward from previous year	(2,843,990)		(1,879,931)
Add: Profit for the period	22,792		(962,630)
Less: Adjusted for Value of Fixed Assets having remaining Useful life NIL	—		(1,429)
	(2,821,198)		(2,843,990)
<b>Total</b>	<b>(2,821,198)</b>		<b>(2,843,990)</b>
<b>Note : 4 Other Long Term Liabilities</b>			
<b>1 Advance From Party</b>	432,454		432,454
<b>Total</b>	<b>432,454</b>		<b>432,454</b>
<b>Note : 5 Other Current Liabilities</b>			
<b>1 Current maturities of long term debt</b>	—		93,299
<b>2 Statutory Dues</b>	119,037		114,921
<b>3 Liability for Expenses</b>	259,379		204,942
<b>Total</b>	<b>378,416</b>		<b>413,162</b>
<b>Note : 6 Short Term Provisions</b>			
<b>1 Provision For Employees Benefit</b>	64,632		43,319
<b>Total</b>	<b>64,632</b>		<b>43,319</b>

**SMIFS CAPITAL SERVICES LIMITED**  
**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2016**

Note : 7 Fixed Assets

Particulars	Gross Block ₹			Depreciation ₹			Net Block ₹		
	As on 01.04.2015	Additions	Deductions	As on 31.03.2016	As on 01.04.2015	For the year	Adj. during the year	As on 31.03.2016	As on 31.03.2015
Computers & Peripherals	63,525	—	—	63,525	45,303	17,831	—	63,134	18,222
Vehicles	568,948	—	—	568,948	295,691	87,884	—	383,575	273,257
<b>Total</b>	<b>632,473</b>	<b>—</b>	<b>—</b>	<b>632,473</b>	<b>340,994</b>	<b>105,715</b>	<b>—</b>	<b>446,709</b>	<b>291,479</b>
Previous year	804,248	31,500	203,275	632,473	373,428	169,412	201,846	340,994	291,479

7.1 As per Schedule II of Companies Act 2013, assets whose remaining useful life is Nil, has been deducted from the gross block as a part of deductions. Similarly accumulated depreciation related to each such asset has been shown as adjustments of depreciation. Carrying amount of such assets has been debited to Retained Earnings.



## SMIFS CAPITAL SERVICES LIMITED

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2016

Amount in ₹

As at 31st March, 2016      As at 31st March, 2015  
Quantity (No.)    Amount (₹)    Quantity (No.)    Amount (₹)

#### Note : 8 Non Current Investment

##### 1 Trade Investments

##### Investment in Equity Shares

Equity shares of Rs. 10 each (Unless otherwise stated)

##### Fully paid up: Quoted

KEC International Ltd	175	16,835	175	16,835
PTC Industries Ltd.	20,000	2,790,000	30,000	4,185,000

##### Fully paid up: Unquoted

Antriksh Vyapaar Ltd.	1,950,000	38,485,000	950,000	15,485,000
Andaman Plantation & Developmet Corpn.Ltd.	30,000	3,000,000	-	-
Investment in Preference Shares (Non Cumulative Rs. 100/- Each)				
15% Andaman Plantations & Development Corporation Pvt.Ltd	60,000	6,000,000	-	-
18% Andaman Plantations & Development Corporation Pvt.Ltd	40,000	4,000,000	-	-

**Total** **54,291,835** **19,686,835**

Aggregate of unquoted Investments - at book value	51,485,000	15,485,000
Aggregate of quoted Investments - at book value	2,806,835	4,201,835
Aggregate of quoted Investments - at market value	4,001,368	4,196,821

#### Note : 9 Long Term Loans and Advances

1 Loans & Advances		
Unsecured and Considered Good	185,173	266,161
2 Advance Income Tax (Net of provision)	330,094	503,035
3 Security Deposit	13,000	13,000
<b>Total</b>	<b>528,267</b>	<b>782,196</b>

#### Note : 10 Trade Receivables

1 Outstanding for more than six months		
Unsecured and Considered Good	7,598,200	7,842,200
2 Others		
Unsecured and Considered Good	1,913	-
<b>Total</b>	<b>7,600,113</b>	<b>7,842,200</b>

#### Note : 11 Cash & Cash Equivalents

1 Balances with Banks	68,630	301,196
2 Cash in Hand	2,473	12,444
<b>Total</b>	<b>71,103</b>	<b>313,640</b>



## SMIFS CAPITAL SERVICES LIMITED

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2016

Amount in ₹

	<u>As at 31st March, 2016</u>	<u>As at 31st March, 2015</u>
<b>Note :12 Short Terms Loans and Advances</b>		
Unsecured and Considered Good		
1 Advance to Parties	43,844	43,844
2 Due from Holding Company	667,141	7,147,331
<b>Total</b>	<b>710,985</b>	<b>7,191,175</b>
<b>Note :13 Other Current Assets</b>		
1 Other Receivables	9,582,017	36,867,054
<b>Total</b>	<b>9,582,017</b>	<b>36,867,054</b>
	<b>Year ended</b>	<b>Year ended</b>
	<b>31st March, 2016</b>	<b>31st March, 2015</b>
<b>Note : 14 Revenue from Operations</b>		
1 Marketing Income	76,188	345,337
2 Professional Fees Received	680,000	540,000
3 Profit/Loss on sale of Investment	1,375,121	—
4 Dividend Income	158	105
<b>Total</b>	<b>2,131,467</b>	<b>885,442</b>
<b>Note : 15 Other Income</b>		
1 Interest Received	32,976	4,811
<b>Total</b>	<b>32,976</b>	<b>4,811</b>
<b>Note : 16 Employee Benefit Expenses</b>		
1 Salaries, Bonus & Allowances	1,285,075	1,014,642
2 Contribution to provident and other funds	99,942	79,696
3 Training, Development & Recruitment Expenses	1,750	150
4 Staff Welfare Expenses	268,066	225,520
5 Employees Group Gratuity	87,070	44,957
<b>Total</b>	<b>1,741,903</b>	<b>1,364,965</b>
<b>Note :17 Financial Cost</b>		
1 Interest Expense	2,287	16,179
<b>Total</b>	<b>2,287</b>	<b>16,179</b>





## SMIFS CAPITAL SERVICES LIMITED

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2016

Amount in ₹

	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>Note : 18 Depreciation &amp; Amortised Cost</b>		
1 Depreciation	105,715	169,412
<b>Total</b>	<b>105,715</b>	<b>169,412</b>
<b>Note : 19 Other Administrative Expenses</b>		
1 Telephone Expenses	50,420	64,439
2 Printing & Stationery Expenses	2,700	1,300
3 Professional, Legal & Consultancy Charges	14,390	14,036
4 Business Promotion Expenses	13,996	2,533
5 EDP Charges	—	2,520
6 Vehicle Expenses	182,067	143,137
7 Membership & Subscription Fees	17,079	10,960
8 Miscellaneous Expenses	58,280	60,987
9 Rates & Taxes	7,300	7,300
10 Insurance	8,199	8,461
11 Auditors' Remuneration	10,000	10,000
<b>Total</b>	<b>364,431</b>	<b>325,673</b>
<b>19.1 Auditors' Remuneration includes:</b>		
Audit Fees	10,000	10,000
	<b>10,000</b>	<b>10,000</b>
<b>19.2 Expenditure in Foreign Currency:</b>		
	Nil	Nil
<b>19.3 Earning in Foreign Currency:</b>		
	Nil	Nil
<b>Note : 20 Earning per share (EPS)</b>		
Net Profit/(Loss) attributable to shareholders	22,792	(962,630)
Weighted average no. of equity shares in issue	7,500,070	7,500,070
Earning per share of ₹ 10 each (Basic & Diluted)	0.003	(0.128)



## SMIFS CAPITAL SERVICES LIMITED

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2016

Amount in ₹

	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>Note :21 Segment Reporting</b>		
<b>Segment Revenue</b>		
Investment Banking Operations	756,188	885,337
Others	158	105
Net sales/Income from Operations	756,346	885,442
<b>Segment Results: Profit/(Loss) before Interest &amp; Tax</b>		
Investment Banking Operations	756,188	885,337
Others	158	105
Total	756,346	885,442
Less: Interest	2,287	16,179
Other unallocable expenses net of unallocable income	803,952	1,855,239
<b>Total Profit Before Tax</b>	<b>(49,893)</b>	<b>(985,976)</b>

**Capital employed:**

Fixed Assets used in the Company's operations or liabilities contracted cannot be identified with any of the reportable segments as the fixed assets are used interchangeably between segments. The Company believes that it is currently not practicable to provide segment disclosures relating to total assets and liabilities since a meaningful segregation of data is not possible.

**Note : 22 Deferred Tax Assets**

Deferred Tax Assets:		
On difference between wdv as per book and wdv as per Income Tax Act of fixed assets	63,892	57,680
On Disallowances under the Income Tax Act, 1961	21,028	13,386
<b>Total</b>	<b>84,920</b>	<b>71,066</b>

**Note :23 Related Party Disclosures**

Related party disclosures as required under accounting standard 18 on "Related Party disclosures" are given below:

List of Related Parties where control exists and related parties with whom transaction have taken place and relationship-

**Holding Company**

SMIFS Capital Markets Limited

**Key Management Personnel**

NIL



## SMIFS CAPITAL SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2016

Amount in ₹

**Disclosures of transactions between the Company and related parties and their outstanding balances on 31/03/2016:**

	Holding Company	Key Management personnel	Entities where significant influence exists
<b>Transaction (Excluding reimbursement of expenses)</b>			
Purchase of shares and securities	-	-	-
	(-)	(-)	(-)
Sale of shares and securities	-	-	-
	(-)	(-)	(-)
<b>Balance at the end of the year</b>			
Short term Loans & Advances	667,141	-	-
	7,147,331	(-)	(-)

**Note :24 Contingent Liabilities and Commitments**

	<u>As at 31st March, 2016</u>	<u>As at 31st March, 2015</u>
	Nil	Nil

As Per Our Report Of Even Date

**For J.S. VANZARA & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
Firm Reg. No.: 318143E

**CA. AUROBINDA PANDA**  
Partner  
Membership No. : 064888

Place: Kolkata  
Dated: 30<sup>th</sup> May 2016

**For and on Behalf of the Board of Directors**

**SANTOSH KUMAR MUKHERJEE**  
Director  
(DIN No. 00170646)

**KISHOR SHAH**  
Director  
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**PRITI SARAF**  
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